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SYNERGIES IN BUSINESS VALUATION

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YANTRAPUR HARIHAR

ABSTRACT

Since the 1980s, conventional wisdom has been that most acquisitions do not succeed. In 1987, Michael Porter of Harvard University observed that between 50% and 60% of acquisitions were failures; several other studies support this conclusion. Mercer Management Consulting noted that between 1984 and 1994, 60% of the firms in the "Business Week 500" that had made a major acquisition were less profitable than their industry. In 2004, McKinsey calculated that only 23% of acquisitions had a positive return on investment. Boston Consulting Group, in 2007, suggested that acquisitions transfer value from the acquirer's shareholders to those of the target. Results vary depending on the type of acquisition, the similarity of the two protagonists, the industry, involved international or domestic competition, etc. but the overall trend remains the same, even though there are major difficulties in measuring acquisition performance. Usual methods such as: measuring the stock market reaction; valuing the entity after acquisition; determining abnormal returns, synergies & economies of scale, are all unable to isolate the individual impact of the acquisition from those multitude of events that occur all the time in business.

KEYWORDS

mergers, valuations, synergies, abnormal losses, differential efficiency.

INTRODUCTION

In the long history of business, there never have been as many acquisitions as took place in the mid-2000s; for example, in 2007, firms spend a record \$4.5 trillion dollars in cash and securities worldwide on such transactions. However, the vast majority of them do not create shareholder value and some even destroy it. There are many explanations for this phenomena; lack of cultural integration of two different, often competitive entities, and failure to achieve promised economies of scale and synergies, are the most common. So why do businesses continue to seek this form of growth if the returns are unsatisfactory? Possible reasons are: "eat or be eaten", the importance of size, the ego and the economic interests of the leaders, copy-cat behavior, pressure from investors, globalization, and predators from emerging economies. As the trend shows no sign of letting up, maybe acquisitions are actually more effective than previously thought.

An analysis of 302 major mergers that took place in the six years between July 1, 1995 and August 31, 2000, published in Business Week magazine, October 4, 2002, revealed that 61% diminished value for the stockholders of the acquirer. One year after the deals, their mean return was 25 percentage points below the average of comparable companies. Only 39% improved values, with an average return of 28 percentage points above their peers. Overall, the rate of return was 4.3% below that of competitors and 9.2% less than the Standard & Poor's 500 Index.

It is generally seen that there are four basic mistakes, which are the main causes of failed deals:

1. Overestimating cost savings and synergies.
2. Paying excessive prices, which transfer the bulk of the economic gains to the shareholders of the target rather than to those of the acquirer.
3. Delays in integrating operations, frustrating both customers and employees.
4. Concentrating on cost cutting and paying little attention to revenue enhancement and retention of top sales staff.

WHY MERGE?

As there seem to be numerous reasons speaking against mergers and acquisitions, one must ask why so many eager participants pursue them so vigorously in so many fields. Listed below are many of the reasons quoted by management for engaging in merger and acquisition activity.

A. DIFFERENTIAL EFFICIENCY

This is the predominant reason for mergers. For example, the management of ABC Corp. is more efficient than that of XYZ, Inc. If after merging, the efficiency of XYZ is brought up to that of ABC, the overall returns will improve, unless a too high premium over book value was paid. This type of transaction results in social, as well as shareholder gains. Entities operating similar businesses are most likely to succeed in this situation, as they are able to detect below average performance and have the know-how to improve it.

B. INADEQUATE MANAGEMENT

The target's management may be quite able, but simply not on the same level of efficiency as that of the acquirer. In other cases, the target's inept management may have been a main reason for an acquirer to act.

C. OPERATING SYNERGIES

Horizontal mergers between competitors may result in economies of scale or better utilization of capacity. Complementary capabilities, such as overlapping regions or common lists of suppliers/customers can lead to improvements in efficiencies beyond those available through internal expansion. Provided it does not infringe on anti-trust laws, vertical integration combining firms at different levels of an industry, may result in beneficial and more profitable coordination of operations.

D. FINANCIAL ENGINEERING

A merger combining two or more similar organizations in different parts of the country may result in a lower cost of capital, making both debt and equity funds cheaper. This would be partly due to reductions in risks and a lower-size premium. If the various cash flows advance independently of each other, with one making up for a slack period in its counterpart, the possibility of failure is lowered and the cost of debt may be reduced even further.

At the time of writing (January 2011) interest rates are low, another related benefit is that the return on a cash purchase will normally exceed 3% of money in the bank (about 1%).

E. UNDERVALUATION

Many mergers are, in effect, stimulated by a build-or-buy choice for the acquirer. If the target is sufficiently undervalued so that additional capacity, at a cost comparable to building it new could be immediately obtained, the transaction is advantageous. At various times in the past, Tobin's Q-Ratio (the total market value of a firm divided by the replacement value of its net assets) for many entities has been below one. For example, if the Q-Ratio is 0.80 and the average premium over book value is 35%, the resulting purchase price is only 1.08 times the replacement costs of the net assets; the premium representing the going concern element. Changes in Tobin's Q-Ratio partially explain why merger activity rises and falls during growth and recession periods. This does not however, apply to intangible assets, which may have a higher value to an acquirer than to the target. For example, a cotton-spinning mill was the most efficient in the industry because it had developed robots that made three independent attempts to fix broken threads on the fly, without shutting down the equipment or calling for human assistance. Although they were successful only 30% of the time, the plant was able to deliver more than its rated capacity based on standard down time. Privately owned, it was acquired at a high PER by a public company, which then proceeded to apply the technology to all its plants.

F. STRATEGIC OBJECTIVES

One well-established approach to increasing stockholder value is to enter into a merger to achieve a strategic objective, such as geographical expansion, economies of scale or taking advantage of managerial capabilities that are not fully resourced. Each of these creates synergies, which are required by FASB to be taken into account in determining fair value.

G. MANAGEMENT EGO

An active market for "corporate control" can manifest itself in a variety of industries. Acquirers are driven by many of the previously mentioned reasons but in some cases by "managerialism" – more commonly known as "ego trips". These have been a motivation for founding many conglomerates based on the philosophy that bigger is better. They also give senior executives an opportunity to enhance their compensation—at least for a few years. But not all ends well, and greedy executives may indeed come at a high price for many.

H. MARKET POWER

This is based on the usually erroneous assumption that a larger firm has greater market power and stronger relationships with its customers. In horizontal mergers, a lower number of participants in an industry may be advantageous to the remaining ones.

I. PRACTICE MAKES PERFECT

In 2000, Bain & Company, international management consultants, studied 724 US companies with revenues of more than \$500 million, and examined the results of the 7,475 acquisitions they had made since 1986 by comparing management's approach to acquisitions with returns delivered to shareholders.

Based on splitting buyers into the following four groups, the results were reported in the Harvard Business Review, March 2003.

1. Constant: Acquired irrespective of economic cycles
2. Recession: Increased activities during recessions
3. Growth: Acted principally in growth periods
4. Doldrums: Tended to concentrate purchases in periods between recession and growth.

The most significant conclusion is that the more deals an entity undertook, the more value it delivered. Those completing over 20 deals in 15 years on average outperformed firms that made four or less by a factor of 1.7, and non-buyers by almost 2. While frequency is important, so is consistent activity through economic cycles. Constant buyers were by far the most successful, outperforming the growth category by 2.3 times and the doldrums by a factor of 1.8. Recession came in second, exceeding growth by 1.4 times.

The most successful buyers followed similar patterns. They started with small deals, formalized their processes and created feedback systems to insure they would learn from mistakes. Targets were continually reviewed and promising entities identified. Line management was involved in due diligence, permanent teams were established and clear parameters devised for integration.

Most importantly, constant buyers excelled at saying "no". Some parties to a deal, such as investment bankers, often have powerful incentives for it to be consummated, but successful acquirers set a "walk-away" price and stick to it.

With mergers, the risks of giving in to wishful thinking are high. Even if the planning is sound, the price right and the expected synergies are achieved, there is still the chance that Murphy's Law, "anything that can go wrong will go wrong", might manifest itself.

DETERMINATION OF SYNERGIES

In planning a business combination and establishing the price to be offered, an acquirer frequently anticipates considerable synergies and strategic advantages resulting from the addition. However, those benefits often fail to materialize to the extent envisaged and, as pointed out in the Business Week article mentioned at the beginning of this chapter, overpaying for expected synergies is a major reason for failure. The key to successful transaction is to "pay for what you get, not for what you think you get", and to make sure that the gains are shared fairly between both sets of stockholders.

Synergies are represented by the net incremental discretionary cash flows directly arising from the transaction. They generate much of the hoped-for higher value of the combined enterprise than the sum of its predecessors. In addition to increasing discretionary cash flows, benefits arising from a merger may also reduce risks associated with operations of either entity and have a positive impact on creating future opportunities.

The Fair Value of a reporting or cash generating unit, requires the valuator to take into account the benefits of the anticipated synergies that could be obtained by market participants. This means that Fair value is at some strategic level and may be higher than fair market value

A. INTRINSIC AND INVESTMENT VALUES

When negotiating the purchase price, the acquirer is likely to accept "what it gets" as a "floor". This is the fair market value of the target as it stands, commonly known as intrinsic value. The "ceiling" is "what it thinks it gets", represented by the investment value which takes into consideration planned changes, anticipated expansions, expected future opportunities and the changed risk profile. The purchase price normally falls between these two amounts. A means of obtaining both amounts are described in the section, "Quantification of Synergies".

B. ALLOCATION OF BENEFITS

In any merger or acquisition, the benefits resulting from the transaction should be split between both sets of shareholders.

C. SHAREHOLDERS OF THE TARGET

The shareholders of the target receive the greater portion when:

1. Its existing prospects appear better than those of the acquirer and so increase the intrinsic value. However, this may turn out to be just an illusion.
2. Both managements, in collaboration, identify more benefits than the acquirer alone, leading to a higher investment value. Such rosy forecasts sometimes result in imaginary synergies, discount rates that do not reflect all the risks and exaggerated estimates of the acquirer's abilities, leading to overpayment.
3. A "White Knight" appears to instigate competitive bidding.

D. SHAREHOLDERS OF THE ACQUIRER

To ensure that the shareholders of the acquirer receive a reasonable portion of the synergies and benefits, a maximum price must be established for the purchase. This will reflect:

1. Expected benefits
2. Costs associated obtaining them
3. When they are to be received
4. Likelihood of achieving them
5. Risks associated with their realization

QUANTIFICATION OF SYNERGIES

The definition of Fair Value was discussed in a previous Chapter together with its relationship to fair market value. It assumes that the acquirer is able to obtain those synergies, available to market participants. If they are not realized and the Fair Value of the net assets turns out to be less than the amount paid, a goodwill impairment loss will likely occur.

A. SOURCES OF SYNERGIES

Synergies fall into two broad categories: increased revenues and cost savings; both may affect the amount paid for the target.

B. FACTORS THAT INCREASE REVENUES

- i. Cross-selling of complementary items
- ii. Integration of product lines
- iii. Diversification of customers
- iv. Better use of sales channels and marketing programs

v. Higher selling prices

C. FACTORS THAT REDUCE COSTS

- i. Accelerated entry to the target's business
- ii. Improved economies of scale
- iii. Increased purchasing power and volume discounts
- iv. Lower cost of capital
- v. Access to better technology
- vi. Secure source of supplies
- vii. Elimination of duplicate administrative activities
- viii. Reduced capital expenditures
- ix. Improved use of working capital
- x. Better capacity utilization and productivity

D. EXTRA EXPENSES

Integrating an acquirer and a target normally leads to extra expenses, one-time occurrences not often subjected to the same level of analysis as applied to predicted revenue increases and cost reductions. They frequently exceed the budget and sometimes the acquirer's wildest expectations. In applying SFAS 141(R) or IFRS 3, this characteristic must be taken into account by the valuers.

Potential extra costs are set out below, some one-time expenses, others will spread over more than one reporting period.

- i. Temporary double management
- ii. Severance pay
- iii. Combining sales forces, control and information systems
- iv. Dealing with overlapping customer relationships
- v. Transferring personnel
- vi. Monitoring the integration
- vii. Terminating leases
- viii. Additional legal activities
- ix. Unforeseen actions of competitors
- x. Miscellaneous contingencies
- xi. Assimilating the different business cultures
- xii. Company moving costs

E. THE VALUE OF SYNERGIES

Synergies are difficult to value directly; they are often quantified by the difference between the investment and intrinsic values of the target (see above). Both are established separately for existing operations, emerging activities and future opportunities.

The intrinsic value of existing operations is commonly obtained by capitalizing current earnings. Emerging activities are almost always valued by discounting projected cash flows, while future opportunities will usually be given little weight until target's management provides more detailed information. In all cases, the Market Approach, based on Guidelines, should be used as confirmation of the primary method chosen.

For investment value, FASB and IASB recommend the Discounted Cash Flows method. The Boards do not differentiate between existing operations, emerging activities and future opportunities. While their suggestion is satisfactory for the first two, the Real Option method is sometimes useful for future opportunities. It is relatively easy to realistically reflect the expected synergies and extra expenses in DCF values by including management's forecasts for

- i. The perceived benefits
- ii. Costs associated with them
- iii. Timing of their realization

The probable risks linked to the realization of the anticipated benefits should be reflected in the discount rate, which will likely be lower for investment than for intrinsic value.

When it is difficult to establish the timing of the perceived benefits or the chances of obtaining them, estimate the amounts and related costs for various scenarios. Select these separately for the investment values of existing operations and for emerging activities, then apply weights on the basis of their probabilities. In such circumstances, the elements of the First Chicago Method, previously described in detail, should be considered.

- i. Success: expected conservative post-acquisition synergies
- ii. Survival: half of the expected synergies are achieved
- iii. Failure: synergies are not realized

As the risks associated with the realization of the benefits are reflected in the probabilities, all three scenarios would use the same discount rate.

F. STRATEGIC ADVANTAGES

Certain benefits from an acquisition may not have an identifiable impact on the cash flows and are generally strategic advantages rather than synergies. In our view, they are better reflected by including them as risk reductions when using a Build-up Method to establish the discount rate; examples are:

- i. Diminished competition
- ii. Increased market share
- iii. Incremental growth opportunities
- iv. Lower risks

G. TIMING OF REALIZATION

One of the most common errors in an acquisition is underestimating the time it will take to implement the changes necessary to realize the expected synergies. This is often related to the difficulty of forecasting the target's ability to combine its culture with that of the acquirer. It is virtually impossible to increase revenue, if, for example, the marketing and distribution arms of the respective firms cannot coordinate their efforts because one system is highly centralized and the other geographically diversified.

H. NON-CORE ACTIVITIES

In nearly every acquisition, the target is carrying on some activities that have a limited "fit" with the major functions of the combined enterprise. In the past, many businesses attempted to reduce risks and accelerate growth by diversifying into product and service areas not directly related to their "core" business.

When the value of the entity is less than that of the total of its components, this situation is described as a conglomerate discount. An example was Seagram's, the successful distiller, who first obtained effective control of DuPont through a 23% holding, as that portion of profits were included in reported earnings but only dividends recorded in cash flows, the company PER declined, ostensibly due to "lack of forces". Later in an attempt to generate growth, management replaced the DuPont holding with all of Universal, the film and music empire. After Seagram's acquisition by Vivendi, the original liquor business was sold off in bits and pieces. The net result was a decline of over 50% in the controlling family's fortune.

In assessing the synergies of an acquisition, it is essential to determine which operations or assets are non-core and decide early, when and at what price they could be sold. The fundamental methodology is to separate the target into its components and value each separately. While comparable transactions can provide some benchmarks, remember that no two companies are alike in regard to risks or potential cash flows. Careful analyses will ensure that the comparable transactions are comparable

A major reason for a conglomerate discount is a lack of information at the reporting or cash generating unit level. This creates risks, which always result in lower values no matter what the reason. Items that are difficult to determine for the acquirer are the transaction and tax costs associated with breaking up parts of the entity. With the merger complete, finding buyers for the "orphans" may take longer and be more costly than anticipated, as their availability becomes known bargain hunters will appear. The acquirer must also consider the possibility of being left with unwanted units for which no buyers can be found. In such cases, there can only be speculation about the eventual form of divestiture (e.g., asset or share sale, spin-off, etc.).

I. SHARING INFORMATION

Once the target accepts that it is "in play" and seeks to maximize its price, the more information or assistance it supplies to the acquirer, under confidentiality agreements, the better the results will be. Certain items will often be held back, especially if the firms are competitors. A well-organized information "war" room can increase the sale price and reduce due diligence transaction costs usually factored into the sale price.

J. GENUINE ASSETS

In a Strategic Finance magazine November 2000 article, Joel Litman of Diamond Technology Partners, a Chicago strategy consulting firm, pointed out that most entities have genuine assets that are not shown on any financial statement except as part of goodwill because they do not qualify as Intangible Assets; some examples he listed include:

K. INTANGIBLE OBLIGATIONS

In addition to Intangible Assets, many entities have obligations that may be considered intangible, as they arise on a prospective basis and are without physical manifestation. It is essential to identify and assess such items although some will be contingent and never materialize. All too often, when not properly analyzed, they turn up at the wrong time, without a chance of being rectified. Examples are:

- i. Acknowledged contingent liabilities
- ii. Pension and benefit plan obligations
- iii. Environmental liabilities
- iv. Contingent income taxes

L. ENVIRONMENTAL LIABILITIES

When considering acquisitions of physical assets great care must be taken to ascertain that they are "clean", particularly when toxic materials have been handled on the site, by the present or a previous owner. The acquirer must assess the probability, timing and quantum of costs which may be incurred to correct environmental problems, past, current or future, ensuring compliance with all relevant legislation and regulations on an ongoing basis. Situations exist where the value of a business was virtually erased by the costs of cleaning up a location. While large profits had previously been earned from the plant, the acquirer inherited the environmental liability and became responsible for cleaning up the unfortunate contamination from an owner well back in the chain of title.

In many jurisdictions environmental legislation is far reaching and often based on the "deep pocket" theory, whereby the one with the most resources pays for cleanup and reclamation.

While auditors are not required to express an opinion on the adequacy of an entity's environmental practices or compliance with pertinent laws and regulations, they must obtain sufficient evidence to provide reasonable assurance that any items on the financial statements that could be affected by environmental considerations are fairly presented. Although this gives no assurance that the costs of a cleanup have been fully taken into account, it should be the starting point for the valuator's assessment of this type of exposure. In certain cases a consulting engineer or environmental specialist may be necessary.

M. CONTINGENT INCOME TAXES

Income taxes must always be considered in an acquisition, especially relating to potential adjustments for unassessed (open) years or for the utilization of previous losses. They must also be taken into account when purchasing shares of the target, as the acquirer will inherit the tax bases of all the underlying assets. This may result in contingent tax liabilities materializing when the related items are sold. It is important to estimate the timing and proceeds of any planned dispositions, especially if they are expected relatively soon. The present values of any contingent income taxes should be treated as a liability for valuation purposes at the acquisition and be reflected in the amount paid.

CONCLUSION

Since the 1980s, conventional wisdom has been that most acquisitions do not succeed. In 1987, Michael Porter of Harvard University observed that between 50% and 60% of acquisitions were failures; several other studies support this conclusion. Mercer Management Consulting noted that between 1984 and 1994, 60% of the firms in the "Business Week 500" that had made a major acquisition were less profitable than their industry. In 2004, McKinsey calculated that only 23% of acquisitions had a positive return on investment. Boston Consulting Group, in 2007, suggested that acquisitions transfer value from the acquirer's shareholders to those of the target. Results vary depending on the type of acquisition, the similarity of the two protagonists, the industry, involved international or domestic competition, etc. but the overall trend remains the same, even though there are major difficulties in measuring acquisition performance. Usual methods such as: measuring the stock market reaction; valuing the entity after acquisition; determining abnormal returns, synergies & economies of scale, are all unable to isolate the individual impact of the acquisition from those multitude of events that occur all the time in business.

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A STUDY ON THE VARIOUS ISSUES OF TRAINING OF ASSAM POLICE PERSONNEL

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ABSTRACT

Police training is one of the most important organisational interventions done to improve the effectiveness of police personnel. Moreover there is an ever increasing challenge to improve the functioning of the police organization at all times due to drastic changes taking place locally and globally. This study had been conducted on Assam Police to understand the importance given by Assam Police organization to the various components of policing in the content of the training programmes and training infrastructure for Assam Police personnel.

KEYWORDS

police training, training content, training frequency, training infrastructure.

1. INTRODUCTION

Training of police personnel is one of the most important managerial intervention which can go a long way in improving the effectiveness of police. Mathur (2009)¹ observes that traditionally police duties were limited and included crime detection, apprehension and arrest of criminals, patrolling, riot control, and traffic regulation. However, the work of a policeman is no longer limited to maintenance of law and order. Fast changing technology has drastically changed the profile of criminals and their scope of criminal activities. Over and above these new challenges India specific problems due to its multi-linguistic, multi-cultural and multi religious nature has continued to exist in various forms and requires continuous interventions from the police organization.

2. LITERATURE REVIEW

Choudhury (2003)² states that a modern police personnel requires not just knowledge of the law but also of history, politics, economics, sociology and psychology. Thus for effective policing 'thorough training and orientation is required to be imparted to our police force' Vaid(2009)³. Sharma,(2004)⁴ suggested, that police have to be trained in handling sensitive child abuse cases and must have fundamental understanding of child psychology and development. Similarly Paranjpaye (2007)⁵ feels that cyber crime is an emerging branch of criminal activity which requires serious focus. Jain & Locktongbam (2002)⁶ found the need to train police on modern forensic science so as to increase their effectiveness in investigations etc. Agarwal(2002)⁷ finds that traditional crimes are committed using non-traditional methods using sophisticated technologies and crime likes internet paedophilia, computer network break-ins industrial espionage, child pornography, password sniffing, spoofing, software piracy, fraud require expert intervention from police.

Police also need to have an understanding of the behavioural dynamics of the local population (Maheshwari.2009)⁸. Singh (2002)⁹ highlights the need to develop communication skills among police personnel both among seniors to know the problems, potentials and prospects of junior colleagues and to handle problems, complaints or otherwise from public. Nagar(2009)¹⁰ states that a major cause of stress among police personnel could be managed if training programmes are developed which stresses the values and significance of human resources components. Nambiar (2005)¹¹ has found that training in interpersonal relationship is essential for ensuring effective team work in police.

Sen (2012)¹² stated that there was overemphasis on drill, parade and physical exercises in the training curriculum. Stoughton (2015)¹³ observes that police personnel are repeatedly trained to be vigilant, attentive, cautious, alert, and be constantly prepared for the unknown and unpredictable enemy who may even kill them, and in the process police personnel learn to be afraid at all time and this creates an invisible barrier to true community policing and public service. Thus, there is an urgent need for management training especially in areas of leadership and supervision.

Cox & Beier (2009)¹⁴ studied the impact of framing training modules based on self efficacy, goal orientation and performance enhancement with several demographics like age, gender, ethnicity and employment status. Galanou and Priporas (2009)¹⁵ in a study on impact of training found that feeling of security of managers usually emerges from the belief that they will play a constant, permanently useful and necessary role in their organization. The brief literature reveals that a study on the content of Police Training would be of great relevance both for the Police organization as a whole and Assam Police Organization in particular.

3. NEED OF THE STUDY

Policing in a multi lingual, multi cultural state like Assam is a highly challenging function. The strength of Civil Police in Assam including District Armed Police till 2013 is 19,870 and that of Armed Police is 34,565 as per National Crime Records Bureau, Ministry of Home Affairs, Government of India¹⁶. It is alarming to note that there were more than 79,000 cognizable crimes under Indian Penal Code in the state of Assam in the year 2012, an increase of more than 16% from the number of cases in 2011 as per the National Crime Records Bureau, Ministry of Home Affairs, Government of India¹⁷. Thus, a review of content of training programmes of Assam Police is very important for understanding the importance given by Assam Police Organization to various components of policing.

4. STATEMENT OF THE PROBLEM

Various authors have delved on the various aspects of policing and the need for comprehensive training to the police personnel at large. New challenges for the police organization which have emerged over the last few decades include among others Terrorism, Insurgency and Left wing extremism, Cyber crimes, Economic offences like Money laundering, Corporate frauds, Counterfeiting currency, Corruption, Ethnic violence, Child and Human Trafficking, Organ Trade, Election related violence and offences, Traffic management, Women and child related crimes both in the urban cities and remote rural areas. However Hasmukh(2007)¹⁸ feels that the present system of police training doesn't give importance to these aspects as much as it deserves. Thus it important to know whether various aspects of policing are getting the due importance during training of police personnel. The literature review revealed that training content and modules must be relevant to the present times and complexity of the existing state of crime for making police effective as law enforcement personnel.

5. OBJECTIVES

1. To understand the importance given by Assam Police Organization on various components of policing in the training content of a police training programme.
2. To identify the focus areas of training in Assam Police organization.
3. To study the existing training infrastructure of Assam Police Organization.

6. HYPOTHESES

- i. H_0 - There is no difference between the number of various training programs given to police personnel with respect to age of police personnel at 95% confidence level.
- ii. H_0 - There is no difference between the number of various training programs given to police personnel with respect to gender of police personnel at 95% confidence level.
- iii. H_0 - There is no difference between the number of various training programs given to police personnel with respect to rank of police personnel at 95% confidence level.
- iv. H_0 - There is no difference in the satisfaction level regarding training infrastructure with respect to age of police personnel.
- v. H_0 - There is no difference in the satisfaction level regarding training infrastructure with respect to gender of police personnel.
- vi. H_0 - There is no difference in the satisfaction level regarding training infrastructure with respect to rank of police personnel.

7. RESEARCH METHODOLOGY

A descriptive cross-sectional research design and data analysis has been taken for his study.

7.1 DATA COLLECTION: The study is based on primary data. A structured questionnaire was used to collect primary data from police personnel present in the randomly chosen police stations. The questionnaire using a five point scale was designed to collect data on the number of training attended on various components of police training during their service period irrespective of their age, gender and their present rank. Unstructured face to face interviewing was also done to understand the nuances of police training in their organization

7.2 SAMPLE DESIGN: Simple Random sampling have been used for this study and primary data from 477 samples have been collected from 30 police stations of Assam which were chosen randomly from around 300 police stations of the state of Assam. One way ANOVA tests have been conducted for the study.

8. RESULTS AND DISCUSSION

The independent variables are the demographic details of police personnel.

The dependent variables for testing importance given to training content provided to police personnel are Maintenance of police records, Juvenile crime, Community policing, Handling mobs and violent demonstration, Combating terrorism, Criminal investigation, Modern criminal Psychology, Cyber crime, Computer training, Arms and weaponry training, Physical fitness/Martial Arts etc., Soft skills and public behavior, Law and legal procedures, Man management skills, Service management, Leadership skill, Written and oral communication and Moral and value education.

The dependent variables for testing satisfaction levels regarding training infrastructure are training duration, training frequency, trainer's capacity to train, training content and syllabus relevance, training institute infrastructure (Assam), training methodology, trainer participant ratio and trainer quality which affect the overall training environment.

The Null Hypotheses and subsequent tests conducted and inferences drawn are as follows.

- i. H_0 - There is no difference between the number of various training programs given to police personnel with respect to age of police personnel at 95% confidence level.

TABLE NO. 1 (a) : ONE –WAY ANOVA ANALYSIS OF THE MEANS OF NUMBER OF VARIOUS TRAINING PROGRAMS GIVEN TO POLICE PERSONNEL WITH RESPECT TO AGE OF POLICE PERSONNEL

		Sum of Squares	Df	Mean Square	F	Sig.
Juvenile crime	Between Groups	6.279	3	2.093	5.985	.001
	Within Groups	165.419	473	.350		
	Total	171.698	476			
Community policing	Between Groups	2.687	3	.896	3.429	.017
	Within Groups	123.568	473	.261		
	Total	126.256	476			
Combating terrorism	Between Groups	6.793	3	2.264	4.719	.003
	Within Groups	226.935	473	.480		
	Total	233.727	476			
Criminal investigation	Between Groups	8.248	3	2.749	4.855	.002
	Within Groups	267.866	473	.566		
	Total	276.113	476			
Modern criminal psychology	Between Groups	2.230	3	.743	3.483	.016
	Within Groups	100.969	473	.213		
	Total	103.199	476			
Cyber crime	Between Groups	2.522	3	.841	6.200	.000
	Within Groups	64.136	473	.136		
	Total	66.658	476			
Computer training	Between Groups	23.404	3	7.801	25.624	.000
	Within Groups	144.009	473	.304		
	Total	167.413	476			
Arms and weaponry training	Between Groups	32.081	3	10.694	7.620	.000
	Within Groups	663.785	473	1.403		
	Total	695.866	476			
Physical fitness/Martial Arts etc.	Between Groups	11.326	3	3.775	3.821	.010
	Within Groups	467.391	473	.988		
	Total	478.717	476			
Soft skills and public behavior	Between Groups	7.163	3	2.388	5.380	.001
	Within Groups	209.936	473	.444		
	Total	217.099	476			
Law and legal procedures	Between Groups	29.364	3	9.788	12.560	.000
	Within Groups	368.615	473	.779		
	Total	397.979	476			
Man management skills	Between Groups	3.124	3	1.041	3.022	.029
	Within Groups	162.968	473	.345		
	Total	166.092	476			
Service management	Between Groups	5.121	3	1.707	5.404	.001
	Within Groups	149.408	473	.316		
	Total	154.528	476			
Moral and value education	Between Groups	4.303	3	1.434	4.307	.005
	Within Groups	157.488	473	.333		
	Total	161.790	476			

Source: Field Survey data

TABLE NO. 1 (b): ONE –WAY ANOVA ANALYSIS OF THE MEANS OF NUMBER OF VARIOUS TRAINING PROGRAMS GIVEN TO POLICE PERSONNEL WITH RESPECT TO AGE OF POLICE PERSONNEL

		N	Mean
Juvenile crime	18-30	91	1.2857
	31-40	127	1.2913
	41-50	150	1.3067
	51 & above	109	1.5688
	Total	477	1.3585
Community policing	18-30	91	1.1648
	31-40	127	1.1496
	41-50	150	1.1467
	51 & above	109	1.3303
	Total	477	1.1929
Combating terrorism	18-30	91	1.1538
	31-40	127	1.1890
	41-50	150	1.3600
	51 & above	109	1.4587
	Total	477	1.2977
Criminal investigation	18-30	91	1.2637
	31-40	127	1.1024
	41-50	150	1.2667
	51 & above	109	1.4771
	Total	477	1.2704
Modern criminal psychology	18-30	91	1.0659
	31-40	127	1.0787
	41-50	150	1.1200
	51 & above	109	1.2477
	Total	477	1.1279
Cyber crime	18-30	91	1.1758
	31-40	127	1.0236
	41-50	150	1.0867
	51 & above	109	1.2110
	Total	477	1.1153
Computer training	18-30	91	1.7692
	31-40	127	1.1654
	41-50	150	1.2200
	51 & above	109	1.4220
	Total	477	1.3564
Arms and weaponry training	18-30	91	3.1429
	31-40	127	2.8189
	41-50	150	3.3600
	51 & above	109	3.4954
	Total	477	3.2055
Physical fitness/Martial Arts etc.	18-30	91	2.2418
	31-40	127	2.0315
	41-50	150	2.3467
	51 & above	109	2.4404
	Total	477	2.2642
Soft skills and public behavior	18-30	91	1.7582
	31-40	127	1.4094
	41-50	150	1.6067
	51 & above	109	1.6514
	Total	477	1.5933
Law and legal procedures	18-30	91	2.2967
	31-40	127	2.0945
	41-50	150	2.5067
	51 & above	109	2.7706
	Total	477	2.4172
Man management skills	18-30	91	1.1978
	31-40	127	1.1181
	41-50	150	1.2600
	51 & above	109	1.3394
	Total	477	1.2285
Service management	18-30	91	1.5385
	31-40	127	1.2283
	41-50	150	1.3733
	51 & above	109	1.3670
	Total	477	1.3648
Moral and value education	18-30	91	1.4176
	31-40	127	1.1339
	41-50	150	1.2333
	51 & above	109	1.2385
	Total	477	1.2432

Source: Field Survey data

The One –Way ANOVA analysis results as shown in Table 1(a) shows that The calculated F value is greater than the Table F(3,473) = 2.08 value which is significant. Also calculated p-value $< \alpha = 0.05$ for the above contents of police training programmes and as such we reject the null hypothesis that there is no difference in the of various number of training programmes attended by police personnel with respect to their age at 95% confidence level.

ii. **H₀** There is no difference between number of various training programs given to police personnel with respect to gender of police personnel at 95% confidence level.

One –Way ANOVA analysis results show that the calculated F value is greater than the Table F(1,475) = 2.71 value which is significant. Also calculated p-value $< \alpha = 0.05$ for training programs on Community Policing, Combating Terrorism, Criminal Investigation, Modern Criminal Psychology, Arms and Weaponry, Physical Fitness, Law and Legal Procedures. Thus we can reject the null hypothesis that there is no difference between the number of times various training programs were given to police personnel with respect to gender of police personnel at 95% confidence level.

iii. **H₀** There is no difference between the number of various training programs given to police personnel with respect to present rank of police personnel at 95% confidence level.

Results from One Way ANOVA analysis show that calculated p – value $< \alpha = 0.05$ for all the dependent variables i.e the various training programs which indicates that there is significant difference in the number of various training programs given to police personnel with respect to present rank of police personnel at 95% confidence level. Thus we can reject the null hypothesis.

iv. **H₀ Null Hypothesis:** There is no significant difference in the satisfaction level regarding police training programs like with respect to age of police personnel at 95% confidence level.

Results from the One – Way ANOVA test conducted show that calculated p-value $< \alpha = 0.05$ for all the dependent variables except training infrastructure. Thus we can reject the null hypothesis that there is no significant difference in the satisfaction level regarding training programs and facilities with the age of police personnel at 95% confidence level.

v. **H₀ Null Hypothesis:** There is no significant difference in the satisfaction level regarding police training programs like with respect to gender of police personnel at 95% confidence level.

Results from the ANOVA analysis conducted show that calculated p-value $> \alpha = 0.05$ for all the dependent variables. Hence we cannot reject the null hypothesis that there is no significant difference in the satisfaction level in various aspects of training programs with gender of police personnel at 95% confidence level.

vi. **H₀ Null Hypothesis:** There is no significant difference in the satisfaction level regarding police training programs like with respect to rank of police personnel at 95% confidence level.

Results from the One – Way ANOVA show that calculated p-value $< \alpha = 0.05$ for all aspects of training with respect to present rank in police service at 95% confidence level. Hence we can reject the null hypothesis that there is no significant difference in the satisfaction level regarding training programs and facilities vary with the present rank of police personnel at 95% confidence level.

9. FINDINGS

The study reveals the following results

- Training on arms and weaponry, physical aspects of police training, law and legal procedures are the most prevalent content of training programs.
- Training programs on managerial skills like leadership training, communication skills or such upcoming areas like computer training, cybercrime training, juvenile crime, criminal psychology, ethics and morality are not prevalent.
- It has been observed that the number of training programs tend to increase with the rank of police personnel in the police organization.
- Lady police personnel attended lesser number of training programs than their male counterpart in most cases.
- It can be observed that in most cases Home Guards are given the least of training though Arms and weaponry training is also high for Home guards.
- Senior officers are given training in the management domain areas like man management, leadership skills, service management, morality and ethics and modern policing methods like community policing, computer training which is a positive aspect in police training.
- Police personnel of the age group 31-40 years have lowest satisfaction level in most of the aspects of training programs and facilities. Further, it can be observed that in most cases the mean of satisfaction is below 4.0 in a range of 1 to 7 in a semantic differential scale. Thus it is average or below average in most cases. The highest mean of satisfaction is on trainers quality which indicates that trainers quality is sufficient but improvement is required in the other aspects.
- Police personnel of higher ranks like Officer In Charge, and Deputy Superintendent of Police have higher satisfaction level in some of the aspects of training programs and facilities like Trainers capacity to train, Trainer's quality and Content and syllabus and lower satisfaction level in aspects like institute infrastructure, methodology, trainer participant ration, training environment.

10. RECOMMENDATIONS

- Assam Police may review the contents of the training programmes for their personnel on a periodic basis so that training content remains relevant.
- Behavioural and Management Training must be included for personnel of all ranks.
- Training content must incorporate recent technological changes in the criminal world like Cyber crime, Money laundering besides use of modern techniques in forensic procedures.
- The overall number of training programmes attended by policemen of all ranks was very low.
- There is urgent need to improve the quality of training infrastructure in the police organization.

11. CONCLUSION

The above analyses clearly depicts a grey area of the police organization. Irrespective of the demographic differences among police personnel it was observed that there is a huge scope for improvement in the training content. There is an over dependence on the physical aspects of training. Though such training are very much required in a police organization various other aspects need to be covered in the training syllabi for modern policing. The police organization need to make a concerted effort to increase the number of training programmes to the police personnel.

12. LIMITATIONS

The study was limited to police personnel stationed in police stations in the state of Assam from Assam Police Service upto the rank of Deputy Superintendent of Police. It also did not include police personnel from the Central cadre and Indian Police Service. The study was conducted from the viewpoint of the police personnel.

13. SCOPE FOR FURTHER RESEARCH

There is a need to do further studies on effectiveness of training programs from the organisational perspectives so as to understand the problems and intricacies of improving the functioning of police organization as a whole.

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A STUDY OF GREEN BANKING INITIATIVES IN SELECTED PUBLIC AND PRIVATE SECTOR BANKS IN INDIA

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ABSTRACT

A place where the Lifeblood of any economic activity is available and is also the major economic agent, acting as one of the emerging sectors in today's Indian economy are the Financial Institutions such as Banking sector. As the things are getting mechanized by every now and then, and are focusing on saving planet and going green. The concept of 'Green' is given more importance. So, an initiative measures are taken to promote greenery in banking sector through coining a term as 'Green Banking'. The concept of green banking helps to create cleaner and greener future as Green Banking has direct impact on the environment. The present study is an attempt to know the initiatives taken by the Indian banks in the area of Green banking. This paper also tells about the ways to go green through 'Green Banking'.

KEYWORDS

green banking, initiatives of Indian banks, banking, environment.

1. INTRODUCTION

 Our planet is changing. We need to help it change for the better and we're asking for your help to do that! There are a lot of things that affect our planet in a bad way but the good news is that everyone can help to reduce them and do their bit for the environment. Our planet, Earth, is just as much our home, but we don't look after it anything like as well. Environmental change is a change or disturbance of the environment most often caused by human influences and natural ecological processes. For making it an environment friendly society, the word 'Green' was given much more importance in many of the sectors. An initiation made by several NGOs for going green and saving planet has been successful as many of us are thinking to go green in all the possible ways. The financial sector of the economy has a significant role in the economic development of a country and in India, the banking sector being a significant part of the financial system of the country, its role in sustainable development becomes very obvious. With increasing concerns regarding the environmental protection, it is the banking sector that can play a significant role in the direction.

2. GREEN BANKING

Green banking is like a normal bank, which considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an 'Ethical Banking' or a 'Sustainable Banking'. In other words, it is an emerging concept for environment sustainability it means promoting environment friendly practices for sustainable growth and reduces the carbon footprint from the banking industry they are controlled by the same authorities but with an additional agenda towards taking care of the Earth's environment/habitats/resources. The main motive of Green Banking is to protect and preserve environment using online banking instead of branch banking, paying bills online, prefer that bank which takes measures towards green, etc. Although the banking and financial institutions are not directly affected by the environmental degradation, there are indirect costs to banks. Banks may not be the polluters themselves but they will probably have a banking relationship with some companies/investment projects that are polluters or could be in future. The banks should offer its products and services in as much as in green supporting way. Banks should try to replace paper statements from the banks and to motivate people to have e-paper statements. Green Banking coverage includes the following:

- Sustainable banking
- Ethical banking
- Green mortgage
- Green loans
- Green savings accounts
- Green credit cards
- Green checking accounts
- Green money market accounts
- Mobile banking
- Online banking

3. REVIEW OF LITERATURE

Dr. Deepti Narang (2015) has made an attempt to understand and appreciate the role of banks sustainable economic development, the role played by Indian Government to spur sustainability and attempts made by the selected Public and Private sector banks in India. The study found that the green banks are in startup mode. The study suggested that there should be a pro-active role among banks; RBI has to play a pro-active role by passing rules, mandate, and regulations to tackle this issue of climate change.

Ragupathi.M & Sujatha.S (2015) has found out the ways to go green through 'Green Banking' and shown the benefits such as less paper work, creating awareness, follow the environmental standards. This paper concluded saying that the banks have just started to get adopted towards green things and not only banks but several other financial institutions are also changing towards green.

Jha & Bhoome (2013) found the ways to go green through 'Green Banking'. The research methodology used in this study is based on primary as well as secondary data. The primary data was collected from the study conducted interviews and questionnaire and was analyzed by percentage technique. The study examines major aspects concerned with the Green Banking and reveals that it is a good way of creating more customer awareness about global warming, recently the strategies for green banking have come up and it will also help in bring up the asset quality of banks in future.

Ravi Meena (2013) the paper highlights about creating awareness in internal & external sub-systems and imparts education about green banking and also listed the methods of green banking. Cutting of carbon intensity from 20-25% by 2020 provides Indian banks an opportunity to offer products in green and also suggested that RBI and Indian government should formulate a pro-active role and promote green banking.

Dr. Sarita Bahl (2012) highlights the means of creating awareness about Green Banking to ensure sustainable growth. Garrett's ranking technique is used to analyze the most significant strategies in respect of Green Banking. If the goal is to attain sustainable development this can be achieved only through creating awareness and imparting education. Among the internal sub systems emphasis should be given to publications, newsletters so as to create awareness and effective means for external sub systems are event meetings, media and websites. A proper formulated green policy guideline is needed for effective Green Banking.

CA.Mahesh, M Nirosha, V Pavithra (2016) the paper tries to find out the ways to go green through green banking. The study is mainly on secondary data however; primary data was also conducted through interviews. This paper also tells how green banking promotes environmental friendly practice and reducing carbon footprint from banking activities. Go green has made customers to use cost effective automated channels and go paperless, creation of awareness about environment, and following of environmental standards for lending.

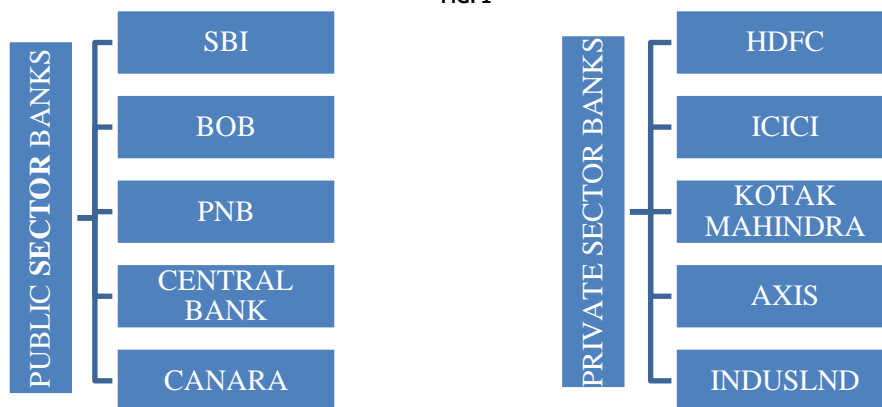
4. OBJECTIVES OF THE STUDY

1. To study the concept of Green.
2. To know the ways to Go Green in Green Banking.
3. To identify the Green Banking practices in selected Public and Private sector banks.

5. RESEARCH METHODOLOGY

The research methodology used in this study is mainly based on secondary data consists of identifying the top most banks, both public and private sector in India. Various Initiatives for Green Banking taken by both Public and Private sector banks are analyzed by studying at the reports of the selected banks, various websites and also by referring to various journals.

FIG. 1



6. METHODS ADOPTING GREEN BANKING

1. **Online Savings Account:** Online savings account and mobile banking is the easiest way that you can do your part to bank green and help the environment.
2. **Paperless statements:** Sending out bank statements by mail is a big waste of paper. Signing up for online banking at most banks includes an option for customers to receive their statement electronically through a secure log-in.
3. **Use Direct Deposit:** Most employers will give employees the option to receive their paycheck electronically. Not only does this speed up the availability of your money and save you a trip to the bank, it saves paper work also.
4. **Online bill payment:** Telephone bills, cable bills, utility bills, credit card payments and mortgage payments can be all paid electronically.
5. **Reward Debit and Credit Cards:** Some banks have joined up with environment-friendly groups like The Sierra Club or Defenders of Wildlife to create reward debit cards and credit cards. Participating banks will make a small charitable donation as a percentage of your online banking activity to help the environment.
6. **Net banking:** For customers to perform their banking related functions online, i.e., without visiting the bank, customers must possess an internet banking ID and password provided by the bank in which the individual customer has an account.

7. GREEN BANKING INITIATIVES BY SELECTED INDIAN BANKS

State Bank of India (SBI)

- ✓ 1st July, 2010 SBI launched its 'Green Channel Counter' facility at selected banks across the country as a step towards paperless 'Green Banking' for deposits, withdrawal and remittance transactions in connection with its 204th Birth-day, the maximum amount transacted was Rs.40,000/-.
- ✓ 23rd April, 2010 SBI was the first Bank in the country to start generating power from non-polluting sources for its own use. It is setting up windmills in Tamil Nadu, Maharashtra and Gujarat to generate 15 MW of power. While the mill in Tamil Nadu would generate 4.5 MW of power, the Maharashtra mill would have a capacity of 9 MW and the Gujarat mill of 1.5 MW.
- ✓ 21st February, 2011 SBI as become a signatory investor to the Carbon Disclosure Project (CDP), a collaboration of over 550 institutional investors with assets under management of US \$ 71 trillion. The Bank has also undertaken a pilot study in respect of LEWWAC (Land, Energy, Water, Waste, and Air & Carbon) management to establish carbon emission baselines, developing benchmarks and working on economically feasible ecological solutions for implementation, with the help of external consultants.
- ✓ The bank has been encouraging customers by extending project loans on concessionary interest rates to reduce greenhouse gas (GHG) emissions by adopting efficient manufacturing practices through acquisition of latest technology. SBI offers an interest discount of 10 basis points on all such environment friendly projects.
- ✓ The bank arranges consultancy services by roping in the services of empanelled consultants in CDM (Clean Development Mechanism) registration process. SBI has also launched a loan product to facilitate upfront finance to project developers by way of securitization of carbon emission reduction (CER) receivables.
- ✓ Online money transfers between United States and India from branch banks.
- ✓ Started launching new branches in various cities as a green banking branch in Kohima, Mangaluru, etc.
- ✓ The bank will add more Chhota ATMs in the city, wherein a customer can withdraw up to Rs 1,000 daily. Also, the bank plans to open more Chhota branches in the days to come.
- ✓ 19th February, 2016 SBI announced the launch of SBI Green PIN. Green PIN is an easy and convenient way to generate Debit card PIN through various channels like ATM, Internet Banking, IVR and SMS.

Bank of Baroda (BOB)

- ✓ While financing a commercial project, BOB is giving preference to environmentally friendly green projects such as windmills, biomass and solar power projects which help in earning the carbon credits.

- ✓ The organization had made considerable changes in their lending policy, i.e. it is compulsory for industries to obtain 'No Objection Certificate' from the Pollution Control Board and also they are not extending any finance to environmental hazardous industries which are using ozone depletion substances such as halos-1211, 1301, 2402 used in foam products, chlorofluoro carbon CFC 11, 12, 113, solvents in cleaning and aerosol products.
- ✓ The bank had taken several technological initiatives such as compliance with e-business guidelines, use of internet banking, mobile banking to promote paperless banking and also increasing the installation of ATM's.
- ✓ In most of uncovered areas to reduce the petrol or diesel consumption in travelling and helps in maintaining a clean environment.
- ✓ As a part of green initiative, they had made changes to desktop virtualization; backup consolidation and server virtualization improve data center operational efficiency.
- ✓ The bank is also promoting measures for pollution control and environmental conservation.
- ✓ Bank received the 'Global Excellence & Leadership Award' in the category of '50 most talented CSR Professionals of India' by World CSR Congress in Mumbai on 18/02/2014.

Punjab National Bank (PNB)

- ✓ Bank transformed everything into CBS from manual.
- ✓ Multiple account forms were merged into one.
- ✓ PNB has in place for guidelines for finance in places of units producing clean energy.
- ✓ PNB launched many innovative digital products for customers.
- ✓ 'PNB ATM Assist': Unique App enabling the customer not only to locate PNB's ATM but also to lodge complaints related to ATMs.
- ✓ 'PNB Sleep Easy': To disable and re-enable Internet banking and Mobile banking password.
- ✓ 'Green PIN': To enable customers obtain duplicate PIN for debit card instantly through SMS request.
- ✓ Online PPF and RD account opening facility.
- ✓ Online booking of locker facility anywhere in India through the corporate website.
- ✓ The Bank has also introduced the facility to register for Mobile Banking through vast network of over 9000 ATMs.
- ✓ The Bank registered its presence on the social networking sites i.e., Twitter and LinkedIn, with an aim of strengthening "Brand PNB" on social media and to engage with customers in a cost efficient manner.

Central Bank of India

- ✓ Central Bank of India launched "Go Green" Campaign for its customers with a purpose to promote Green Banking which is paperless and Queue less Banking and also promotes use of recyclable products for banks stationery using TYVEK materials. In this, customers are motivated to opt for E statements, use internet banking and use E- Voucher machine for transactions.

Missed call Facility, Mobile Banking, NUUP, IMPS, NEFT, RTGS, Internet Banking, Online Locker Application, Online Saving Account, Opening Online banking Railway Ticket Booking (IRCTC), CMS, Corporate Login, Apply Online for Loan.

Canara Bank

- ✓ According to Canara Bank (2013), the bank had taken many green initiatives such as: - As a part of green banking initiative, the bank had adopted environmental friendly measures such as mobile banking, internet banking, etc. Canara bank had set up e-lounges like internet banking; pass book printing, ATM, online trading, etc. The bank is also not extending any finance to the units which are producing ozone depletion substances. While appraising any project, they ensure the borrower to obtain No Objection Certificate (NOC) from central or state pollution control board. The bank has implemented various green banking initiatives such as internet banking, tele-banking & mobile banking. Solar power biometric ATMs has been implemented in a few rural areas. Now the bank is not extending the finance to the new units which are involved in producing and consuming Ozone depleting substances. The bank has also stopped extending the finance small/medium scale unit engaged in the manufacturing of Aerosols by using CFC. The bank insisted to manufacturing units which emit toxic polluting substance to implement water treatment plant and obtain NOC (No Objection Certificate) from central/ state government pollution control board while lending the loan. The banking is providing loans for implementing solar lighting system, till the date the bank has financed 50,000 such unit lending 5-8 lac Rs to each unit.

PRIVATE SECTOR BANKS

HDFC (Housing Development Finance of India):

HDFC Bank is one of the most active banks in India in the field of Green banking.

- ✓ The bank has been measuring its carbon footprint since 2010 and has been disclosing the same to the Carbon Disclosure Project (CDP), which is an organization based in the United Kingdom that works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations.
- ✓ CDP recognizes companies with high-quality disclosure as top scoring companies in the Carbon Disclosure Leadership Index (CDLI).HDFC was one amongst 16 companies in India to make it to the Carbon Disclosure Leadership Index (CDLI) in 2012 with a score of 71. Over the last few years, the bank has succeeded in reducing its Carbon emissions through a number of initiatives. The measures to reduce bank's operational carbon footprint are focused on areas of paper use, waste management and energy efficiency, with some forays into exploring renewable energy for ATMs.
- ✓ Reducing the Use of Paper by issuing electronic transaction advices for corporate customers and encouraging retail customers to convert to e statements instead of physical printouts.
- ✓ Renewable Energy initiatives like Project of 20 Solar ATMs with the pilot ATM set up in Bihar.

ICICI

- ✓ Eco-Friendly Vehicle Finance- As an initiative towards more environment friendly way of life, ICICI Bank offers 50% waiver on Auto Loans, processing fee on car models which use alternate mode of energy. The models identified for the purpose are, Maruti's LPG version of Maruti 800,Omni and Versa, Hyundai's Santro Eco, Civic Hybrid of Honda, Reva electric cars, Tata Indica CNG and Mahindra Logan CNG versions.
- ✓ Home Finance- ICICI Home Finance offers reduced processing fees to customers who purchase homes in Leadership in Energy and Environmental Design (LEED) certified buildings.
- ✓ ICICI Bank also works with various institutions to help them find alternative cleaner solutions for their general operations. For instance, in coal technologies, ICICI Bank introduced innovative concepts like deep beneficiation of coal (coal washeries) and coal bed methane. It also assisted a company develop a product that provides an ecofriendly Air-conditioning alternative to conventional air conditioners (ACs).
- ✓ ICICI Bank has extensively capitalized on the existing internal media- statements, inserts, and Credit Card Charge slips- to reach out to the customers and seek their collaboration in the Go Green movement. ICICI Bank also initiated a programmed to sensitize corporate bodies, institutions, banks and government agencies involved in project planning on issues like biodiversity, wildlife habitats and environmental laws.

KOTAK MAHINDRA BANK

Kotak Mahindra has taken various small and big environmentally conscious initiatives to significantly reduce its carbon footprints. Some of them are:

- ✓ The Bank's 'Think-Green' initiative encourages customers to sign-up for e- statements and discontinues paper statements, thereby saving the environment.
- ✓ It levies Rs. 100 for cash payments for credit card dues. At Kotak Securities, e-contracts have been introduced to save paper, the number of pages in the Account Opening Forms has been reduced by 20 sheets and multiple client updating forms have been integrated into one.
- ✓ Grow-Trees.com is a web-enabled service where you can plant trees in large reforestation projects and dedicate the trees to honor friends/ family on important occasions -birthdays, new births, weddings, and anniversaries or to offset carbon emissions. Under the arrangement with the bank, Grow-Trees.com plants a tree for very e credit card statement on behalf of the customers.

AXIS BANK

Recycling initiative under the Green Banking banner that helped the bank productively use around 21572 kilograms of dry waste during the year. The Axis Bank's corporate office in Mumbai is designed and constructed as a Platinum LEED Certified Green Building.

- ✓ The bank uses renewable energy to power emergency lights, generated through a solar power plant. It has also installed motion sensors for reducing energy usage, rainwater harvesting system and a sewage treatment plant for maintaining a green environment.
- ✓ Launched a plant-a-sapling initiative, in which the bank planted over 1 lakh saplings on August 1 and 2 at over a thousand locations across the country.
- ✓ Facility of e-statement and for each e statement registration by a customer, Axis bank has decided to donate a note book to the needy and poor. Axis Bank encourages its customers to subscribe for e statements and other electronic formats of Communication, thus significantly reducing paper consumption.
- ✓ With an aim to spread awareness about environment protection and cultural heritage, the bank conducted 'Splash', a pan India painting competition on various themes related to Environment. The competition started on Children's Day (November 14) and was held across all branches of the bank. The competition was open to all children in the age group of 7 to 12 years. The competition was not restricted to customers of the bank.

INDUSIND BANK

- ✓ Inauguration of Mumbai's first solar powered ATM as part of its Green Office Project campaign 'Hum aur Hariyali'. It also unveiled a 'Green Office Manual -A Guide to Sustainable Practices', prepared in association with the Centre for Environmental Research and Education (CERE), with which the bank has been collaborating with to promote the role of corporations in advancing environmental sustainability through the medium of the 'Green Office Project'.
- ✓ IndusInd's new Solar ATM replaces the use of conventional energy for 8 hours per day with eco friendly and renewable solar energy. The energy saved will be 1980 kW hrs every year and will be accompanied by a simultaneous reduction in CO2 emissions by 1942 Kgs. In terms of costs, the savings will be substantial, approximately Rs. 20,000 per year in case of a commercial user with grid power supply.
- ✓ Other initiatives of the bank include thin computing, e-archiving, e-learning, e-waste management, paperless fax, energy conservation and also supporting finance programs with incentives to go green.
- ✓ The Bank has been awarded with "**Top Green IT Enterprise Award 2012**" by CIO Magazine.

8. CHALLENGES AHEAD FOR THE BANKS

- ✓ **Startup face:** Many banks in green business are very new and are in startup face, generally it takes 3 to 4 years for a bank to start making money thus it does not help banks during recession.
- ✓ **Higher operating cost:** Green banks require talented, experienced staff to provide proper services to customers. Experienced loan officers are needed with additional experience in dealing with green businesses and customers.
- ✓ **Reputational risk:** If banks are involved in those projects which are damaging the environment they are prone to loss of their reputations.
- ✓ **Credit risk:** Credit risks arise due to lending to those customers whose businesses are affected by the cost of pollution, changes in environmental regulations and new requirements on emissions levels. It is higher due to probability of customer default as a result of uncalculated expenses for capital investment in production facilities, loss of market share and third party claims.

9. CONCLUSION

This study on green banking has revealed that the Indian Banks are showing an active role in saving planet and going green with their products and services. Banks are also corporate citizens who have the responsibility towards the society in which they exist. The participation for the Green Banking of the Private Sector Banks is on par with that of the Public Sector Banks. Currently, in India, the concept of green banking is growing up and banks are actively looking for ways to showcase themselves as a Green Bank. Every banking activity is transforming into greener activity, and making it a Green Banking. The banks in future should go on creating awareness among customers and make them to use green products and services. The concept of "Green Banking" will be mutually beneficial to the banks, industries and the economy. Overall, green banking is really a good way for people to be more aware about global warming and will contribute a lot to the environment and make this earth a better place to live for future generations.

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STUDY OF CO-OPERATION IN ECONOMIC DEVELOPMENT AND PROCEDURE OF SELF HELP GROUPS IN CHHATTISGARH STATE

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ABSTRACT

The main objective of the study was to evaluate the income of women Self Help Group, employment and Health Services in Raipur district. The investigator selected 20 females from 4 self help groups from Raipur district of Chhattisgarh State. The investigator administered a self made questionnaire on the selected sample from the population. The collected data was analyzed on statistical basis and percentile method was applied to obtain the results. The findings of the present research study revealed that in the area of Education, Employment and Health Services of women of Self Help Group the condition is yet to be improved. It was not found satisfactory. In this way the hypothesis of the present study were accepted.

KEYWORDS

self help group UNO, rural development.

INTRODUCTION

In 21st century UNO has been passing the orders to adopt new programmes to eradicate various discrepancies such as Gender Discrimination, Social, economic and political inequality between male /females. Women education, Women exploitation, poverty, economic trailing evaded in the world. In India also from last 15-20 years various policies have been implementing in the direction of women empowerment to avail the benefits of rural development schemes by the name of self Help Group, under the initial rural empowerment environment. In Previous 15-20 years in this direction for women empowerment In India under this mean primary empowerment in rural environment in Self Help Group for taking Rural development benefit. In Five year plans of country to implement Self Help Group have been arranged commitment. In the past few years the Formation programs of Self Help Group has grown rapidly.

RATIONALE OF THE STUDY

In India Women's population is 49.65 crore that is 48.24% of total population. According to 2001 census Literate women population is 53.67%, on the other hand especially in Schedule Caste is 16.20% and schedule tribe 8.20 %. Several serious problems are present in women of rural areas such as Literacy rate, Health and employment etc.

According to 11th Five year plan (2007-12) in 1993-94 28% rural women were surviving their life below poverty line. In 2004-05 number increased up to 29%. 73% schedule caste, 79% schedule tribe, 61% OBCs and 61% Muslim community women's recorded as illiterate. According to Planning Commission (2007-12) about women condition following comment was done- "There are other dimensions of poverty suction food in security, malnutrition and illness associated more with female members."

OBJECTIVE OF THE STUDY

To evaluate the income of women Self Help Group, employment and Health Services in Raipur district.

HYPOTHESIS OF THE STUDY

In Chhattisgarh State Success is doubtful in area of Education of women of Self Help Group, Employment and Health Services.

RESEARCH METHODOLOGY

Scientific test depends on conclusion in lab in Pure Science. In which the result of test are 100% true for the correctness whereas in social, historical and political environment of Social science are not 100% correct like as science but result may outcome very near to the fact/true. Scientific test depends on conclusion in lab in Pure Science. In which the result of test are 100% true for the correctness whereas in social, historical and political environment of Social science are not 100% correct like as science but result may outcome very near to the fact/true.

SURVEY RESEARCH

Survey Research mainly recommends the study of social problems as keeping centre point of population in mind. "Survey Research is that branch of Social Scientific investigation that studies large and small populations by selecting and studying samples chosen from the populations to discover the relevant incidence etc." Under Research technique, Research material presented of entire study related to data, reports and previous study on the basis of field survey and survey research. In the present research survey method was applied to collect the data.

DATA COLLECTION

A self made questionnaire was used for collection of data. Including this secondary data was collected from the government office.

ANALYSIS AND DISCUSSION

TABLE -1: BLOCK WISE FEMALE LITERACY IN PERCENTAGE

S. No.	Block Name	Female Literacy percentage
1.	Dharsiwa	48.69
2.	Arang	46.79
3.	Tilda	44.81
4.	Abhanpur	48.5

FIGURE – 1: BLOCK WISE FEMALE LITERACY IN PERCENTAGE

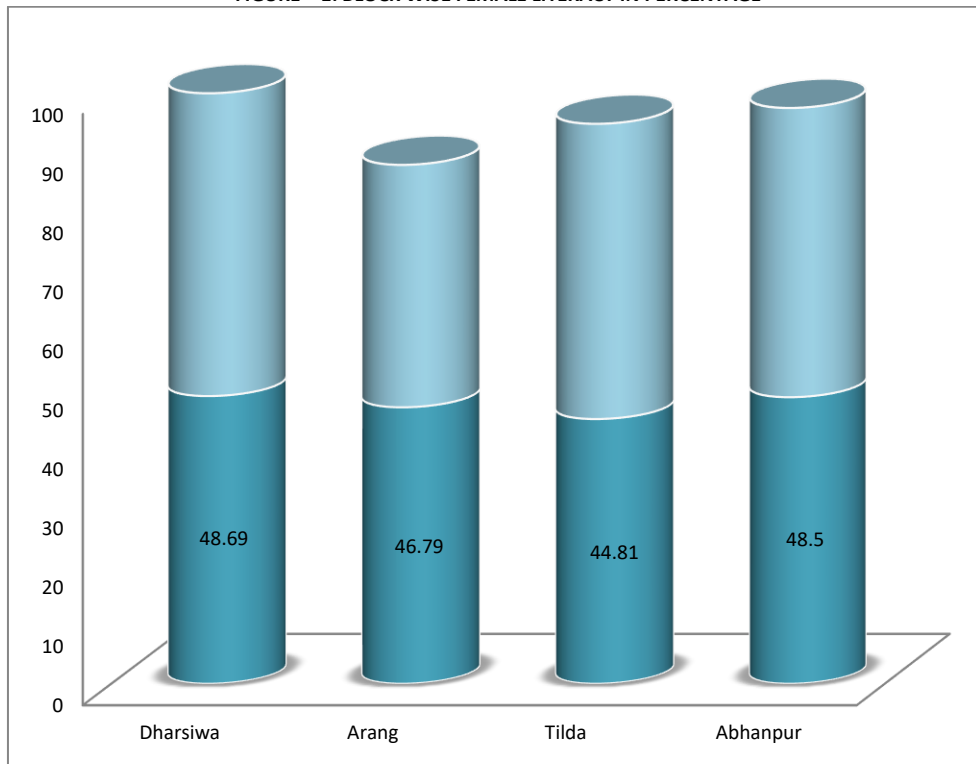
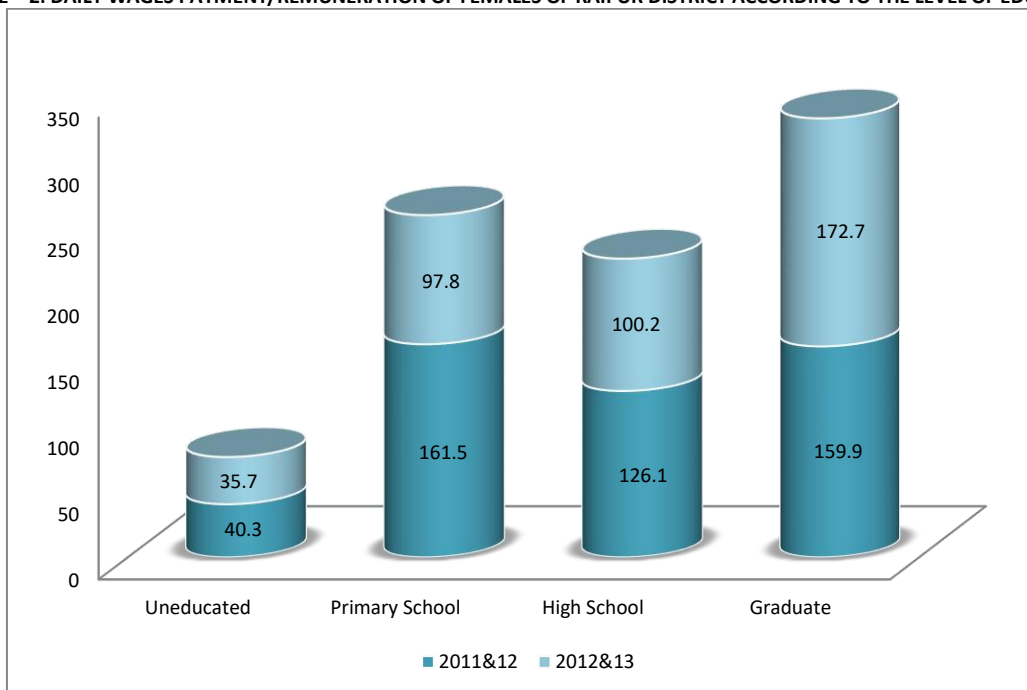


TABLE – 2: DAILY WAGES PAYMENT/REMUNERATION OF FEMALES OF RAIPUR DISTRICT ACCORDING TO THE LEVEL OF EDUCATION

S. No.	Education	Year	
		2011-12	2012-13
1.	Uneducated	40.3	35.7
2.	Primary School	161.5	97.8
3.	High School	126.1	100.2
4.	Graduate	159.9	172.7

FIGURE – 2: DAILY WAGES PAYMENT/REMUNERATION OF FEMALES OF RAIPUR DISTRICT ACCORDING TO THE LEVEL OF EDUCATION



The table presented above shows the higher rate of payment of females as per the educational level

FINDINGS

The findings of the present research study revealed that in the area of Education, Employment and Health Services of women of Self Help Group the condition is yet to be improved. It was not found satisfactory.

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OCTAPACE CULTURE: A PREDICTOR OF FACULTY PERFORMANCE**SUVARNA LAPALIKAR****ASST. PROFESSOR****ST. PAUL INSTITUTE OF PROFESSIONAL STUDIES****INDORE****DR. KAMLESH BHANDARI****PROFESSOR****P.M.B. GUJARATI COMMERCE COLLEGE****INDORE****ABSTRACT**

The present study aims in making a survey on the impact of OCTAPACE Culture with respect to professional higher education institutes in Indore city. For imparting quality education in colleges, faculty members are considered to be the most important and valuable assets. The eight variables of HRD climate therefore plays a vital and essential role in maintenance and development of employees, which would lead to higher satisfaction in their job. OCTAPACE in form of Human resource development is a continuous process to ensure the development of employee's competencies, dynamism, motivation and effectiveness in a systematic and planned way. In this study total 500 faculty were selected and through questionnaire they were asked about the culture exist in their organizations. For the analysis, correlation and regression were applied. The findings reveal that there is a significant impact of OCTAPACE culture on faculty performance.

KEYWORDS

OCTAPACE culture, faculty performance, quality education, maintenance and development.

INTRODUCTION

OCTAPACE culture is an integral part of organizational climate. It can be defined as perceptions the employee can have on the developmental environment of an organization. The OCTAPACE items deal with the extent to which Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity and Collaboration are valued in the organization. The items dealing with human resource development mechanisms measure the extent to which human resource development mechanisms are implemented seriously. India has successfully created a niche in leading higher education systems in the world. Higher education institutions are the important means for exploring, generating, conserving and transmitting knowledge. Higher education has intensely changed in the past two decades, and those involved in the academic sector are still struggling with the implications of these changes. Academic Institutions and systems have faced pressures of increasing numbers of students and demographic changes, demands for accountability, reconsideration of the social and economic role of higher education and the impact of new technologies, among others. While higher education institutions function on a national level, the challenges they face are on a global scale.

The overriding aim of this research work is to examine the dimensions of OCTAPACE Culture and its impact on employees' performance in Higher Education in Indore. Basically, the purpose of selecting the Higher Education is as it is students driven and its prime focus is on quality of services so that future leaders can prepare for tomorrow. The aim of the culture is to implement of all eight variables to engender climate of trust and confidence where both employees and students feel part of a multi-disciplinary team working to the organizational objectives. Internal communication strategy promotes the level of understanding and an open door culture. The basic conditions for effective working environment include openness, trust, confrontation, collaboration, experimentation, autonomy, confrontation and proaction. Members are open, appreciative, kind and genuine in their interactions with each other and eager to learn from each other. For enhancing the faculty performance; OCTAPACE enables effective communication and fruitful collaboration of leadership in which new ideas and views are shared, mutual support is provided and opportunities are exported to their full potential.

ORGANIZATION CULTURE IN EDUCATION SECTOR

At the higher education level, culture can be defined as the values and beliefs of educational stakeholders (i.e., administrators, faculty, students, board members and support staff), based on tradition and communicated verbally and nonverbally (Deal and Kennedy, 1982; Bartell, 2003). Values and beliefs are thought to greatly influence decision-making processes at educational institutes and shape individual and organizational behaviors. Through observation of building architecture, campus facility maintenance, and student interactions and attire, one can tell a great deal about the culture. Leaders of education sector are increasingly becoming more aware of the concept of culture and its significant role in change and development. Further, higher education possesses distinctive characteristics, which correlate strongly with their respective cultures. Unlike most business organizations, higher education often possesses goals that are unclear and difficult to measure. Further, the internal and external stakeholders are diverse and play extraordinary roles. Internal stakeholders range from domestic and foreign undergraduates to graduate, professional, and continuing education students. External stakeholders include those in the surrounding community, the political jurisdiction, granting and accrediting agencies, unions and the press (Bartell, 2003). In this context, the higher educational institutes can be thought of as an intricate web, where the role of faculty is to link components of the web together (Bartell, 2003). As a web, the educational institutes can be considered interwoven and continuous, allowing communication among individuals who share responsibility and decision making power. The OCTAPACE profile is a 40-item instrument that gives the profile of organization's ethos in eight values. These values are openness, confrontation, trust, authenticity, pro action, autonomy, collaboration and experimentation.

OPENNESS

Openness is there where people (Individuals, dyads, teams and all in the organization) feel free to express their ideas, opinions and feelings to each other irrespective of their level, designation, etc. There are no barriers to such expressions among faculty and students. They are encouraged to express and are heard. Their views are taken seriously. Such expressions provide an opportunity for individuals to explore their own talents. Openness can be defined as a spontaneous expression of feelings and thoughts, and the sharing of these without defensiveness.

COLLABORATION

Collaboration is the culture where people (Individual, dyads, teams and the organization as a whole) are eager to help each other. There is a spirit of sacrifice for the sake of each other and larger goals. Personal power is played down and people are governed by larger goals like the goals of the organization, country and humanity. People are willing to go to any extent to help each other to make sure that the larger organizational goals do not suffer. The outcome of collaboration includes timely help, teamwork, sharing of experiences, improved communication and improved resource sharing.

TRUST

Trust deal with a culture of people believing each other and acting on the basis of verbal messages and instructions without having to wait for written instructions or explanations. Trust puts the onus on the person who is the recipient of the promise or word given. Trust is not used in the moral sense. It is reflected in

maintaining the confidentiality of information shared by others, and in not misusing it. It is also reflected in a sense of assurance that others will help, when such help is needed and will honor mutual commitments and obligations.

AUTHENTICITY

Authenticity is speaking the truth fearlessly and keeping up the promises made. It is indicated by the extent to which people mean what they say and do what they say. In a way, it is of a higher order than trust and trustworthiness. Individuals, dyads and teams can be counted upon not to make false promises. They never promise or commit to things just to please others. They also make full efforts to implement their promises. The outcome of authenticity in an organization is reduced distortion in communication. This can be seen in the correspondence between members in an organization.

PROACTION

A Proactive culture promotes initiative and exploration on the part of all employees. A proactive culture encourages everyone to take initiative and make things happen. New activities and new ways of doing things are encouraged. Such proaction can be in any area including role making (giving new interpretations to one's role for achieving organizational or team goals.), role taking (taking new initiatives, initiating new activities, changing the old methods of work), Work methodology, cost reduction, quality improvements, culture building, HRM, etc.

AUTONOMY

Autonomy is present if every role-holder in the organization, irrespective of his level, has some scope to use discretion in his job. The discretion may be in terms of work methods, decision making, communication or any such area. There should be scope to choose one's activities and role. The greater the freedom to choose what one wants to do or the way one wants to do it, the higher the autonomy. Autonomy is using and giving freedom to plan and act in one's own sphere.

CONFRONTATION

Confrontation can be defined as facing rather than shying away from problems. It is the culture of facing issues squarely. People discuss issues with very little fear of hurting each other. Even if one may have to hurt the other, the issue is handled and not put under the carpet. People can be relied upon to treat issues not as a personal assault but as focus areas needing improvement. This culture enhances the problem solving ability. It also implies deeper analysis of interpersonal problems. All this involves taking up challenges. The term confrontation is being used with some reservation and means putting up a front as contrasted with putting one's back (escaping) to the problem.

EXPERIMENTATION

Experimentation is the orientation on the part of the employees to try out new ways of doing things and take new decisions. It characterizes a risk-taking culture in the organization. Without risk, there is no growth. Without experimentation, there is very little scope for renewal, rejuvenation and simplification of life. It means using and encouraging innovative approaches to solve problems, using feedback for improving, taking a fresh look at things, and encouraging creativity. Organizational learning does not imply repetitive action; it implies applying past experience to current problems to reach beyond. This can be called creativity. Other terms such as innovations, experiments, new approaches, etc. also convey the same meaning.

OCTAPACE Culture and Faculty Performance

Although numerous studies have emphasized cultures instrumental value, there is still absence of any comprehensive theory of how OCTAPACE Culture may influence Organizations employee attrition rate, employee satisfaction and employee morale in Educational Sector while providing quality of education. Research on the link between OCTAPACE Culture and higher education is also limited. The available researches on Culture, HRD also does not consider education based services, Employee attrition, and employee satisfaction and employee morale as an Objective. And in fact a very little attention has been also made on education industry.

Thus it is argued that in education sector, employees attrition rate is very high so to study how OCTAPACE Culture is helpful to reduce the attrition rate, further this research has focused on how OCTAPACE Culture is helpful to know the faculty performance in terms of students' results, placements and their grooming. The relationship between OCTAPACE Culture and faculty performance in higher educational sector has also not been found all together in any of the research. Indore is the hub of education.

REVIEW OF LITERATURE

Shine David et al., (2015) found in their study that Knowledge is considered as the most important asset in 21st century. Efficient knowledge sharing demands an open and cohesive culture. Organizational culture directly affects the extent to which effective knowledge management is possible. OCTAPACE culture is such a measure. This study aims to study the impact of OCTAPACE culture in Knowledge Management with an emphasis on gender. The findings of the study may help organizations to focus on certain factors while devising strategies for Knowledge management.

Harish B. Bapat et. a., (2014) A Study of organizational dynamics through OCTAPACE culture in IT companies. In this study, the researcher has mentioned that individuals in an organization have vast potential for development and it can be further developed and multiplied through appropriate and systematic efforts. The present study is humble attempt to identify the major factors based on descriptive research design undertaken with the help of structured questionnaires to study the OCTAPACE in IT Industry. This study employs certain statistical tools for assessing whether the hypotheses that had been formed are valid or not. The results show that the sample organizations differ significantly in their OCTAPACE Culture and are having varying level of OCTAPACE culture.

The study by **Sheetal Yadav (2014)** aims to find out the prevailing and desired level of OCTAPACE culture which is still embedded in the context of North Indian universities. A healthy organizational culture stands on eight strong pillars of the "OCTAPACE" which should be maintained in any organization to achieve organizational goal. The desired level of OCTAPACE values (which is always believed to be higher) is not found high for all the values in sample universities. Openness's desired level is found lower than the prevailing level in sample universities. Hence, the sample universities' culture is not very strong and they will have to gear up to make it sound and effective culture to achieve their desired goal.

Dubey Pushkar and Surethiran (2013) focused on the issue of Human resource development climate prevailing in the private schools of western Odisha. Based on teacher's opinion the OCTAPACE Culture, general climate and HRD implementation dimension were surveyed and the overall HRD Climate was calculated. The present study aims in making a survey of Human resource development climate with respect to schools in western Odisha. For imparting quality education in schools, teachers are considered to be the most important and valuable assets.

The aim of the study of **Neeraj Kumari (2013)** was to understand the general HRD climate of the organization and to find out which factor (s) influence the HRD climate of the company. The descriptive research design was under taken with the help of the structured questionnaire to study the OCTAPACE culture of Spanco Ltd. which was based on the responses of the various levels of employees working in it. Employees believe that top management gives importance to the human resource and all employees are treated humanely.

OBJECTIVES OF THE STUDY

1. To study the effect of openness on faculty performance in Educational Institutions.
2. To find out results and give suggestions for future research aiming at enhancement of OCTAPACE culture in Educational sector.

RESEARCH METHODOLOGY

SAMPLING PLAN: The study was restricted to the higher education institutes in Indore including Management, Arts & Commerce, Medical, Engineering, and Science colleges.

SAMPLING UNIT: For the research, total 400 faculty members were selected.

SAMPLING TECHNIQUES: For the study, random sampling technique was used.

DATA ANALYSIS TOOLS

The data coded in excel using Ms-Office package. The coded data was then analyzed using SPSS version 20.0. The data was analyzed using descriptive statistics. First all questions were subjected to frequency analysis and item total correlation to check whether the scale is measuring any variation or not. Thereafter, the reliability and validity of the scale were done using Cronbach's Co-efficient Alpha, Factor Analysis, Correlation & Regression analysis and One Way ANOVA. The secondary data for this particular study were collected through national and international journals, periodicals and other existing reports that were based on the subject. Secondary data helped the researcher to create better comprehension of women preferences towards retail formats. Thus the study conducted and analysed primary data with the significance of the secondary data.

HYPOTHESIS

H₀₁: There exists no significant impact of OCTAPACE culture on Faculty Performance.

ANALYSIS

TABLE 1: MODEL SUMMARY ON OCTAPACE CULTURE & FACULTY PERFORMANCE

Model	R	R Square ^b	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.920 ^a	.846	.845	5.92825	.846	2185.872	1	399	.000

Predictors: Autonomy

Dependent Variable: Faculty Performance

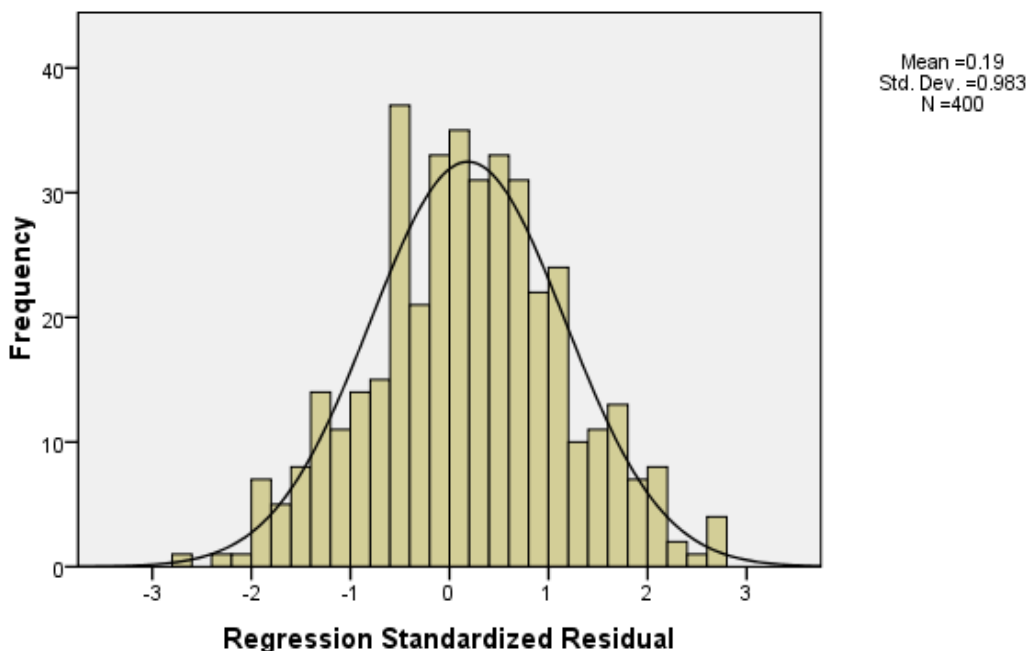
Over all model summary shows the value of multiple correlation coefficient R=0.920, it is the linear correlation coefficient between observed and model predicted values of the dependent variable, Its large value indicates a strong relationship. R², the coefficient of determination is the squared value of the multiple correlation coefficients. Adjusted R²=0.846, R² change is also 0.845 and these values are significant which shows that overall strength of association is noteworthy. The coefficient of determination R² is 0.846; therefore, 84.6% of the variation in Faculty Performance is explained by OCTAPACE culture.

TABLE 2: COEFFICIENTS ON OCTAPACE CULTURE & FACULTY PERFORMANCE

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	OCTAPACE	1.294	.028	.920	46.753	.000

a. Dependent Variable: Faculty Performance

FIG. 1



ANOVA is used to exhibit model's ability to explain any variation in the dependent variable. ANOVA table exhibits that the hypothesis that all model coefficients are 0 is rejected at 1% as well as 5% level of significance which means that the model coefficients differ significantly from zero. In other words, we can say that there exists enough evidence to conclude that slope of population regression line is not zero and hence, OCTAPACE culture is useful as predictor of Faculty Performance. From the table of ANOVA, it has been found that the calculated value of F is greater than the tabulated value at .000 significant levels. Hence, null hypothesis is rejected and alternate hypothesis is accepted. The normal probability plot is obtained to test the assumption about the normality of residuals and it appears that the residuals are approximately normally distributed. Thus, the assumptions for regression analysis appear to be met.

FINDINGS OF THE STUDY

- To analysis these results further, OCTAPACE culture of Higher Education is looked into. On the eight variables of organizational culture selected for the study, the employees of higher education have strong organizational culture and they are more satisfied, able to boost their morale in achieving the objectives and goals and also employees' attrition rate is reduced due to strong culture.
- They have high openness, high confrontation, high autonomy and high experimentation. The results lead us to believe that the higher education has strong cultural norms and practices with high centrality of work, positive relationship, high work pleasure, high job effect, transparency, free flow of information, better opportunity for innovation and performance.
- The findings thus lead us to believe that the higher education is making provision of a favourable synergetic work value system to the faculty members compared to other sectors.
- This indicates that over a period of time the coherent set of beliefs, values, assumptions & practices that followed by the higher educational institutions in relation to ethos is embraced by most members of the organization & thereby developed a unique corporate folklore for a strong culture.

- The findings indicate that the culture induces the value system of learning organization and develop a culture of experimentation, which enhances members' motivation towards achievement and advancement in their progression. Experimentation as a value emphasizes the importance given to innovation and trying out new ways of dealing with the problems in the organization.

CONCLUSION

The employee's performance is critical to the conduct of any sector in the competitive marketplace and environment today, and the education sector enjoys no exception to it. The essential to employee performance is to presume the employees' apprehensions and secure proper alignment of their needs with those of the organization. To deliver excellent quality services to the students and strive for the business excellence, the employee performance within the organization is of much importance. All these can be achieved if the top level management takes extra care while developing internal services quality bases starting from selection and recruitment process to recognizing employees with their core expertise and setting up tremendous work design for the employees. It is important for the top management to develop strong relationship between the organization and employees to fulfil the continuous changing needs of both parties.

Organizations expect employees to follow the rules and regulations, work according to the standards set for them, and the employees expect good working conditions, fair pay, fair treatment, secure career, power and involvement in decisions. These expectations of both parties vary from organization to organization. For organizations to address these expectations an understanding of employees' motivation is required Beer, et., al, (1984). The most important thing in the delivery of quality service is the individual motivation of all employees. Organisations need to focus on employee satisfaction because qualified employees are becoming scarce and the turnover high among employees (Rust et al., 1996). The organization's health depends on employees' common shared values and how well the employees are treated by the company's activities to ensure loyalty, low employee turnover, and productivity gains.

The findings also explained about involving people to anticipate the problems and arrangements for their resolutions well in advance so that the necessary systemic and process changes are made without compromising quality and quantity. Thus, the management should work for developing the conducive organisational culture that requires the culture of openness, collaboration, trust, pro-activity, autonomy, authenticity, confrontation and experimentation.

SUGGESTIONS AND RECOMMENDATIONS

Based on the findings of the study the researcher would like to put forth few suggestions for consideration of the management.

- From the findings of the study it was observed that higher education is keen in building a congenial organization culture for its team but with the increase in size and complexities now it has considered to implement OCTAPACE culture in the organization as on today's situation a congenial OCTAPACE culture is extremely important for promoting the organizational effectiveness and good governance.
- It was observed that there exists a conducive openness and trust environment in the organization. Despite this fact some of the respondents hesitate to come out freely to communicate and share as organization behaviour is mostly affected by the behaviour of the individual employee. Higher Education can plan to conduct some ice-breaking sessions to make them socialize better.
- It is observed that higher education sector is able to establish a better psychological contract with the employees but there is a need to develop and maintain a functional work culture. Hence, it has to take some proactive measures towards developing a sound organization culture which will be complimentary to employees' performance.
- The organization should empower employees and encourage them to make decisions for themselves without the fear of negative repercussions along with gradual enlargement of duties. To promote the experimentation among the employees, the management should conduct brain storming sessions which will generate new and innovative ideas and also collaboration among employees.
- Employee satisfaction survey must be done at regular intervals to get the actual picture of work culture and also to find out the changing attitude among the employees. The top management should delegate and empower people lower in the hierarchy. The maximum possible autonomy should be provided so that the problems are solved at their source at the grass root level.

DIRECTIONS FOR FUTURE RESEARCH

This study is confined only to the Higher Education in Indore and further research can be done on organization culture pertaining to various industries as their nature of business and operations vary from one industry to another industry. Further the researcher has focused only on OCTAPACE dimensions of organization culture, so new dimensions can be identified in this area as the complexity of business operations is increasing day by day so is the change in behaviour of employees. To remain competitive during the period of accelerating change, organization will have to continuously pay attention to organization culture; in this context, there arises a scope for further research in the area.

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INFRASTRUCTURE MANAGEMENT IN IT PARKS WITH SPECIAL REFERENCE TO TECHNOPARK, TRIVANDRUM

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ABSTRACT

Infrastructure is the baseline and key driver for overall development of a country. It is an admitted fact that the level of economic development of a country directly depends on the development of infrastructure. To sustain this economic growth there must be a matching infrastructure. Poor infrastructure causes higher supply costs and delays for businesses. Technopark's aim is to create infrastructure and provide support required for the development of high-technology companies. Renowned as the Country's first IT Park and one of the largest one in India in terms of built up space, Technopark was reputed as greenest IT Park established in 1990. It aims to provide all the infrastructure and support facilities needed for IT/ITES. The study was conceived to analyze how Technopark, Trivandrum, supports the IT companies functioning in Technopark, in retaining its operational viability by providing continuous and world class infrastructure. The data for the study were collected from both primary and secondary sources. Statistical tools such as Chi-square test, Fried Mans Rank Test, correlation one way Anova were used to verify the hypothesis.

KEYWORDS

IT parks, infrastructure management, technopark, Trivandrum.

INTRODUCTION

Infrastructure is baseline and key driver for overall development of any region and in countries like India, one of the fastest growing economies today; it plays a key role in wealth creation process in the industrial set up. It is an admitted fact that the level of economic development of a country directly depends on the development of infrastructure. To sustain this economic growth there must be a matching infrastructure. The presence of sufficient infrastructure will require for achievement of income surpluses by the body corporate. Though Infrastructure has always been a part of mankind, the difference now is that Information Technology provides new vistas of innovation and growth. **Infrastructure** refers to structures, systems, and facilities serving a country, city, or area, including the services and facilities necessary for its economy to function. It typically characterizes technical structures such as roads bridges, tunnels, water supply, telecommunications, and so forth, and can be defined as "the physical components of interrelated systems providing commodities and services essential to enable, sustain, or enhance societal living condition. Poor infrastructure causes higher supply costs and delays for businesses.

In July 1990, the Government of Kerala conceptualized Technopark as a facility to foster the development of high-technology industries in the state. Renowned as the Country's first IT Park and one of the largest one in India in terms of built up space, Technopark was reputed as greenest IT Park established in 1990. Technopark houses about 290 companies with more than 40,000 professionals. It is an autonomous society promoted by the Government of Kerala.

Technopark's aim is to create infrastructure and provide support required for the development of high-technology companies. Technopark aims to provide all the infrastructure and support facilities needed for IT/ITES and electronics companies to function. In addition to built-up office space, it also provides all utilities as well as the data connectivity

NEED FOR THE STUDY

Poor infrastructure impedes a nation's economic growth and international competitiveness (The World Bank 2006). Insufficient infrastructure also represents a major cause of loss of quality of life, illness and death (Willoughby 2004) Infrastructure has to provide basic needs and facilities to the population and support in achieving higher growth rates. The present paper provides how infrastructure plays a role to fulfill their growth targets as well as achieving higher living standards of the employee of Technopark.

STATEMENT OF THE PROBLEM

Technopark aims to provide all the infrastructure and support facilities needed for IT/ITES and electronics companies to function. The study was conceived to analyse how Technopark, Trivandrum, supports the IT companies functioning in Technopark, in retaining its operational viability by providing continuous and world class infrastructure.

OBJECTIVE

The main objective of the study is to understand the Infrastructure Management Practices in Technopark, Kerala

RESEARCH METHODOLOGY

The data for the study were collected from both primary and secondary sources. The response of personnel in the IT industrial units of Technopark act as the base for primary data. Apart from it a variety of sources like official government publications and reports, study reports of government agencies, industry surveys and reports, research theses and articles, books and periodicals, seminar reports, working papers, study reports of expert committees, news papers, magazine articles and web sites were also referred for obtaining secondary data.

SAMPLING DESIGN

The sample for the study consists of employees and top level executives serving in different companies hosted by Technopark. The companies are selected irrespective of its size and volume of business. During the study period, there are 289 companies with a workforce of about 46000. Out of this, 300 employees

represent the population of the study, which was randomly selected, and 29 companies, which formed 10 percent of companies mentioned, were selected for top level executive study.

STATISTICAL TOOLS USED

Statistical tools such as Chi-square test, Fried Mans Rank Test, correlation one way Anova were used to analyze the data.

ANALYSIS

HYPOTHESIS I

Null Hypothesis: There is no significant relationship between employee satisfaction on the facilities and the positions level.

TABLE 1: ANOVA FOR SIGNIFICANT RELATIONSHIP BETWEEN EMPLOYEE SATISFACTION ON THE FACILITIES AND THE POSITIONS LEVEL

Variables	Source of Variation	Sum of squares	DF	Mean square	F	Sig
Hospital & Health care system	Between Groups	1.709	2	.855	3.565	.030
	Within Groups	71.207	297	.240		
	Total	72.917	299			
Educational institutions	Between Groups	1.631	2	.816	6.050	.003
	Within Groups	40.035	297	.135		
	Total	41.667	299			
Cafeteria & restaurants	Between Groups	2.671	2	1.336	6.575	.002
	Within Groups	60.329	297	.203		
	Total	63.000	299			
Bank/ATM	Between Groups	1.718	2	.859	3.534	.029
	Within Groups	72.202	297	.243		
	Total	73.920	299			
Conference hall & Training centre	Between Groups	.757	2	.378	1.602	.0023
	Within Groups	70.160	297	.236		
	Total	70.917	299			

Source: Authors Compilation

To the test significant relationship between employee satisfaction on the facilities and the position level, one way ANOVA test has been applied. The result of ANOVA shows that for Hospital & Health care system $p=0.030$, for educational institutions $p=0.003$, for Cafeteria & restaurants $p=0.002$, for bank/ATM $p=0.029$ and for Conference hall & Training centre $p=0.0023$. The p values are lesser than 0.05 significance level. Thus the null hypothesis is rejected and it is clear that there is significant relationship between the employee satisfaction on the facilities and the position level of employee.

HYPOTHESIS 2

Null Hypothesis: There is no significant relationship between the number of employees in the organisation and the number of floors in the building.

To test this hypothesis Pearson Product Moment Correlation (PPMC) between the number of employees and the number of floors in the building was applied.

TABLE 2: CORRELATION OF NUMBER OF EMPLOYEES AND NUMBER OF FLOORS

Employees	Floor
Pearson correlation	0.014
Sig (2 tailed)	0.611
N	29

Source: Authors Compilation

Table 2 shows that the "p value" 0.014 is lesser than 0.05 level significance so the all hypothesis is rejected it is also clear that there is significant relationship between the number of employees in the organization and the number of floors in the building In order to confirm the above result chi square test has been conducted.

CHI SQUARE TEST to verify that there is significant relationship between the number of employees in the organization and the number of floors in the building

TABLE 3

	Value	DF	Assuming (2 tailed)
Pearson chi square	13.569	9	0.041
likelihood ratio	14.966	9	0.092
linear by linear association	0.272	1	0.602
N of valid cases	29		

Source: Authors Compilation

A. 15 cells 983.8 % have expected count less than 5 the minimum expected count is 0.31 table 2 shows that p value 0.014 is lesser than the 0.05 level of significance so the null hypothesis is rejected it is also clear that there is significant relationship between the number of employees in the organization and the number of floors in the building

HYPOTHESIS 3

Null Hypothesis: There is no significant relationship between the types of the company and the infrastructure facilities in their company.

To test this hypothesis a pearson product moment correlation (PPMC) between the type of the company and the facilities in the company was applied.

TABLE 4: CORRELATION OF TYPE OF COMPANY AND THE INFRASTRUCTURE FACILITIES

TYPES OF COMPANY	INFRASTRUCTURE FACILITIES
Pearson s correlation	0.785
Sig (2 tailed)	0.060
N	29

Source: Authors Compilation

Table 4 says that the correlation coefficient between the type of company and infrastructure facilities in the company is 0.785 it is positively correlated and it is clear that there is significant relationship between the type of company and the infrastructure facilities in the company In order to confirm the above result the chi square test has been conducted.

TABLE 5: FRIED MANS RANK TEST FOR THE LEVEL OF SATISFACTION OF EMPLOYEES ON THE FACILITIES AVAILABLE IN THE BUILDING

Particulars	Mean Rank	Rank
Provision for natural light & air	4.37	8
Wide corridors, verandas& passage ways	4.59	4
Convenient staircases	4.41	6
Adequate number of emergency exists	4.61	2
Adequate recreational space	4.39	7
Fire escape staircases	4.62	1
Water closet	4.42	5
Lift to carry stretcher	4.60	3

Source: Authors Compilation

To test the level of satisfaction of employees on the facilities available in the building fired mans rank test has been conducted the test result depicts that the first and second ranks has been taken up by the highest mean values 4.62 and 4.61 which are possessed by the variables Fire escape staircases and Adequate number of emergency exists. The third and fourth ranks are occupied by Lift to carry stretcher and Wide corridors, verandas& passage ways 4.60 and 4.59. The fifth and sixth ranks are taken up by Water closet and convenient staircases are is 4.42 and 4.41. Finally the seventh and eight ranks are adequate recreational space and Provision for natural light & air which has their mean ranks of 4.39 and 4.37 respectively. It is also clear form the mean values that all the facilities provided re sound since it does not have high level of variation between the mean values.

TABLE 6: FRIED MANS RANK TEST FOR THE PROVISIONS AVAILABLE TO DISABLED PERSONS

Particulars	Mean Rank	Rank
Easy access to main entrance through ramp	4.80	1
Ramp is provided with hand rail	4.59	2
Slope of all ramps are constant with in a building	3.71	3
Building exceeds 1000 sq m have lift	1.94	6
Provisions of a washbasin at an accessible location	3.51	4
Water closet at the ground floor and every floor in multiples of three	2.46	5

Source: Authors Compilation

To test the employees satisfaction on the provision available to disabled persons, Fried mans rank test has been conducted. The test results exhibits that the first two ranks were occupied by easy access to main entrance through ramp and ramp is provided with handrail, since their mean ranks are 4.08 and 4.59. The third and fourth ranks has been occupied by slope of all ramps are constant with in a building and provisions of a washbasin at an accessible location, whose mean ranks are 3.71 and 3.51 respectively. The last two ranks are taken by the least mean values 2.46 and 1.94 which are possessed by water closet at the ground floor and every floor in multiples of three and Building exceeds 1000 sq m have lift respectively.

FINDINGS

- ❖ Among the total number of 300 employees in the techno park 46% of the respondents belongs to the age group of 25 to 35 years and 29% belongs to the age group of 35 to 45 years
- ❖ Out of the 300 samples 68 % are male and the remaining 32 % are female. Most of the respondents had bachelor's degree in various discipline. 30.3 % were computer graduates, 29.7 % are engineering graduates and 29 % are post graduates.
- ❖ There is significant relationship between employee satisfaction on the facilities and the positions level of employees.
- ❖ There is significant relationship between the number of employees in the organization and the number of floors in the building
- ❖ There is significant relationship between the types of company and the infrastructure facilities in the company
- ❖ Fried mans rank test has been conducted to test the employees satisfaction on the provision available to disabled persons The test results exhibits that the first two ranks were occupied by easy access to main entrance through ramp and ramp is provided with handrail, since their mean ranks are 4.80 and 4.59.

SUGGESTIONS

1. Establish an IT research institute to do research on the domestic IT enablement and lead innovation in the It sector to address the needs of the state.
2. Improve infrastructure near technopark like working women's hostel, housing, children, parks, parking spaces, cultural centre, Food courts etc.
3. To increase the capacity of sewage treatment plant and to install the same for phase II phase III
4. The existing IT policy has to be amendment focusing the area for incentives to Small and Medium Enterprises
5. Better travel infrastructure in and around techno park is required

CONCLUSION

The progress of companies in Technopark depends on the development of physical, basic and social infrastructure like land, water supply system, built-up space, e-waste management, fire fighting system, connectivity, campus security, power distribution system, incubation center, health care and single window clearance. Obviously if proper attention is not paid to the development of infrastructure, it is likely to act as a severe constraint on the efficiency of the organisation and also in the economic development processes in the country.

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A DESCRIPTIVE STUDY ON REASONS FOR EMPLOYEE ATTRITION BEHAVIOR IN HOTELS AND RESTAURANTS OF LUCKNOW CITY: OWNERS/ MANAGERS PERSPECTIVE

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ABSTRACT

Service sector is one of the largest sector in the global economy, that contributes monetary wise as well as in terms of job opportunities and infrastructure development. It is classified into Economic services like trade and hospitality; transportation activities, storage and communication; banking and insurance services then Social services like health, education and administration. Travel and tourism a part of hospitality industry consists of tourist destinations, tourist attraction, travel brokers, transportation, accommodation and travel related services. Accommodation includes lodging, establishments that serve food and beverages, in form of hotels, restaurants, resorts, guest house, apartments, camps and destination themed parks. Globally travel and tourism provides employment to 292 million people i.e.1 in every 10 job, same ratio is in India. Hotels and restaurant is totally service oriented and non-tangible asset which means main focus is on employees. Performance of the organization is related to the employee's performance; therefore, attrition of employees leads to loss for the organization in monetary as well demotivates other employees. Main aim of the paper is to find out the reasons for attrition in hotels and restaurants of Lucknow City, Uttar Pradesh, India. Method used is descriptive research, data collection is via secondary data and primary data collection through questionnaire using the technique scheduling. Population unit are the owner/ manager of hotel and restaurant of Lucknow City, Uttar Pradesh, India. Main reason are long working hours, odd working hours, salary, family problem and health issues of employees.

KEYWORDS

attrition, employees, hospitality industry, hotels, restaurants.

INTRODUCTION

 Service sector also known as the tertiary sector is mainly based on intangible (unseen) asset and comprises primarily of human beings offering their time, skill and knowledge to enhance performance, productivity, potential and ability to sustain the activity. It includes entertainment, telecommunication, mass media, hospitality industry/ tourism, public health, transportation, Fast Moving Consumer Goods (FMCG), consulting, retail sales, financial services, real estate, franchising and Information Technology (IT).

Hospitality is the family association between guest and host, or the act or practice of being warm, friendly or generous. This includes the receiving, serving and entertaining the guests, visitor, or strangers. The hospitality industry further classified into fields of the service industry like restaurants, lodging, event planning, transportation, theme parks, airlines, cruise lines and tourism.

Travel and tourism provides employment to 292 million people in the world and in India it employs 49 million people i.e. 1 in every 10 jobs. With the tourism sector growing multi fold in India so is the hotels and restaurants. Since it is a service oriented business manpower are very important and is aligned to the functioning of the organization. Employees are the core of any hotel/ restaurant for smooth functioning. The owners/ managers have to take great care to handle the employees both financially as well as non-financially. Therefore, the owners/ managers face a problem to retain the employees for a long period of time. Employees quitting the job or departing from the organization leads to both monetary and non-monetary loss to the organization.

REVIEW OF LITERATURE

- According to C. Lewis, Elementary Latin Dictionary (Oxford Univ. Press, 2000) The word hospitality is derived from a Latin word hospes, which means "guest", "host", or outsider". Hospes has been formed from the word hostis, like the term "hostile" similar to "enemy" or "stranger".
 - According to Charles MacKinnon, Scottish Highlanders (1984, Barnes & Noble Books)
- "Celtic societies also valued the concept of hospitality, especially in terms of protection. A host who granted a person's request for refuge was expected not only to provide food and shelter to his/her guest, but to make sure they did not come to harm while under their care."
- From ancient Hindu scripture Atithi Devo Bhava a Sanskrit word, in English means "the guest is God" is the Indian concept of hospitality. This concept based on history and stories where guest is treated as a god. The hospitality provider is then rewarded. This history is the root of Indians graciously treating their guests at house, and in every social situation.
 - According to CIA World Fact Book "Services sector is the largest sector of the world. 63.5 percent of total global wealth comes from services sector. United States is the largest producer of services sector with around 13.5 trillion USD. Services sector is the largest sector of 194 countries. 30 countries receive more than 80 percent of their GDP from services sector."
 - According to economic survey of India 2015 "The services sector is projected to grow at 8.8 per cent in 2016-17, similar to 2015-16. As per World Trade Organisation (WTO) data, India's commercial services exports increased from US\$ 51.9 billion in 2005 to US\$ 155.3 billion in 2015, taking its share in global services exports to 3.3 per cent in 2015 from 3.1 per cent in 2014. In terms of growth in tourism sector, during January to December 2016, Foreign Tourist Arrivals (FTAs) were 8.9 million with growth of 10.7 per cent and foreign exchange earnings (FEE) were at US\$ 23.1 billion with a growth of 9.8 per cent.
 - The major contribution to the Indian Economy for the past ten years is the service sector. According to Economic Survey 2015-16, "The Gross Domestic Product (GDP) in India was worth 2073.54 billion US dollars in 2015 of which the service sector contributed 54.4% followed by industrial sector 29.5% and agriculture 16.1%." "The second-largest sub-segment of the services sector comprising trade, repair services, hotels and restaurants contributed nearly US\$ 295.7 billion or 19.2 per cent to the Gross Domestic Product (GDP) in 2015-16, while growing at 8.9 per cent year-on-year."
 - According to World Travel & Tourism Council (WTTTC) the direct contribution to global GDP is about US\$ 2 trillion in 2012. In terms of employment in 2011 more than 98 million jobs were generated and in 2012 it increased by 2.3% to 100.2 million. It is expected to generate 120 million jobs directly in 2022. Globally the capital investment in hospitality industry is US\$743 billion in 2011 and is expected to increase by 5.6% annually over the next 10 years to US\$ 1.3 trillion in 2011.

- According to Tourism of India, it states that Indian civilization can be dated back to 3000 BC. Indus Valley civilization, which flourished along the river Indus known for its development and trade routes. Harappa and Mohenjodaro two famous known cities at that time built along the river Ravi, while development of urbanization took place around 1500 BC along the river of Ganges. During excavation, it can be found that Indus Valley civilization had traders and visitors which explains about early tourism. Chadrugupta Maurya (322 BC- 298 BC) ruled after the Magadh ruler and was one of the greatest emperors of India. The Mauryan rule reached its peak under Ashoka "the Great", a ruler who promoted Buddhism and its teachings across India and in foreign lands like China and Sri Lanka. Later Buddhism developed into a religion, which led to construction of monuments and monastery. Chandra Gupta I (380 AD – 412 AD) rule developed India's culture in the form of art, music and dance, at the same time the country started to prosper also known as 'The Golden Period' in Indian history. Southern region of India was ruled by the Cholas, the Pandyas, the Cheras, the Pallavas and the Chalukyas were also famous rulers under whom Southern Indian art and craft prospered. Architecture also developed in various styles and techniques in the form of temples, the Cholas were known for their well-crafted Chola Bronzes. During 1001 – 1025, India was first invaded by Muslims, Prithviraj Chauhan, the Tomar of Delhi was defeated by Mohamed Ghori, he made his deputy Qutub Ud Din in charge of delhi. Qutub Ud Din is the one who built the Qutub Minar a well-known monument today, in Delhi.
- According to the Planning Commission, the hospitality sector creates more jobs per million rupees of investment than any other sector of the economy. The World Travel & Tourism Council (WTTTC), which says India's travel and tourism sector is expected to be the second-largest employer in the world, employing 40,37,000 people, directly or indirectly, by 2019.
- According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTTC), the demand for travel and tourism in India is expected to grow by 8.2 % between 2010 and 2019. This will place India at the third position in the world. India's travel and tourism sector is expected to be the second largest employer in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019. The report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020.
- (businessdictionary, n.d.) A hotel is an establishment that provides lodging, dining, entertainment and other services which are paid on a short-term basis. The provision of basic accommodation, in times past, consisting only of a room with a bed, a cupboard, a small table and a washstand has largely been replaced by rooms with modern facilities, including in-suite bathrooms and air conditioning or climate control.
- Hotels are classified based on their mode of operation. Hotels vary in size, function, facilities offered and cost. Most hotels and hotel chains operate hotels on an accepted industry standard to classify their hotel properties. General category hotels now seen are upscale luxury, full service, historic inns and boutique hotels, focused or selective service, economy and limited service, extended stay, time share resorts and destination clubs.
- Star classification of hotels by Government of India, Ministry of Tourism (H&R Division) "Hotels are an important component of the tourism product. They contribute in the overall tourism experience through the standards of facilities and services offered by them. With the aim of providing contemporary standards of facilities and services available in the hotels, the Ministry of Tourism has formulated a voluntary scheme for classification of operational hotels which will be applicable to the following categories: Star Category Hotels: 5 Star Deluxe, 5 Star, 4 Star, 3 Star, 2 Star & 1 Star
 - i. A 1-Star hotel provides a limited range of amenities and services, but adheres to a high standard of facility-wide cleanliness.
 - ii. A 2-Star hotel provides good accommodation and better equipped bedrooms, each with a telephone and attached private bathroom.
 - iii. A 3-Star hotel has more spacious rooms and adds high-class decorations and furnishings and colour TV. It also offers one or more bars or lounges.
 - iv. A 4-Star hotel is much more comfortable and larger, and provides excellent cuisine (table d'hote and a la carte), room service, and other amenities.
 - v. A 5-Star hotel offers most luxurious premises, widest range of guest services, as well as swimming pool and sport and exercise facilities
- A restaurant is an establishment which prepares food and drinks to serve to its customers in exchange of money which can be paid before or just after the meal. Some restaurants have tab system for certain type of customers. Food is prepared and eaten in the restaurant premises, but nowadays restaurants offer the service of packing and home delivery where food is prepared in the premises but eaten outside the restaurant premises. Ambience and cuisine vary according to different restaurant. The proprietor is called restaurateur, both words derive from the French verb *restaurer*, meaning "to restore". Restaurant is first originated in France in 1765, opened by a soup vendor A. Boulanger in Paris.
- Types of restaurant
 1. Fast food- Fast food or Quick Service Restaurants (QSR) is known for their speedy service. Small scale street vendor with carts to mega corporations like Mc'D and KFC fall under this category.
 2. Fast casual- Establishments which do not offer full table service with quality food and prices tend to be higher. They may offer non-disposable plates and cutlery.
 3. Casual dining- Restaurants serving moderately priced food in a casual atmosphere. Except for buffet style, they typically provide table service. Cater to the market segment between food establishments and fine dining restaurants. Often, they have a full bar with separate bar staff.
 4. Family style- A types of casual dining restaurant, here food is served on plates by service staff and diners serve themselves. Alcoholic beverages in family style restaurants are not served.
 5. Fine dining- Full service restaurants with specific dedicated meals, the ambience features high quality material and atmosphere desired by restaurateur. Wait staff are usually highly trained and wear formal attire. Rules are to be followed by diners and are usually expensive.
- (Peshave & Gujarathi, 2013), studies about the factors affecting the increasing attrition rate in hotels of Pune city, India. Factors such as salary & wages, long working hours, nature of work, poor work life balance, improper employment policies, low job profile and rise in competition resulting in customer dissatisfaction, loss of attraction of customers, increased cost regarding training & hiring of new employees, affect on goodwill & reputation, reduction in quality of workforce, increased workload on existing employees & decrease in moral of existing workforce. They suggested the hotel management of Pune must focus on salaries & long working hours, design employee centric policies; employee participation programmes & concentrate on the existing and loyal employees to boost their morale.
- (Laghane & Deshmukh, 2012), states that the hotels are valuable asset to the Indian tourism industry as well as contributing to creation of numerous job opportunities globally and number of leading hotel chains are present in India. Since, the major services provided by hotels are intangible and require more of the human element; therefore, many problems arise such as Retention of employees, retaining quality workforce, shortage of rooms, customer expectation, human resource development, manual back end, intense competition and image of India. Major problems faced due to high employee attrition rate in the hotels lead to higher cost of turnover, company knowledge is lost, leads to more turnovers, hamper customer service, goodwill and regaining efficiency. Certain techniques suggested to ensure employee engagement were job rotation policies, periodic meetings, appropriate employee workload scheduling, develop and train the existing quality workforce and retention bonus. Finally, the conclusion was Talent management integrates traditional talent-related functions that were considered as "administrative" functions into routine business processes. By "embedding" people management processes into standard business processes one can force line managers to think of recruiting, retention, development, etc. as essential activities that make a significant contribution to any manager's business results and success.
- (Dahiya, 2013), mentions human resource combined with technology and other significant factors contributes to the productivity in tourism and hospitality industry. Better the combination better the productivity. Therefore, the article has focussed on the growth and development of tourism and hospitality education system in India with the support of national and local governing bodies. Further it has been noted in 12th five year plans of Government of India that tourism sector will generate additional jobs for about 2.5 crore persons, both directly and indirectly, during the period 2010-16. Tourism and hospitality sector employees comprise mainly of unskilled and semi-skilled workers, 70% workforce comprise of women and those below 25 years of age. During the mid-1950s India saw its first training and education for hospitality industry funded by United Nations. Later in October, 1982 the program was transferred to Ministry of Tourism (M.o.T.) to present various private and government funded institutions have been established. The study also mentions that there are various flaws in the tourism and hospitality education system such as curriculum is outdated as well as not much difference in subjects between graduate and post graduate diploma or degree. The staff qualifications and structure is not up to the mark, most subjects dominating the curriculum are still not

related to tourism and hospitality. Lack of quality faculty resources, lack of domestic and international tie ups of tourism and hospitality education. Most of the time interns from the education institute during their internship at the industry are treated as employees as a result of discouraging them to find job in the industry, there is lack of standardized curriculum even University Grants Commission (UGC) is yet to develop a standardized curriculum for the tourism and hospitality education institutes, the Government of India also does little to fund, motivate and support the youths to join the industry. Clarity in the direction and objective of the curriculum is missing, good academic research in tourism and hospitality industry is either negligible or missing & numerous authorities and Government body interfere in the working of education institutes.

- (Kumar, 2013), mentions about the issues, challenges and career opportunities in hospitality and tourism education sector in India. Mentioning that the hospitality industry has had major changes in the past four decades, from just providing lodging and food to this present moment it has become one of the central point for recreation and leisure activities. At such a growing pace the institutions related to hospitality and tourism is still ill equipped and there is a big gap between demand and supply of human personnel. To overcome such problems there must be flexibility, standardization, more research and better equipped faculties in course curriculum. There are nearly 1,31,829 of accommodation units and employs around 18,63,595 workforces in India, 152 employees average work in 1 to 3-star hotel and at entry level there are about 2,197,06 personnel hired in India. Maximum growth percentage in hotels segment is in south India which is about 12% as compared to other regions in India.

NEED/IMPORTANCE OF THE STUDY

The project contributes to the existing, newly opened and those entrepreneurs who want to open a new hotel and / or restaurant in Lucknow city and how to retain their employees and minimize the unexpected departure from the job without prior notice.

SCOPE

The research project will be applicable in hotels & restaurants owned by individuals or partners in Lucknow, Uttar Pradesh, India.

STATEMENT OF THE PROBLEM

The sudden departure of employees without prior notice results in financial and non-financial losses to hotel and restaurant.

1. Financial loss
 - i. Recruitment and selection cost
 - ii. Training the new employee cost
 - iii. Loss of customers due to lack of adequate service
 - iv. Hike in wage demanded by existing employees
 - v. Loss of goodwill of the restaurant
2. Non-financial loss
 - i. Replacement pressure of the previous employee
 - ii. Psychological pressure on restaurateurs
 - iii. Dissatisfied customers
 - iv. Motivates existing employees to follow the same way of leaving the job

OBJECTIVES

Main Objective

1. To find out the reasons of attrition in hotels & restaurant.

Sub Objective

1. To find out the type of internal factors affecting attrition in hotels & restaurants.
2. To find out the type of external factors affecting attrition in hotels & restaurants.

HYPOTHESIS

H₀: Long working hours has insignificant impact on attrition in hotels

H₁: Long working hours has significant impact on attrition in hotels

H₀: Salary offered by competitors has insignificant impact on attrition in hotels

H₁: Salary offered by competitors has significant impact on attrition in hotels

H₀: Long working hours has insignificant impact on attrition in restaurants

H₁: Long working hours has significant impact on attrition in restaurants

H₀: Salary offered by competitors has insignificant impact on attrition in restaurants

H₁: Salary offered by competitors has significant impact on attrition in restaurants

RESEARCH METHODOLOGY

- A. Research Design Type - Descriptive research design
- B. Sample design
 1. Population

Universe – The personnel working in Hotels and restaurants in Lucknow city, Uttar Pradesh, India for minimum three years.

2. Sample size

Hotels -27

Restaurants -52

3. Sampling method- Complex Random Sampling Method
4. Sample units- Individual Owners/ managers of hotels & restaurants in Lucknow city
5. Sampling procedure- Probabilistic sampling
6. Sample selection technique- Systematic sampling.
7. Area of Study- Lucknow City
- C. Level of confidence - 95%
- D. Level of Significance- 0.5%
- E. Data Collection Method
 1. Primary data via questionnaire in which dichotomous question (Yes or No), Likert scale to know the opinion and rating scale out of 100 (0 minimum effect- 100 maximum effect).

Variables of the questionnaire is used from the exploratory study conducted.

- 2. Secondary data collection via books, online journals, website, etc.
- F. Statistical Tools Used
 - z test
 - t test

RESULTS

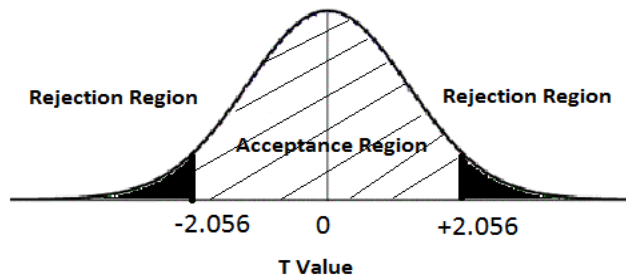
H₀: Long working hours has insignificant impact on attrition in hotels

t-test calculated with level of significance 0.05%, since q value is 0 and p value is 100% and not touching the x axis being to near perfect, we reject H₀ and accept H₁

H₀: Salary offered by competitors has insignificant impact on attrition in hotels

t-test calculated with level of significance 0.05%, p value is .96 and q value is .04 where critical value is 2.056. T value is 6.89, since it falls outside the rejection area, therefore, we reject H₀ and accept H₁.

FIG. 1

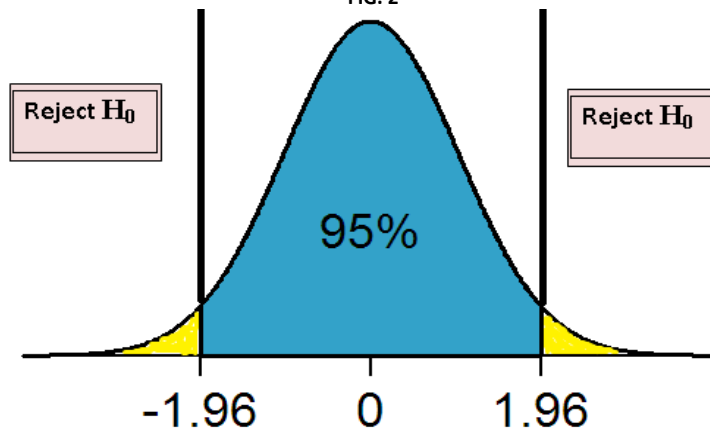


As per the standard normal probability distribution curve where $\mu = 0$ and standard deviation = ± 1 , with level of significance as 5% the area between -1.96 to +1.96 is the area acceptance and the area before -1.96 and after +1.96 is the area of rejection. In case if the value of Z calculated on standard scale falls between -1.96 to +1.96 i.e. in the area of acceptance, then we accept the null hypothesis. If the value of Z calculated falls before -1.96 or after +1.96 i.e. in the area of rejection, then we reject null hypothesis in favor of alternative hypothesis.

H₀: Long working hours has insignificant impact on attrition in restaurants

Since Z_{cal} (8.67) falls in the area of rejection therefore, we reject H₀ in favor of H₁ i.e. Long working hours has significant impact on attrition in restaurants.

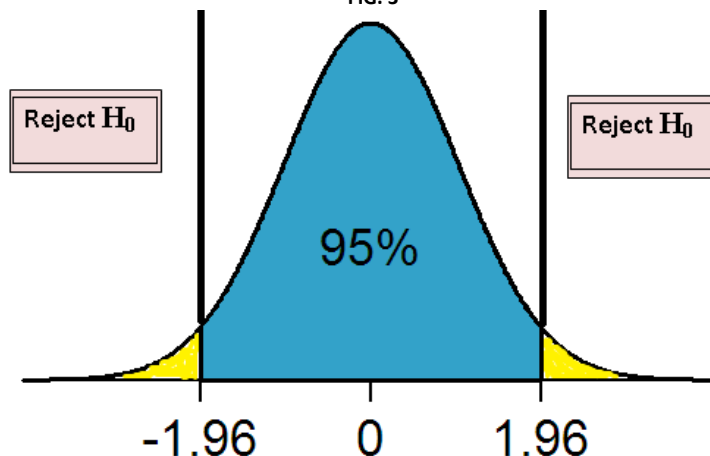
FIG. 2



H₀: Salary offered by competitors has insignificant impact on attrition in restaurants

Since Z_{cal} (12.36) falls in the area of rejection therefore, we reject H₀ in favor of H₁ i.e. Salary offered by competitors has significant impact on attrition in restaurants.

FIG. 3



FINDINGS

- It has been found out that 10 to 15 % employees quit the organization yearly.

The internal factors mainly are:

1. Long Working Hours- Hotels and restaurants a service oriented business; therefore, employees have long work timings which is about 10 to 12 hours a day. Such long timings are very hectic for the employee and they quit the job due to it
2. Odd Working Hours- The hotel and restaurant business is a 24-hour service provider since travellers, tourists and guests can visit the premise anytime for accommodation and food or beverage. As a result, employees have to be present in the property at any time. Even during holidays and festival season which is a family moment yet they have to work in the organization.
3. Work Pressure- Employees also face a problem of coping up with the work pressure. Hotels and restaurant have a very demanding job profile which the employees find it very hard to adjust to. The work profile also includes cleaning and maintenance of rooms as well kitchen which may not be liked by the employees.

The external factors mainly are:

1. Salary Offered by Competitors- Salary comprises of basic salary, provident fund, health coverage and House Rent Allowance (HRA), which is a prime motivating factor for most of the employees. Generally, the employees who have quit have been offered higher salaries by the competitors.
 2. Health Problems- Health of the employees also affect the attrition of employees, it is connected to the internal factors and at times employee health deteriorate forcing them to quit the job.
 3. Family Problems- Employees have also quit as family problems like out of town employee, old age parents, marriage of the employee and the only support to their family. Family problems does affect the concentration as well as working of an employee towards his responsibilities and duties.
- Employees if adjusted to the work environment of the organization they prefer not to quit the organization unless there is some conflict with the management.

CONCLUSIONS

The study conducted shows that employees of hotels and restaurants in Lucknow, Uttar Pradesh, India prefer to work for a short period of time or since inception of the property. Naturally, monetary benefits attract the employees but non-monetary benefits and problems faced by employees affect the attrition.

Owners/ managers are finding it difficult to retain skilled and semi-skilled employees as when they earn the experience they demand hike in salary which the current organization cannot afford. At the same time, owners/ managers of hotels/ restaurants prefer to have positive attrition as it infuses new blood into the organization, the employees get a mandatory 10% salary hike every year which is a burden to the organization and the employees do not slack off.

LIMITATIONS

- Geographical constraints as the study is only done in Lucknow
- Guidelines regarding compensation issued by the Government might make the study ineffective.
- Guidelines regarding working hours issued by the Government might make the study results & recommendations ineffective.

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PURCHASING BEHAVIOUR OF RURAL CONSUMERS IN SOUTH INDIA WITH REFERENCE TO FMCG**DR. K. VENKATA JANARDHAN RAO****PROFESSOR****KAKATIYA UNIVERSITY****WARANGAL****SRIVALLI J****RESEARCH SCHOLAR****JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY****HYDERABAD****ABSTRACT**

Unlike urban markets, rural markets are difficult to predict and possess special characteristics. The featured population is predominantly illiterate, have low income, characterized by irregular income and flow of income fluctuating with the monsoon. Rural markets face the critical issues of distribution, understanding the rural consumer, communication and poor infrastructure. The rural consumer expects value for money and owing to has unsteady and meager status of weekly income; increasing the household income and improving distribution or the viable strategies that have to be adapted to tap the immense potential of the market. This study is done with the objective of identifying the impact of marketing strategies on FMCG (Convenience products) through their purchases. The correlation between the purchases based on product, price and promotion in the selected villages will be done. The study is done through sample survey by interview method. And the Convenient products like tooth pastes, bath soaps, shampoos are selected for this study. Findings will indicate the bases for purchases, and the marketing strategies adopted will also be studied. Brand preference is the key determinant in our study.

KEYWORDS

rural marketing, marketing strategies, FMCG (convenience products), correlation, brand preference.

INTRODUCTION

Rural market of India has acquired significance, as the overall growth of the Indian economy has resulted into substantial increase in the purchasing power of the rural communities. More than 80 percent of the rural consumers depend upon agriculture and allied activities for their livelihood. With the new advent in the agricultural like the adopting to better cultivation techniques, better input materials, proper pricing and support from Government rural consumers purchasing power has increased than earlier. Technological developments are taking place in rural areas at a rapid fast rate as is in the urban areas. The disposable income in rural India has increased manifold in the last five years than the urban area. All these paved way for rural marketing. The Indian rural market with its huge demand base offers great opportunities to marketers. Two-thirds of countries consumers live in rural areas and almost half of the national income is generated here. The marketers therefore use various strategies to tap potential market for their products and services. The rural market has been growing steadily since the 1980s and, is now bigger than the urban market for both fast moving consumer goods and consumer durables. The number of rural households using FMCG products has grown; it is the clear indication that rural consumers are shifting from commodities to branded products. Mass products like soaps, hair oil and biscuits have good sales, and almost all companies are now relooking their strategy."

LITERATURE REVIEW

According to Pradeep Kashyap of rural markets Such as the belief that rural people do not buy brands. In fact, brand consumption, both national and regional, accounts for 80 percent of sales for FMCGs. The belief is that rural customers buy cheap products. In reality, they seek value for money and the rural market is a homogeneous mass. In fact, it is fascinatingly heterogeneous.

Rural marketing- a critical review', opine that dynamics of rural markets differ from other market types, and similarly rural marketing strategies also significantly different from the marketing strategies aimed at urban or industrial consumer. Rural markets and rural marketing involve a number of strategies, which include Client and location specific promotion, Joint cooperative promotion, Bundling of inputs, Partnership for sustainability (Dr Rajendra, N, Saiganesh and Asha). Miss Pirakatheeswari, in her article, Rural marketing- a critical review' says that rural consumers are keen on branded goods now a days, so the market size for products and services seems to have burgeoned.

K. Velayudhan says that rural market consists of a set of 51 consumers who are located in rural area and who exhibit behavior that is different from the behavior of consumers in urban areas. The marketing issues and, therefore, the marketing decisions in serving the markets vary considerably compared to marketing for urban consumers. He also goes on to add that the use of geography to define rural markets is relevant from the perspective of a marketing manager. Rural markets require a different marketing approach because of variation in consumer behavior and income levels as also differences in macro and micro environment of consumers located in rural areas. The important aspects of the micro environment are the type of channels available in serving rural markets and also the type of media available to reach out to the rural markets. The type of infrastructure in rural areas has implications for marketers.

SIGNIFICANCE

Rural market is getting importance because of the saturation of the urban market. As due to the competition in the urban market, the market is more than or as saturated as most of the capacities of the purchasers have been targeted by the marketers. So the marketers are looking for extending their product categories to an unexplored market i.e. the rural market. The significance of this study is that to know the impact of strategies on purchases of FMCG in rural marketing. The marketer can identify the potential rural market and select the strategies to grab the market.

OBJECTIVES AND HYPOTHESIS

This research is conducted with a view to study the impact of marketing strategies on purchases of FMCG (convenience products) in the selected villages near and around Hyderabad Urban of Telangana to achieve the above objective the following hypothesis were framed.

- 1) The impact of marketing strategies on purchases not significantly different from Urban
- 2) There is positive correlation between villages purchases and Urban purchases based on marketing strategies.

DATA BASE**PRIMARY DATA**

Data is collected by using semi-structured questionnaire through Interview.

SECONDARY DATA

Articles, project reports, survey reports were referred to for collecting information about the subject.

SAMPLE

The subject data is collected from 200 rural consumers in villages near Hyderabad Urban area of Telangana. One village (Village2) is 7 kms (population of 4000 to 4500) from the town and the other village (Village1) is 10 kms (population of around 2000) from the same town. Convenient sampling technique is used while selecting the respondents. Responses were taken by the questionnaire with interview. The questionnaire consists of the questions on purchases based on strategies like pricing, brand and promotion and their brand preference.

TOOLS AND TECHNIQUES

The analysis is based on the tool like correlation analysis, the technique like Chi-square test and inferences were drawn.

ANALYSIS

In this study the questionnaire consists of questions on purchases of FMCG (detergent cakes, bath soaps, tooth pastes, shampoos and tea powder) based on the strategies like brand name and logo, low price and good quality, availability of the product and advertisement.

In the two villages, the purchases of users are more for Rin advance in detergent cakes, Lifebuoy in bath soaps, Colgate in tooth pastes, Clinic plus in shampoos and Gemini in tea powder. The % users of different brands in these two villages were shown in TABLE-1.

In village 1 the purchases of FMCG products based on the selected strategies were shown in TABLE-2 and Village2 purchases were shown in TABLE-3.

FINDINGS

- In both villages the major purchases in detergent cakes were Rin advance, in bath soaps it is Lifebuoy, in tooth pastes it is Colgate, in shampoos it is Clinic plus and in tea powder it is Gemini.
- In village1 based on the strategy brand name and logo the bath soap purchases were more i.e. (24%), based on low price and good quality the detergent cakes purchases were (42%), based on the product availability detergent cakes purchases were (18%), based on word of mouth tooth paste purchases were (34%), based on TV advertisement bath soap purchases were (33%).
- In village2 based on the strategy brand name and logo the bath soap purchases were (26%), based on low price and good quality the detergent cakes purchases were (35%), based on the product availability detergent cakes purchases were (14%), based on word of mouth shampoos purchases were (24%), based on TV advertisement tooth paste purchases were (24%).
- Both villages are giving more preference to low price, good quality and TV advertisement.

TABLE 1: % USERS OF DIFFERENT BRANDS IN TWO VILLAGES

Detergent Cakes (Users in %)					
	Rin (advance)	ETA	XXX	Surf Excel(Rin)	Local brand
Village1	38	34	10	8	10
Village2	42	28	14	8	8
Bath Soaps (Users in %)					
	Lifebuoy	Santoor	Rexona	Medimix	Cinthol
Village1	38	30	16	12	4
Village2	40	34	12	8	6
Tooth Pastes (Users in %)					
	Colgate	Dabur	Close-Up	Farooki	Pepsodent
Village1	48	24	12	8	8
Village2	44	20	20	4	12
Shampoos (Users in %)					
	Clinic Plus	Chik	Meera	Karthika	Sun silk
Village1	40	20	20	10	10
Village2	44	16	24	6	10
Tea Powder (Users in %)					
	Gemini	Tata tea	Red Label	Lipton	Local brand
Village1	36	24	20	6	14
Village2	42	20	12	6	20

Source: Primary data

TABLE 2 (VILLAGE 1 PURCHASES BASED ON STRATEGIES) Users in %

Strategy /Product	Detergent Cakes	Bath Soaps	Tooth Pastes	Shampoos	Tea Powder
1) Purchases based on brand name & logo	5	24	6	10	12
2) Purchases based on low price & good quality	42	20	19	31	34
3) Purchases based on availability at that place	18	15	10	8	14
4) Purchases based on word of mouth	13	8	34	28	16
5) Purchases based on TV	22	33	31	23	24

Source: Primary data

TABLE 3 (VILLAGE 2 PURCHASES BASED ON STRATEGIES) Users in %

Strategy /Product	Detergent Cakes	Bath Soaps	Tooth Pastes	Shampoos	Tea Powder
1) Purchases based on brand name & logo	10	26	15	12	9
2) Purchases based on low price & good quality	35	21	24	30	34
3) Purchases based on availability at that place	14	12	10	9	11
4) Purchases based on word of mouth	13	11	17	24	14
5) Purchases based on TV	28	30	34	25	32

Source: Primary data

HYPOTHESIS TESTING

- 1) The impact of marketing strategies on purchases in village 1 is not significantly different from village 2.

TABLE 4

Product name	Chi-square value	Table value	Accepted/Rejected
Detergent cakes	3.52	9.49	accepted
Bath soaps	1.08	9.49	accepted
Tooth pastes	10.24	9.49	rejected
Shampoos	0.636	9.49	accepted
Tea powder	1.86	9.49	accepted

In case of all products except toothpastes the null hypothesis is accepted. That is there is no significant difference between the FMCG purchases of two villages due to the impact of marketing strategies.

2) There is positive correlation between village1 purchases and village2 purchases based on marketing strategies.

TABLE 5

Village1/Village2	Purchases based on brand name & logo	Purchases based on low price & good quality	Purchases based on availability at that place	Purchases based on word of mouth	Purchases based on TV
Purchases based on brand name & logo	0.3	-0.6	-0.1	-0.3	0.1
Purchases based on low price & good quality	-0.8	0.9*	0.5	-0.2	-0.5
Purchases based on availability at that place	-0.1	0.3	0	-0.9	0
Purchases based on word of mouth	-0.1	0	-0.8	0.9*	0.3
Purchases based on TV	0.7	-0.9	-0.1	-0.3	0.65

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

TABLE-5 shows the relationship between the purchases of two villages due to the impact of marketing strategies. Horizontal values are village2 and vertical values are village1. It has been found that village1 purchases based on brand name and logo is positively correlated with village2 brand name and logo, TV advertisement. It has been found that there is significant correlation between the purchases of the two villages at the strategy low price, good quality and word of mouth.

CONCLUSION

Indian rural markets are expanding faster than urban ones. Rural India with its traditional perceptions has grown up over the years, not only in terms of income, but also in terms of thinking. The rural market is not homogeneous. The individual sections of this market are not too big, although the overall size is large. There are Geographical, demographical, statistical and logistical differences. Positioning and realities regarding the potential of each of these market segments differ and lie at the very core of forming the strategy for the rural markets. Gone are the days when rural consumer went to nearby city to buy 'branded products & services'. The rural consumer is growing and this is an opportunity to grab the potential rural market.

In this study, it is concluded that the marketer has to select the suitable marketing strategy for rural market because the strategies will play major role on purchases. The strategy impact is there on the purchases of two villages but there is no significant difference between these purchases. Because on village is 7 kms from Urban and the other village is 10 kms from the same Urban area. It has been found that there is significant correlation between the purchases of the two villages at the strategy low price, good quality and word of mouth.

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**PRICE BEHAVIOUR OF GOLD AND SILVER AT MCX WITH SPECIAL REFERENCE TO GOODWILL
COMMODITIES, PUDUCHERRY**

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ABSTRACT

This project "The Study on price behavior of Gold and Silver at MCX (With Special Reference to Good Will Commodities)" is helpful to Know the Price Movement of Gold and Silver and also know the price Fluctuation factors of Gold and silver. The study helps to the existing investor for the trading in commodities market and this can be extended for the new investors. It helps the person who wants to know about the technical analysis in commodities market. The article should be movable of value, something which is bought or sold and which is produced or used as the subject or barter or sale. In short, commodity includes all kinds of goods. In this study, the companies are selected based on the Commodities founded in 2008, is India's best commodity House and the Largest Distribution Network, providing a wide range of financial services and investment solutions. The purpose of this study the price details of two commodities from Multi Commodity Exchange MCX were taken and their price movement are computed and studied. The commodities which are selected from commodity market are Gold and Silver. Gold is the oldest precious metal known to man and for thousands of years it has been valued as a global currency, a commodity, an investment and simply an object of beauty. Silver (Chemical symbol-Ag) is a brilliant grey-white metal that is soft and malleable. Silver's unique properties include its strength, malleability, ductility, electrical and thermal conductivity, sensitivity, high reflectance of light, and reactivity. The daily prices of above mentioned commodities were taken for a period of Six months from 1st October 2016 to 30th March 2017.

KEYWORDS

price behaviour of gold& silver, goodwill commodities.

INTRODUCTION

Any product that can be used for commerce or an article of commerce which is traded on an authorized commodity exchange is known as commodity. The article should be movable of value, something which is bought or sold and which is produced or used as the subject or barter or sale. In short commodity includes all kinds of goods. Indian Forward Contracts (Regulation) Act (FCRA), 1952 defines "goods" as "every kind of movable property other than actionable claims, money and securities".

In current situation, all goods and products of agricultural (including plantation), mineral and fossil origin are allowed for commodity trading recognized under the FCRA. The national commodity exchanges, recognized by the Central Government, permits commodities which include precious (gold and silver) and non-ferrous metals, cereals and pulses, ginned and un-ginned cotton, oilseeds, oils and oilcakes, raw jute and jute goods, sugar and gur, potatoes and onions, coffee and tea, rubber and spices etc.

STATEMENT OF THE PROBLEM

The study focuses on critical points of price fluctuation analysis of Indian commodity market of the selected commodity.

The present environment of business is highly competitive. Numerous MNCs and Local giants are entering into the Future market. The market is highly competitive and to break the competition is certainly a challenge.

OBJECTIVES OF THE STUDY

1. To know the price movement of gold and silver.
2. To compare the price movement of gold and silver.

REVIEW OF LITERATURE

A. R. ARYASRI (2014) Silver commonly referred as "the poor man's gold," has outperformed its pricey counterpart 'gold' in the year 2011, a trend that made silver-related equities an attractive option for investors looking to diversify their portfolios, due to ever-growing domestic demand and domestic supply meets only 30% requirements. This paper mainly focuses on silver commodity trading, various trends in silver trading, investors' perception and problems faced by the investors towards trading. The present study is based on an analysis of 100 responses taken from a total population of 205 silver traders who operate from Karvy Comtrade, Hyderabad for a period of 6 years from 2005 to 2010 selected based on convenience sampling. The data was analyzed by using statistical tools and is diagrammatically shown with the help of pie charts and bar diagrams. The paper concludes with a note on how best the silver market can be strengthened in India. Some of the suggestions given include a) introduce smaller lots for commodity trading b) introduce Exchange Trade Funds facility for silver also for smaller quantities and c) build awareness among the silver traders about the forward markets.

Grant Williams (2013) The gold and silver price have been trading in a quite counterintuitive way lately. It became very obvious after the US Fed announcement on December 13th which was a fundamentally bullish event for precious metals. Gold was trading above \$1,700 an ounce but has been trading lower since then. The gold price tried only once to break above \$1,700 but did not succeed. Which leaves a lot of believers and investors with the question how that is possible and if more of the same can be expected in the foreseeable future? Grant Williams confirmed that both gold and silver have been trading in a counterintuitive way. However, the same "behavior" is detected in a lot of other markets for a long time. **The reason seems obvious: government involvement.** The greater the involvement, the greater the counterintuitive behavior. "The government is never a pure market force," says Williams. "If you think about normally-functioning markets, they have minimal (and ideally zero) government involvement. The fact that we have the government as the biggest participant most notably in the bond market

means that natural market forces are being corrupted." The government is not particularly a market participant that will be out of the markets short to medium term. **Counterintuitive price behavior can be expected to continue**, throughout (and very likely beyond) 2013.

RESEARCH METHODOLOGY

Research is an art of scientific investigation. According to Redman & Mory defines research as a "Systematic effort to gain Knowledge".

RESEARCH DESIGN

According to Kerlinger, "Research Design is the plan structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance." The research design undertaken for the study is analytical one. A researcher use facts or information already available and analyze those to make critical evaluation of the material. It is quantitative in nature.

DATA COLLECTION

SECONDARY DATA

Company Profile, annual reports, Websites, Magazines, articles are used widely as a support to secondary data. Print media and internet has been used for data collection. The data also obtained by the multi commodity exchange website (www.mcxindia.com). For the purpose of this study the price details of 2 commodities from multi commodity exchange were taken and their price movement are computed and studied. The following are the commodities which are selected from commodity market are as follows:

- Gold
- Silver

TIME PERIOD COVERED

The daily prices of above mentioned commodities were taken for a period of Six months from 1st October 2016 to 30th March 2017.

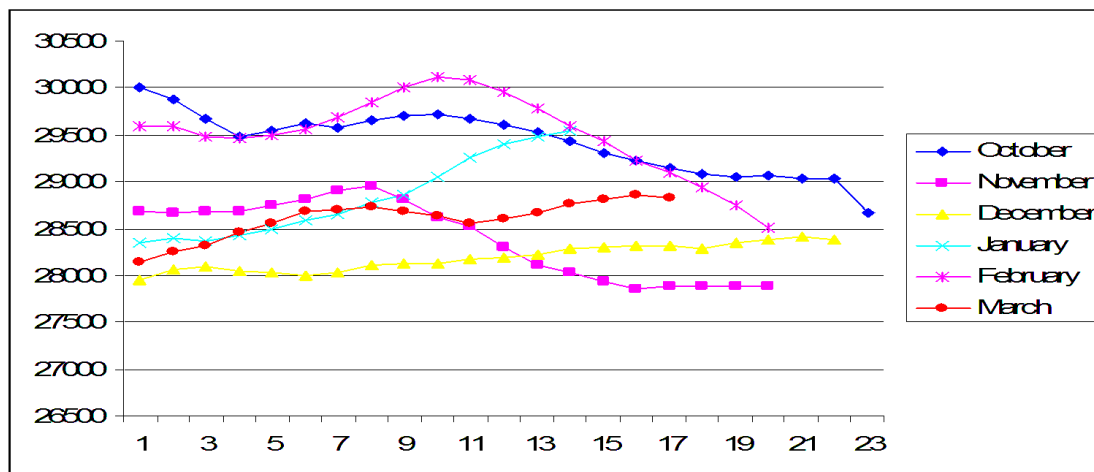
DATA ANALYSIS AND INTERPRETATION

TABLE 1: SHOWING '5' DAYS MOVING AVERAGE FOR GOLD

NO	October	November	December	January	February	March
1	30006.8	28675.8	27952.8	28341.6	29597	28136
2	29879.4	28671.6	28059.4	28391.2	29590.4	28249
3	29675.8	28689.6	28091.4	28362.4	29473.6	28322.4
4	29472.2	28683.4	28051.4	28420.6	29456.2	28452.2
5	29549.2	28753.4	28031.2	28493.8	29490.6	28551.4
6	29627	28818.6	28000.6	28581.8	29560.6	28678
7	29579.4	28903.8	28033.8	28653	29683.2	28697.2
8	29651.4	28953.6	28102.8	28771.4	29847	28731.6
9	29698.6	28806.8	28118.4	28861	30011	28676.4
10	29719.8	28623.8	28131.6	29050.2	30112.6	28630.6
11	29674	28520.2	28177.2	29250.4	30091.8	28558.6
12	29615.2	28301.8	28192.8	29405.6	29965.4	28602
13	29534.8	28111.8	28223.6	29478.2	29778.8	28665.2
14	29435.2	28026	28284.4	29546.2	29586	28758.2
15	29298	27941.6	28308		29426.8	28802.8
16	29227	27854.6	28321.2		29226.2	28860.4
17	29148.4	27886.8	28313.8		29090.2	28834.4
18	29086.4	27885.4	28279.6		28938	
19	29054.2	27884	28344.2		28747.8	
20	29058	27880.2	28384.4		28513	
21	29037.6		28419.4			
22	29036		28385.2			
23	28660.6					

Source: Secondary Data

CHART 1: SHOWING '5' DAYS MOVING AVERAGE FOR GOLD



Source: Secondary Data

Interpretation

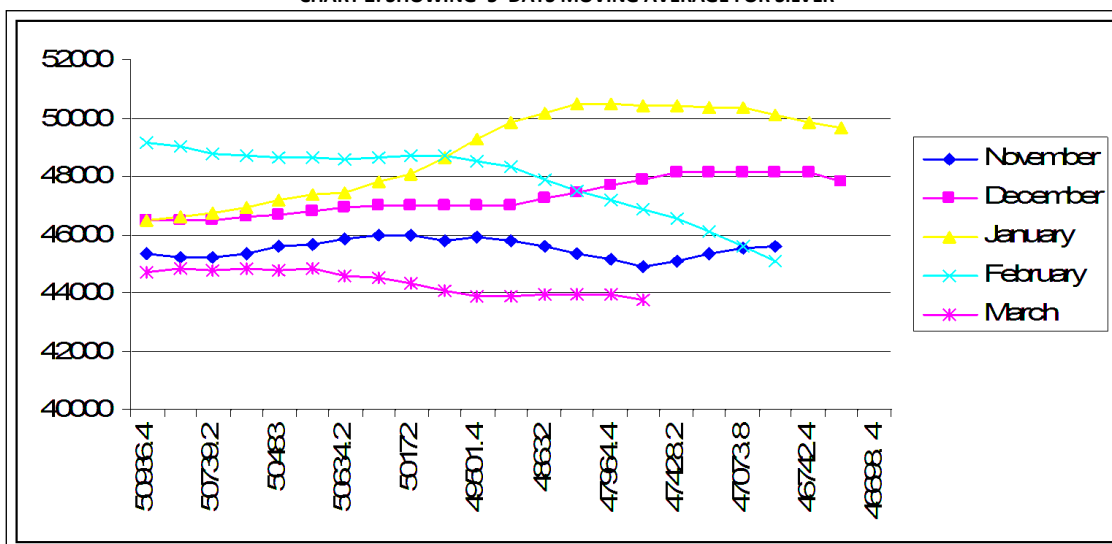
From the above chart it is inferred that in the month of February 2017 the moving average is in highly decreasing trend, in the month of January 2017 the moving average is in highly increasing trend. But in the investors point of view gold is very safety asset. So, the demand level is also in increasing trend.

TABLE 2: SHOWING '5' DAYS MOVING AVERAGE FOR SILVER

NO	October	November	December	January	February	March
1	50936.4	45316.2	46489	46502	49134.6	44679.6
2	50837.8	45221.4	46489	46619.6	49020.8	44807.6
3	50739.2	45226	46489	46737.2	48767.4	44767.8
4	50640.6	45310.2	46591.2	46947.2	48692.4	44804.8
5	50483	45575.2	46693.4	47157.2	48638.6	44785
6	50561.2	45676.8	46795.6	47367.2	48631	44799
7	50634.2	45835.6	46897.8	47459.6	48574	44576.8
8	50376.8	45969.8	47000	47812.8	48643.6	44525.8
9	50172	45953.2	47000	48073.6	48713.2	44327.6
10	49875.8	45755.6	47000	48653.2	48687	44057.2
11	49501.4	45926.8	47000	49276	48501.2	43864
12	48932.4	45748	47000	49863	48292.8	43899.6
13	48632	45600	47220.8	50161.8	47891.2	43929.4
14	48279.6	45340.2	47441.6	50470.6	47489.6	43951.6
15	47964.4	45174	47662.4	50460.6	47183.8	43953.6
16	47596.4	44906.4	47883.2	50407.4	46859.4	43769.6
17	47428.2	45084.2	48104	50390	46518.8	
18	47230.6	45308.8	48104	50375.8	46074.8	
19	47073.8	45533.4	48104	50351.6	45563	
20	46882	45600.2	48104	50111.6	45050.2	
21	46742.4		48104	49871.6		
22	46674.8		47808.2	49631.6		
23	46698.4					
24	46616.2					

Source: Secondary Data

CHART 2: SHOWING '5' DAYS MOVING AVERAGE FOR SILVER



Source: Secondary Data

Interpretation

The above chart it inferred that in the month of February 2017 the moving average is in highly decreasing trend, in the month of March 2017 the moving average is in highly increasing trend, in the month of November 2014 and March 2017 the moving average is fluctuated.

FINDINGS OF THE STUDY

MOVING AVERAGE

The moving average in the month of January 2017, the gold value is highly in increasing trend. In the month of February 2017 it is in decreasing trend. But in the end of December 2016 the value is in up and down trend.

The moving average shows in the month of January 2017, the silver value is in highly increasing trend. But other months shows there lies certain ups and downs.

RATE OF CHANGE

The historic value of rate of change in gold is above 100 that is the overbought region and below 90 is the oversold region.

The historic high value of rate of change in silver is above 100, that is the overbought region and below 80 is the oversold region.

SUGGESTIONS OF THE STUDY

Moving average method applied in gold commodity suggests that investors can buy the gold commodity to earn return. As on March 2016 investment in gold will yield better return to the investors in gold short run.

Moving average chart shows many occasions buy signal to the investors here the investors can buy the silver on their own interest. As per the study investing in silver at the time will return on the investors.

CONCLUSION

Commodities market is highly risk oriented in a market. If we don't have thorough knowledge of the technical analysis we may lose the money. A return of the investment in the commodity depends on the volatility of the market. Commodity market is highly volatile. Volatility presents itself as an "opportunity" and as well as "risk", whichever way one may look at it, we can't wish it away.

The last three years price movement of each commodity explains the investors are satisfied in commodities. Besides, the investors are motivated to buy or sell the commodities from the commodities market from their investment. Investors can succeed in his investment only when he is able to select the right commodities at right time.

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CONSTRUCTION OF OPTIMAL EQUITY PORTFOLIO WITH APPLICATION OF SHARPE SINGLE INDEX MODEL: A COMPARATIVE STUDY ON FMCG AND AUTO SECTORS

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ABSTRACT

Indian securities market is an exceedingly unpredictable and sensitive market where portfolio construction is exceptionally critical to get great returns. Accordingly the primary concentration of this research is to build an ideal value portfolio with the assistance of Sharpe index model. In this study, FMCG and AUTO sectors have been thought about for building the ideal portfolios. Thirty companies have been selected and excess return to beta ratio has been calculated and ranked the companies based on that ratio. Ideal portfolios built for FMCG sector and AUTO sector independently and thought about both the portfolios as far as portfolio return and risk. The cut-off point was ascertained in view of the most astounding worth and cut-off point should be used to calculate the proportion of money to be invested in each stocks. This exploration discoveries and proposals would be useful to investors for putting resources into FMCG and AUTO sector and to choose which sector could give most elevated return at low risk.

KEYWORDS

volatile market, portfolio, risk taking investors, sharp single index model, variance, beta, standard deviation, unsystematic risk, excess return to beta ratio and cut off rate.

INTRODUCTION

Among various Investment avenues one of the most romantic Investments is equity Investment, which results most attractive returns with tolerable risks. Equity investment involves purchase of equity shares of different companies. Investment in one stock may result high risk. So the investor needs to select more stocks in order to reduce risk. In the market plenty of equity shares are trading. Hence, investor may face a problem of selection of stocks for his portfolio form of investment. A portfolio is a combination of securities. Any portfolio constructed, either by an individual investor or a fund manager is expected to meet the investor's goals. A rational investor aims at attaining maximum return with minimum risk. It is, therefore, important to construct a portfolio using either of the two popular approaches, namely, traditional and modern.

In the traditional approach, investor's needs in terms of income and capital appreciation are evaluated and appropriate securities are selected to meet the needs of the investor. In the modern approach, Markowitz model is used in selection of securities based on to the risk and return analysis. Markowitz laid foundation for quantifying risk and his contribution is popularly known as 'Modern Portfolio Theory'. He has provided analytical tools for analysis and selection of optimal portfolio. He won Nobel Prize for this contribution to portfolio management in 1990. But, William Sharpe extended the work done by Markowitz. He considered market index while analyzing the portfolio. He simplified the amount and type of input data required to perform portfolio analysis. He made the numerous and complex computations easy which were essential to attain the optimal portfolio. He developed the Single Index Model to make these computations easy and construct an optimal portfolio. Till today, fund managers use this model in portfolio analysis and construction.

LITERATURE REVIEW

Saravanan and Natarajan (2012) From the empirical analysis, it was concluded that returns on either individual securities or on portfolio comprises of securities of different companies listed in Nifty 50 stocks under various sectors are asymmetrical and heterogeneous. The optimal portfolio consists of four stocks selected out of 50 short listed scrips, giving the return of 0.116. Further it helps to elicit that return on securities of different portfolio is independent of the systematic risk prevailing in the market.

Mandal, Niranjan (2013) found that there is a significant difference between the total risk of the optimal portfolio calculated under two different mechanisms found in SIM and Markowitz's model. The total risk of the optimal portfolio is 2.87% (in terms of SD) under SIM and the total risk of the portfolio is found to be 1.79% (in terms of SD) in Markowitz's model taking the necessary input from SIM.

Sarker, Mokta Rani (2013) conducted a study to construct an optimal portfolio using Sharpe's Single Index Model considering no short sales. The study has been conducted on individual securities listed in Dhaka Stock Exchange, where short sales are not allowed. The monthly closing prices of one hundred and sixty four companies listed in Dhaka Stock Exchange and share price index for the period of July 2007 to June 2012 have been considered in this study. This method formulates a unique cut-off point, selects stocks having excess return to beta ratio surpassing this cut-off point and determines the percentage of investment to be made in each of selected stocks. The optimum portfolio consists of thirty three stocks selected out of one hundred and sixty four stocks giving the return of 6.17%. From this empirical analysis to some extent, an investor can forecast individual securities return through the market movement and can make use of it.

Ms. Apurva and A Chauhan (2014) said that Portfolio management is the crucial decision for any investor. It is important to decide where to invest and how much to invest. The present study focuses on constructing the optimal portfolio with the help of Sharpe Single Index model. Sharpe Single index model uses various inputs such as excess return to beta ratio, unsystematic risk, market return and variance etc to construct the optimal portfolio. In present study, portfolio is constructed from stocks of CNX nifty. Data is collected from top ten companies of CNX nifty based on their weights for the time period of August 2014. Out of 10 stocks, 4 stocks are selected for investing namely State Bank of India, Tata Motors Ltd, Housing Development Finance Corporation Ltd, Reliance Industries Ltd. Sharpe model suggest investors to invest major portion of their money (54.14%) in State Bank of India.

J. Francis Mary and G. Rathika (2015) stated that Risk and return plays an important role in making any investment decisions. Decision include Investment should be done or not and which securities should be included in portfolio. Determining efficient portfolios within an asset class (e.g., stocks) can be achieved with the Single index (beta) model proposed by Sharpe. Sharpe's single-index model was applied by using the monthly closing prices of 10 companies listed in NSE and CNX PHARMA price index for the period from September 2010 to September 2014. From the empirical analysis it can be concluded that out of 10 companies only one company is selected for investment purpose on the basis of Cut-off point which is -0.11182.

Chintan A. Shah (2015) said that Sharpe model gives exact number of securities along with weightage for investment, while this is not possible in CAPM model. CAPM model only suggest different securities where investor can invest but it does not give a particular portfolio and weightage to investment in different securities.

Dr. S Poornima and Aruna. P. Remesh (2016)The study is to construct an optimal portfolio using Sharpe's single index model by using risk-return analysis of automobile and pharmaceutical sectors. This study includes ten stocks from automobile sector and ten stocks from pharmaceutical sector. Data for a period of five years (2010-2015) had been taken for the study. After analysing the collected data a "cut-off rate "can calculate. This cut-off rate is considered in the construction of optimal portfolio. Every investor prefers maximum return with a minimum risk. This study found out that Ashok Leyland having highest return and Hyundai having lowest return.

M Sathyapriya (2016) this study illustrates an analysis of four years' asset value, from 2008 to 2012, of companies picked from Infrastructure & Pharmaceutical sectors. In this regard, Sharpe Index Model is used, which is regularly employed to assess the performance of mutual funds and portfolio strategies. The stock performance of 20 companies from Infrastructure and Pharmaceuticals, 10 from each are taken and calculated. It is found that Pharmaceutical sector performs 80% better than that of Infrastructure sector. Performance of Infrastructure sector is comparatively poorer than Pharma as only one company is selected for the portfolio, i.e., GMR, which constitutes just 7% of the investment share.

Thus, the literature survey made for the present study showed that there is enough scope for studying the utility of Sharpe's Single Index Model under the Indian context, especially considering the securities of companies traded through the NSE which is one of the largest stock exchange in the world and which is considered as one of the major attractions to any investor, either individual or institutional.

NEED FOR THE STUDY

Every investor undergoes confusion while selecting securities for his portfolio. He also faces dilemma while deciding about the proportion of investment to be made in each security. To help investors get out of such chaotic situations the Sharpe's Single Index model may be used to construct an optimal portfolio. This helps the investor to find a portfolio that best suits his needs. The present study is undertaken to prove that by applying this model an individual can construct a portfolio with maximum return for a given level of risk.

STATEMENT OF THE PROBLEM

An investor considering investment in securities is faced with the problem of choosing from among a large number of securities and how to allocate those funds over a group of securities. The hurdle that exists is that the investor has a problem of deciding which securities to hold and how much to invest in each of them. Though Markowitz Model enables an investor to arrive at an optimal portfolio, the Single index model is helpful in avoiding the difficulty of data input and time cost consideration. Therefore, the present study is entitled, 'Construction of optimal equity portfolio with application of Sharpe single index model -A comparative study on FMCG and AUTO sectors'.

OBJECTIVES OF THE STUDY

The following are the objectives of the study:

- 1) To get a practical knowledge about the idea embedded in Sharpe's index model
- 2) To calculate return and risks of selected stocks in the FMCG and AUTO sectors
- 3) To calculate beta values for all selected stocks in both sectors and identify aggressive stocks and defensive stocks
- 4) To construct an optimal portfolio with FMCG sector stocks and AUTO sector stocks and compare two portfolios empirically using the Sharpe's Single Index Model

SCOPE OF THE STUDY

The rational investors never ignore the risk factor while taking investment decisions. The investors prefer to invest in a group of securities which is known as a portfolio in order to diversify the risk. There are different investment avenues for investors to invest. While some investment avenues involve huge risk others may be either less risky or risk less avenues. Therefore, it is essential to educate the investor about the investment alternatives and the risk and return from those investments. As the scope of investment avenues with varying degrees of risk is vast, the scope of the present study is relating to equity portfolio construction with FMCG stocks and AUTO stocks from the NSE.

RESEARCH METHODOLOGY

The study is mainly based on secondary data. The present study had been undertaken to construct optimal portfolios from the FMCG stocks and AUTO stocks and compare the portfolio returns and risks of two portfolios using Sharpe single index model. For this purpose, took NSE as reference stock market. Nifty 500 index has been taken as bench mark market index for the purpose of measuring market return and market variance. A sample of 30 Stocks in NSE's FMCG and AUTO Indices were taken for portfolio analysis. Purposive sampling method is followed to select stocks to compare portfolio return and risks of FMCG and AUTO sectors. Monthly closing values of stocks and market index for eight years from April 2009 to March 2017 had been taken for calculation of mean return, risk and other data inputs for the portfolio construction. This period is chosen to identify the performance of stocks after the world financial crisis 2008 which affected drastically stock markets at international level. 91 days treasury bills yields average return for same period has been used as proxy for risk-free rate sourced from "RBI". April 1, 2017 has been taken as base date for the selection of stocks in indices. Required data were collected from the sources of www.nseindia.com / www.moneycontrol.com. Collected data were analysed with the help of Microsoft Excel software for the calculation of mean return, standard deviation, variance, covariance, correlation, beta, alpha and residual variance or random error term.

DATA ANALYSIS AND INTERPRETATION

Measurements of market index return, risk, variance and risk free rate of return:

INDEX	RETURN %	RISK %	VARIANCE	91 DAYS T - BILL RETURN
CNX NIFTY 500	1.4800	6.0880	37.0636	7.2044

TABLE I

SECURITY	RETURN	RISK	BETA	ALPHA	RESIDUAL VARIANCE
MARET	1.4800	6.0880			
BRITANNIA INDUSTRIES	2.9184	7.8220	0.3883	2.3437	55.5952
COLGATE POLMOLIVE	1.6903	6.1213	0.1280	1.5008	36.8634
DABUR INDUSTRIES	1.9832	5.9876	0.2746	1.5768	33.0563
EMAMI	3.3491	10.3464	0.9223	1.9841	75.5180
GLAXO SMITHKLINE	2.3691	7.7365	0.3592	1.8375	55.0716
GODREJ CONSUMER DURABLES	2.9573	7.8986	0.6305	2.0242	47.6545
GODREJ INDUSTRIES	3.1376	13.5809	1.7236	0.5867	74.3296
HUL	1.6153	6.5682	0.1654	1.3706	42.1283
ITC	1.7541	5.8979	0.2909	1.3236	31.6492
MARICO	2.5908	6.2686	0.3377	2.0911	35.0694
P&G	2.6791	7.1791	0.3711	2.1299	46.4353
TATA GLOBEL BEVERAGES	1.3722	8.7963	0.8134	0.1684	52.8544
UNITED BREWERIES	2.9693	12.1358	0.9441	1.5720	114.2423
UNITED SPIRITS	2.0819	13.4280	0.9402	0.6905	147.5499

INTERPRETATION

From the above table we can find that Emami company stock offering highest mean return (3.34%) and followed by GODREJ INDUSTRIES (3.13%).TATAGLOBAL BEVERAGES providing lowest return (1.37%) in FMCG sector, when come to risk among all FMCG companies Godrej industries having highest risk (13.58%) and followed by US (13.42%). ITC bearing lowest risk (5.89%). Among all FMCG stocks Godrej industries having highest beta value (1.72) and followed by United Breweries, United Spirit and Emami. Colgate has lowest beta. Britannia has highest alpha value and Tata global beverages has lowest Alpha value. United spirit has highest unsystematic risk and ITC has lowest unsystematic risk.

Measurement of return, risk, alpha, beta and residual variance for individual stocks in AUTO sector and comparing them in the sector:

TABLE II

SECURITY	RETURN	RISK	BETA	ALPHA	RESIDUAL VARIANCE
MARKET	1.4800	6.0880			
AMARRAJA	4.6550	11.1032	1.0956	3.0335	78.7912
APPOLO TYRES	3.3876	13.0114	1.1179	1.7330	122.9744
ASHOKE LEYLAND	3.1833	13.5642	1.5169	0.9384	98.7076
BAJAJ AUTO	2.7383	9.7701	1.1608	1.0202	45.5098
BHARATFORGE	3.1113	11.6378	1.3122	1.1692	71.6183
BOSCH	2.3768	7.5843	0.6119	1.4713	43.6469
EICHER	5.6286	10.7951	0.8860	4.3173	87.4387
EXIDE	2.2111	9.5099	1.0230	0.6971	51.6508
HERO	1.4586	7.8760	0.6439	0.5057	46.6657
MRF	4.3880	11.7266	1.1470	2.6905	88.7529
M&M	2.3399	8.4984	0.9318	0.9608	40.0381
MARUTHI	2.6789	10.5243	1.2509	0.8276	52.7657
MOTHERSON SUMI	3.5157	9.4394	0.7432	2.4158	68.6285
TVS MOT	4.7727	14.1304	1.3811	2.7287	128.9701
TATA MOTORS	3.5340	13.3399	1.5499	1.2403	88.9240
TATA DVR	3.1034	13.5010	1.5715	0.7776	90.7435

INTERPRETATION

From the table we can observe that EICHER MOTORS offering highest mean return (5.6286%) and followed TVS MOTORS (4.77%) and AMARRAJA (4.65%). At the same time we can say that HERO MOTORS offering lowest mean return (1.45%) than others. TVS MOTORS having highest risk (14.13%) and followed by ASHOKE LEYLAND (13.56%). BOSCH has lowest risk (7.58%). Among all AUTO stocks TATA DVR having highest beta value and followed by TATA MOTORS. BOSCH has lowest beta. EICHER has highest alpha value and HERO has lowest Alpha value. TVS MOT has highest unsystematic risk and M & M has lowest unsystematic risk.

PORTFOLIO ANALYSIS FOR AUTO SECTOR STOCKS

Ranking of FMCG stocks on the basis of excess return to beta value where $R_f = 7.2044\%$ p.a. = 0.6004% per month is taken.

We can assign ranks under SIM by calculating risk premium to beta ratio. Risk premium means the difference between mean return of a security and risk free rate of return. We assign first rank to a stock which is having high risk premium to beta ratio, next rank will give to next highest risk premium to beta ratio, like that we will assign ranks to all stocks. The following table shows calculations for assigning ranks:

TABLE III

SECURITY	RETURN %	BETA	$(R_i - R_f)$	$\left(\frac{R_i - R_f}{B_i}\right)$	RANK
COLGATE POLMOLIVE	1.6903	0.1280	1.0899	8.5149	1
HUL	1.6153	0.1654	1.0149	6.1378	2
BRITANNIA INDUSTRIES	2.9184	0.3883	2.3180	5.9696	3
MARICO	2.5908	0.3377	1.9904	5.8945	4
P&G	2.6791	0.3711	2.0787	5.6016	5
DABUR INDUSTRIES	1.9832	0.2746	1.3828	5.0356	6
GLAXO SMITHKLINE	2.3691	0.3592	1.7687	4.9239	7
ITC	1.7541	0.2909	1.1537	3.9663	8
GODREJ CONSUMER DURABLES	2.9573	0.6305	2.3569	3.7382	9
EMAMI	3.3491	0.9223	2.7487	2.9802	10
UNITED BREWERIES	2.9693	0.9441	2.3689	2.5092	11
UNITED SPIRITS	2.0819	0.9402	1.4815	1.5758	12
GODREJ INDUSTRIES	3.1376	1.7236	2.5372	1.4720	13
TATA GLOBEL BEVERAGES	1.3722	0.8134	0.7718	0.9488	14

Calculations for determining the cut off rate 'C'

The major problem in the portfolio construction is selection of stocks those stocks would be included in the portfolio and how much proportion of funds to be invested in each stock. For this purpose we should calculate Ci values for all stocks and should determine cut-off point (C*) in order to decide which stocks could include into portfolio and which stocks should exclude from the list of stocks. We determine C* by selecting highest Ci value in the list of Ci values. We select all the stocks above the C* into portfolio and eliminate all stocks below C* from the list of stocks for the portfolio construction.

Ci values for all the stocks according to the ranked order are computed using the following formula:

$$C_i = \frac{\sigma_m^2 \sum_{i=1}^N (R_i - R_f) \beta_i}{1 + \sigma_m^2 \sum_{i=1}^N \frac{\beta_i^2}{\sigma_{ei}^2}}$$

σ_{ei}^2 = unsystematic risk

β = beta value of individual security

σ_m = market index risk

$R_i - R_f$ = excess return

Measurement of Ci values for the stocks in FMCG sector:

TABLE IV

SECURITY	RANK	$\left(\frac{R_i - R_f}{B_i}\right)$	$\frac{(R_i - R_f) \beta_i}{\sigma_{ei}^2}$	$\frac{\beta_i^2}{\sigma_{ei}^2}$	$\sum_{i=1}^n \frac{(R_i - R_f) \beta_i}{\sigma_{ei}^2}$	$\sum_{i=1}^n \frac{\beta_i^2}{\sigma_{ei}^2}$	Ci values
COLGATE	1	8.5149	0.0038	0.0004	0.0038	0.0004	0.1380
HUL	2	6.1378	0.0040	0.0006	0.0078	0.0011	0.2767
BRITANNIA	3	5.9696	0.0162	0.0027	0.0240	0.0038	0.7782
MARICO	4	5.8945	0.0192	0.0033	0.0431	0.0071	1.2669
P&G	5	5.6016	0.0166	0.0030	0.0597	0.0100	1.6143
DABUR	6	5.0356	0.0115	0.0023	0.0712	0.0123	1.8130
GLAXO S C	7	4.9239	0.0115	0.0023	0.0828	0.0146	1.9881
ITC	8	3.9663	0.0106	0.0027	0.0934	0.0173	2.1075
GODREJ C D	9	3.7382	0.0312	0.0083	0.1245	0.0257	2.3659
EMAMI	10	2.9802	0.0336	0.0113	0.1581	0.0369	2.4742
U B	11	2.5092	0.0196	0.0078	0.1777	0.0447	2.4780
U SPIRITS	12	1.5758	0.0094	0.0060	0.1871	0.0507	2.4084
GODREJ IN	13	1.4720	0.0588	0.0400	0.2460	0.0907	2.0903
TATA G B	14	0.9488	0.0119	0.0125	0.2578	0.1032	1.9806

Xi and Zi are to be determined to know how much funds needs to be invested in each security using the following formula:

$$X_i = \frac{Z_i}{\sum_{i=1}^N Z_i}$$

Where,

X_i = proportion of investment

$$Z_i = \frac{\beta_i}{\sigma_{ei}^2} \left[\left(\frac{R_i - R_f}{\beta_i} \right) - C^* \right]$$

σ_{ei}^2 = unsystematic risk

β = beta value of individual security

$R_i - R_f$ = excess return

C^* = cut off point

Calculation of Zi and Xi for the selected securities in the optimal portfolio:

TABLE V

SECURITY	$\left(\frac{R_i - R_f}{B_i}\right)$	$\frac{\beta_i^2}{\sigma_{ei}^2}$	$\left(\frac{R_i - R_f}{B_i}\right) - C^*$	Zi	Xi %
COLGATE	8.5149	0.0004	6.0369	0.0027	0.0401
HUL	6.1378	0.0006	3.6599	0.0024	0.0355
BRITANNIA INDUSTRIES	5.9696	0.0027	3.4916	0.0095	0.1415
MARICO	5.8945	0.0033	3.4165	0.0111	0.1660
P&G	5.6016	0.0030	3.1236	0.0093	0.1385
DABUR	5.0356	0.0023	2.5577	0.0058	0.0872
GLAXO SMITH KLINE	4.9239	0.0023	2.4460	0.0057	0.0857
ITC	3.9663	0.0027	1.4883	0.0040	0.0595
GODREJ CONSUMER DURABLES	3.7382	0.0083	1.2603	0.0105	0.1571
EMAMI	2.9802	0.0113	0.5022	0.0057	0.0846
UNITED BREWERIES	2.5092	0.0078	0.0312	0.0002	0.0036
				$\sum Zi = 0.0669$	$\sum Wi = 1$

Measurement of portfolio beta, alpha and portfolio residual variance:

TABLE VI

SELECTED SECURITY IN THE OPTIMAL PORTFOLIO	ALPHA	BETA VALUE	PROPORTION OF INVESTMENT	σ_{ei}^2	$X_i \cdot \alpha_i$	$X_i \cdot \beta_i$	$X_i \cdot \sigma_{ei}^2$
COLGATE	1.5008	0.1280	0.0401	36.8634	0.0602	0.0051	1.4784
HUL	1.3706	0.1654	0.0355	42.1283	0.0487	0.0059	1.4957
BRITANNIA	2.3437	0.3883	0.1415	55.5952	0.3317	0.0550	7.8692
MARICO	2.0911	0.3377	0.1660	35.0694	0.3472	0.0561	5.8230
P&G	2.1299	0.3711	0.1385	46.4353	0.2949	0.0514	6.4299
DABUR	1.5768	0.2746	0.0872	33.0563	0.1375	0.0240	2.8830
GLAXO SMITH KLINE	1.8375	0.3592	0.0857	55.0716	0.1574	0.0308	4.7177
ITC	1.3236	0.2909	0.0595	31.6492	0.0787	0.0173	1.8824
GODREJ CONSUMER DURABLES	2.0242	0.6305	0.1571	47.6545	0.3181	0.0991	7.4883
EMAMI	1.9841	0.9223	0.0846	75.5180	0.1678	0.0780	6.3862
UNITED BREWERIES	1.5720	0.9441	0.0036	114.2423	0.0057	0.0034	0.4154
			$\sum W_i = 1.00$		$\alpha_p = 1.948$	$B_p = 0.4259$	$\sigma_{ep}^2 = 46.8693$

Measuring portfolio return and risk for FMCG sector, according to Sharpe Single Index Model:

According to Sharpe single index model to calculate portfolio return and risk, we can apply the following equations:

For portfolio return

$$R_p = \alpha_p + B_p R_m$$

R_p = portfolio return

α_p = portfolio specific return

B_p = beta of the portfolio

R_m = market return

For portfolio variance

$$\sigma_p^2 = B_p^2 \sigma_m^2 + \sigma_{ep}^2$$

σ_p^2 = portfolio variance

σ_m^2 = market variance

σ_{ep}^2 = portfolio residual variance

Portfolio risk = σ_p

$$\sigma_p = \sqrt{\sigma_p^2}$$

By substituting the above inputs we can measure the portfolio return and risk:

Portfolio return

$$R_p = 1.948 + (0.4259 \cdot 1.4800)$$

$$R_p = 2.5783 \%$$

Portfolio variance

$$\sigma_p^2 = (0.4259)^2 \cdot 37.0636 + 46.8693$$

$$\sigma_p^2 = 6.7229 + 46.8693$$

$$\sigma_p^2 = 53.5922$$

$$\sigma_p = 7.3207 \%$$

PORTFOLIO ANALYSIS FOR AUTO SECTOR STOCKS

Ranking of AUTO stocks on the basis of excess return to beta value where $R_f = 7.2044\%$ p.a. = 0.6004% per month is taken:

TABLE VII

SECURITY	RETURN	BETA	$(R_i - R_f)$	$\left(\frac{R_i - R_f}{B_i}\right)$	RANK
EICHER MOTORS	5.6286	0.8860	5.0282	5.6750	1
MOTHERSON SUMI	3.5157	0.7432	2.9153	3.9225	2
AMARRAJA BATTERIES	4.6550	1.0956	4.0546	3.7007	3
MRF	4.3880	1.1470	3.7876	3.3022	4
TVS MOTORS	4.7727	1.3811	4.1723	3.0210	5
BOSCH	2.3768	0.6119	1.7764	2.9033	6
APPOLO TYRES	3.3876	1.1179	2.7872	2.4931	7
BHARAT FORGE	3.1113	1.3122	2.5109	1.9134	8
TATA MOTORS	3.5340	1.5499	2.9336	1.8928	9
M&M	2.3399	0.9318	1.7395	1.8668	10
BAJAJ AUTO	2.7383	1.1608	2.1379	1.8416	11
ASHOKE LAYLAND	3.1833	1.5169	2.5829	1.7028	12
MARUTHI	2.6789	1.2509	2.0785	1.6616	13
TATA DVR	3.1034	1.5715	2.5030	1.5927	14
EXIDE INDUSTRIES	2.2111	1.0230	1.6107	1.5745	15
HERO MOTORS	1.4586	0.6439	0.8582	1.3329	16

Calculations for determining the cut off rate 'C*':

TABLE VIII

SECURITY	RANK	$\left(\frac{R_i - R_f}{B_i}\right)$	$\frac{(R_i - R_f)B_i}{\sigma_{ei}^2}$	$\frac{\beta_i^2}{\sigma_{ei}^2}$	$\sum_{i=1}^n \frac{(R_i - R_f)B_i}{\sigma_{ei}^2}$	$\sum_{i=1}^n \frac{\beta_i^2}{\sigma_{ei}^2}$	Ci values
EICHER	1	5.6750	0.0510	0.0090	0.0510	0.0090	1.4169
MOTHERSONSUMI	2	3.9225	0.0316	0.0080	0.0825	0.0170	1.8752
AMARRAJA	3	3.7007	0.0564	0.0152	0.1389	0.0323	2.3446
MRF	4	3.3022	0.0489	0.0148	0.1879	0.0471	2.5363
TVS MOTORS	5	3.0210	0.0447	0.0148	0.2325	0.0619	2.6170
BOSCH	6	2.9033	0.0249	0.0086	0.2574	0.0705	2.6422*
APPOLO TYRES	7	2.4931	0.0253	0.0102	0.2828	0.0806	2.6281
BHARAT FORGE	8	1.9134	0.0460	0.0240	0.3288	0.1047	2.4976
TATA MOTORS	9	1.8928	0.0511	0.0270	0.3799	0.1317	2.3946
M&M	10	1.8668	0.0405	0.0217	0.4204	0.1534	2.3311
BAJAJ AUTO	11	1.8416	0.0545	0.0296	0.4749	0.1830	2.2621
ASHOK LEYLAND	12	1.7028	0.0397	0.0233	0.5146	0.2063	2.2062
MARUTHI	13	1.6616	0.0493	0.0297	0.5639	0.2359	2.1448
TATA DVR	14	1.5927	0.0433	0.0272	0.6072	0.2631	2.0930
EXIDE	15	1.5745	0.0319	0.0203	0.6391	0.2834	2.0591
HERO	16	1.3329	0.0118	0.0089	0.6510	0.2923	2.0389

Calculation of Zi and Xi for the selected securities in the optimal portfolio:

TABLE IX

SECURITY	$\left(\frac{R_i - R_f}{B_i}\right)$	$\frac{\beta_i^2}{\sigma_{ei}^2}$	$\left(\frac{R_i - R_f}{B_i}\right) - C^*$	Zi	Xi %
EICHER	5.6750	0.0090	3.0328	0.0272	0.3819
MOTHERSON SUMI	3.9225	0.0080	1.2803	0.0103	0.1445
AMARRAJA	3.7007	0.0152	1.0585	0.0161	0.2262
MRF	3.3022	0.0148	0.6601	0.0098	0.1372
TVS MOTORS	3.0210	0.0148	0.3788	0.0056	0.0786
BOSCH	2.9033	0.0086	0.2612	0.0022	0.0314
				$\sum Zi = 0.0713$	$\sum Xi = 1$

Among auto sector stocks, EICHER MOTORS got highest proportion of investment (38%) and followed by AMARARAJA BATTERIES (23%).

Measurement of portfolio beta, alpha and portfolio residual variance:

TABLE X

SELECTED SECURITY IN THE OPTIMAL PORTFOLIO	ALPHA	BETA VALUE	PROPORTION OF INVESTMENT	σ_{ei}^2	$Xi * \alpha_i$	$Xi * \beta_i$	$Xi * \sigma_{ei}^2$
EICHER	4.3173	0.8860	0.3819	87.4387	1.6487	0.3384	33.3921
MOTHERSON SUMI	2.4158	0.7432	0.1445	68.6285	0.3492	0.1074	9.9194
AMARRAJA	3.0335	1.0956	0.2262	78.7912	0.6861	0.2478	17.8211
MRF	2.6905	1.1470	0.1372	88.7529	0.3692	0.1574	12.1791
TVS MOTORS	2.7287	1.3811	0.0786	128.9701	0.2144	0.1085	10.1337
BOSCH	1.4713	0.6119	0.0314	43.6469	0.0462	0.0192	1.3712
			$\sum Wi = 1.00$		$\alpha_p = 3.3138$	$\beta_p = 0.9787$	$\sigma_{ep}^2 = 84.8165$

Measuring portfolio return and risk for AUTO sector, according to Sharpe Single Index Model:

By substituting the above inputs we can measure the portfolio return and risk:

Portfolio return

$$R_p = 3.3138 + (0.9787 * 1.4800)$$

$$R_p = 4.7623 \%$$

Portfolio variance

$$\sigma_p^2 = (0.9787)^2 * 37.0636 + 84.8165$$

$$\sigma_p^2 = 35.5015 + 84.8165$$

$$\sigma_p^2 = 120.3180$$

$$\sigma_p = 10.9690 \%$$

Comparison of portfolio return and risks for FMCG sector stocks and AUTO sector stocks:

TABLE XI

PORTFOLIOS	PORTFOLIO RETURN	PORTFOLIO RISK
FMCG SECTOR	2.5783%	7.3207%
AUTO SECTOR	4.7623 %	10.9690%

FINDINGS

1. Sharpe single index model gives an easiest model for portfolio construction, which requires less number of inputs (3n + 2) when compared to Markowitz model.
2. From the study it was found that AUTO sector stocks offering high returns than the FMCG sector stocks and also they were bearing high risks.
3. In the FMCG sector EMAMI offering highest mean return and TGB having lowest mean return. GODREJ INDUSTRIES bearing highest risk and ITC bearing lowest risk.
4. In the AUTO sector EICHER MOTORS offering highest mean return and HERO MOTORS having lowest mean return. TVS MOTORS bearing highest risk and BOSCH bearing lowest risk.
5. Except GODREJ INDUSTRIES all FMCG stocks listed as defensive stocks and majority of the AUTO sector stocks listed as aggressive stocks.
6. In the FMCG sector BRITANNIA INDUSTRIES having highest ALPHA value and TGB having lowest ALPHA value.
7. In the AUTO sector EICHER MOTORS having highest ALPHA value and HERO having lowest ALPHA value.

8. In the FMCG sector UNITED SPIRITS having highest unsystematic risk and ITC having lowest unsystematic risk.
9. In the AUTO sector TVS MOTORS having highest unsystematic risk and M&M having lowest unsystematic risk.
10. In the list of FMCG stocks UNITED SPIRITS, GODREJ INDUSTRIES and TATA GLOBAL BEVERAGES are excluded from list of stocks for optimal portfolio construction, remained 11 stocks are included in the list of stocks for optimal portfolio construction.
11. In the list of AUTO stocks EICHER, AMARRAJA, MOTHERSON, BOSCH, TVS MOTORS and MRF are included in optimal portfolio; remained 10 stocks are excluded from list of stocks for optimal portfolio construction Portfolio with AUTO sector stocks providing highest return (4.76%) and risk (10.96%) when compared to portfolio with FMCG sector stocks which consists portfolio return (2.57%) and portfolio risk (7.32%).

RECOMMENDATIONS

So far it is clear that the construction of optimal portfolio investment by using Sharpe's Single Index Model is easier and more comfortable than any other portfolio models. Thus two optimal portfolios are constructed by selecting thirty companies, 14 companies from FMCG sector which are constituents of NIFTY FMCG INDEX listed in NSE and 16 companies from AUTO sector which are constituents of NIFTY AUTO INDEX listed in NSE. After calculating the "cut-off" Values for the FMCG sector sample companies out of 14 companies, eleven were selected for the optimal portfolio construction, they are COLGATE, HUL, GLAXO SMITH CLINE, BRITANNIA, ITC, MARICO, P&G, DABUR, GODREJ CONSUMER DURABLES, EMAMI and UNITED BREWERIES. In the sample of AUTO sector companies, out of 16 companies, six were selected for the optimal portfolio construction; they are EICHER, AMARRAJA, MOTHERSON, BOSCH, TVS MOTORS and MRF. In the two portfolios, portfolio with AUTO sector companies offering highest return (4.76%) and bearing highest risk (10.96%). Portfolio with FMCG sector companies offering lowest return (2.57%) and bearing lowest risk (7.32%). From the above remarks it can be suggested that to the individual investors and portfolio managers to take investment decisions to invest in FMCG stocks for moderate expected return and risk, while so to invest AUTO sector stocks for high return with high risk. This study helps the investors to minimize their investment risk and maximize the return of their investment. It can be suggested to risk averse to invest in portfolio with FMCG stocks. It can be suggested to risk takers; who expect high return with high risk, to invest in portfolio with AUTO stocks.

Investing in individual securities is associated with high risk, where as investing in a portfolio of securities helped to spread the risk over many securities and thus reducing overall risk involved. Portfolios, which are combinations of securities, tend to spread risk over many securities and thus help to reduce the overall risk involved. This method of construction of optimal portfolio is very effective and convenient as revision of the optimal portfolio can be an ongoing exercise. The existence of a cut-off rate is also extremely useful because most new securities that have an excess return-to beta ratio above the cut-off rate can be included in the optimal portfolio.

SCOPE FOR THE FURTHER RESEARCH

The present study has been taken on the topic of construction of optimal portfolios with the FMCG sector and AUTO sector stocks. Here there is a scope for the further research that is to construct and Compare optimal portfolios with other sectoral stocks like public sector banks and private sector banks and metals and media. In this paper the researcher used the Sharpe single index model for optimal portfolio construction. So here there is possibility to study on optimal portfolio construction with the capital asset pricing model.

CONCLUSION

Thus, this study helps the investors to minimize their overall risk and maximize the return of their investment over any period of time. The optimal portfolio thus developed proved to be the best investment option in NSE, but the daily market fluctuation based on international financial queues and emotions resulted in security price fluctuations beyond the predicted risk levels.

LIMITATIONS OF THE STUDY

The limitations of the present study are:

1. The study uses monthly prices instead of daily data
2. Only thirty companies have been selected for conducting this study.
3. The results of the study may not be universally applicable

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ADVERTISEMENTS SHOWING CHILDREN: AN ETHICAL PERSPECTIVE**DR. D. MEHTA****READER****FMS****PT. JAWAHARLAL NEHRU INSTITUTE OF BUSINESS MANAGEMENT****VIKRAM UNIVERSITY****UJJAIN****DR. NAVEEN K MEHTA****ASSOCIATE PROFESSOR & I/C HEAD****DEPARTMENT OF ENGLISH****SANCHI UNIVERSITY OF BUDDHIST - INDIC STUDIES****BARLA-RAISEN****ABSTRACT**

Advertisements that portray children influence market very highly. Marketers are using children in their commercial advertisements to push their sales. Children are forcing the adults buy. So, grabbing adult's attention through children has become a sound strategy for majority of manufacturers. Advertisements targeted at children are considered unethical as children are not capable of processing the given information. Consumption of unhealthy products like fast food and tobacco products lead to bad health. Most of the advertisements are viewed as offensive, indecent, vulgar, repulsive, and against public decency. More particularly, it affects children negatively. The present paper makes an attempt to study ethical issues pertaining to use of children in advertisements and authors have also proposed a model, may be very useful for Advertising Industry, Marketers, Corporate sector organizations fighting for protecting children's causes and other stakeholders of the society, to deal with such a sensitive issue in future times.

KEYWORDS

advertising, ethics, products, psychology, children.

JEL CODE

M10, M31, M37.

INTRODUCTION

Ethics denotes a system of accepted beliefs based on morals that control behaviour. Thus, advertising ethics require that (a) advertising is truthful, (b) agencies and advertisers provide substantiation of claims made, (c) advertising is in good taste, and the generally accepted standards of public decency are followed, (d) advertisers refrain from attacking competitors unfairly, (e) guarantees and warranties are explicit, (f) advertisements are not false or misleading, (g) claims are not exaggerated, and that (h) testimonials are genuine. Unethical advertising promises something that cannot be delivered like a bubblegum advertisement that advertises that after chewing it a child can be as powerful as superman.

Advertising has been considered as a capitalistic virtue, an engine of free market economy, and a promoter of consumer welfare. Advertising is seen by many as a threat to the cultural identity and self realization as it harms ethical values; it affects and may deform ways of life and lifestyles. Advertisements are regarded to be in degraded form when they offend people. Stereotyping refers to portraying men or women in a particular role, with a negative image. Advertisers and creative directors realize the positive psychological effect children have on their audiences.

Children play key role in manufacturing, financial services, automobiles, real estate and consumer durables advertisements. Featuring children enables companies to get rid of boring and cliché methods, especially when the products sometimes carry nonuser appeals. Portraying children in the advertisements can affect advertising in three ways-First, many young children have spending 'pocket' money of their own. Secondly, they can also tell their parents what they want and many are able to get exactly what they request. And finally, children are the most open to advertising campaigns irrespective of use or nonuser category.

REVIEW OF LITERATURE

Haefner (1991) conducted a study which addressed the values of those advertisers who purposely or inadvertently target children. Conna et al. (1994) highlighted that the content of advertisements directed at children was in serious need of regulation. Tamburro et al. (2004) studied the depiction of violence and other unsafe behavior in ads directed at children. Chatterji (2005) pointed out that extreme stereotypes of gender were presented in ads, which perpetuated a lifestyle oppressive to women. Jaspal Singh and Namrata Sandhu (2011) suggested measures for building ethical considerations into contemporary advertising practices. The present paper makes an attempt to study ethical issues pertaining to advertisements and corporate response. Mehta and Mehta (2013) stated that Advertisements targeted at children are considered unethical as children are not capable of processing the given information.

RESEARCH METHODOLOGY

This paper is based upon review of literature and secondary data collected from various websites, journals, magazines, newspapers and reference books. Informal discussions with library, professionals, parents/children community and observations have also been incorporated. Literature review has shown prior research work done in this area. Secondary data have been studied and analyzed by the researchers.

PORTRAYAL OF CHILDREN IN ADVERTISEMENTS

According to a recent research survey (2013), it was revealed that children between the age of 2 and 11 watch an average of 21.5 hours of TV a week and may see between 22,000 and 25,000 commercials a year. And its impact on children cannot be ignored. Children are like a clean slate. They are an innocent audience; they can be highly influenced by advertising of all kinds. They are exposed to numerous advertisements from the very little age and are most likely to accept the ideas advertising promotes.

It is generally regarded that advertisers have the moral duty to "tell the truth" about the product or service advertised. Unethical advertising degrades or underestimates the substitute or the competitive products. It gives false promises or misleading information about the value of the product. It fails to give information about the side effects. It could be advertisements that are obscene or immoral. Children are breaking new grounds in advertising. Multi-brand commercial products manufacturer Ingersoll Rand, financial services company Tata Capital, real estate player Housing Development and Infrastructure Limited and air-conditioner

maker Voltas are all using children as storytellers in their advertisements. Life Insurance Corporation too shows children choosing between different flavours of ice candies to reflect different premium options under its "Jeevan Saral policy".

As marketers are using children in their commercial advertisements, it influences children to push their parents for particular products. Some of the advertisements are very relevant to children, where marketers are using children to promote their products for instance, advertisements of Horlicks, Johnson & Johnson etc. But there are many commercial advertisements where marketers use children even the products are not for children like, Super Nirma, Surf Excel etc. People can't afford certain products but children force them to buy those products which may affect their economic level. Pepsodent portrays some children relishing snacks, confectionery and sweets, while others are scolded by their mothers for having done the same thing. This advertisement makes children believe that consumers who use Pepsodent are protected to any tooth decay because of the superior quality of the product but this claim is unauthenticated and mislead children. Organization also portrays children in junk-food product as the children are special targets of the junk-food industry. The market knows that fast food is addictive and once young people get used to having their fat, salts and sugar rich food, they will become their consumers for life.

Similarly, McDonalds is advertising the "McAloo Tikki" burger in what has become a popular and controversial advertising campaign in India. The campaign features two young children sitting on a bench. The girl asks the boy if he would consider them boyfriend and girlfriend. He is not keen, saying that girlfriends demand too much. He changes his mind when she says that she'd be satisfied with a McAloo Tikki Burger (India). It certainly shows trivial relationships. Vodafone ads also lead children thinking that every girl wants their attention. Vodafone and McDonalds exploit children in their advertisements at the cost of their health and well-being. Research studies have found that children do not perceive the selling intent of commercials, and cannot distinguish between reality and fantasy. Some parents might even rethink giving their children mobile phones for fear that it will be used for 'romance' talk at a very tender age.

One current television commercial shows a young boy advertising Dish Network. His age is about 12 years and all of his friends come over to watch their special shows with him because they either don't have cable or their cable isn't working. He tapes everyone's show and feels superior and self-satisfied because he can help his friends. Such advertisements are damaging imaginary world of children to a large extent.

It appears to be quite unethical to use children in television commercials because they are too emotionally undeveloped to handle the pressures of the adult world. Children don't have the capacity to know the difference between advertising and marketing gimmicks, and real promises.

Children are mostly depicted as adventurous, which is objectionable. In some product ads, it is claimed that kids become clever, brave etc. after consuming some drinks, biscuits etc., which is not acceptable. The role of children in ads should be specifically determined and any misuse curtailed appropriately. The children are the most interesting tool to attract consumers of all ages. Since the product manufacturers need to pay a less amount for greater reach, they prefer children.

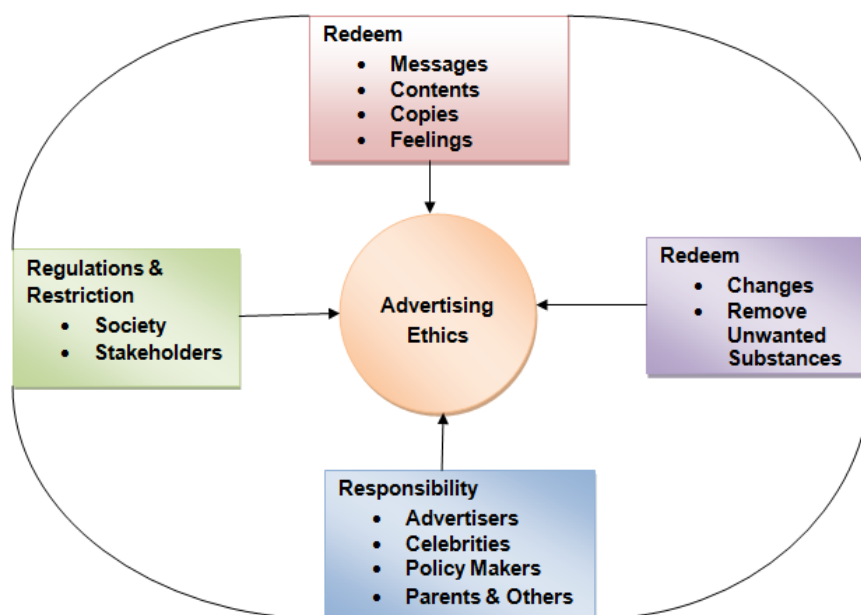
CONCLUSIONS AND SUGGESTIONS

Advertisements through various media have much to teach but some of what these advertisements teach may not be what we want our children to learn. Younger children feel delighted while watching television advertisements and like to remember and recite their jingles and dialogues. Advertisements are regarded to be in degraded form when they offend people. Consumption of unhealthy products like fast food and tobacco products lead to bad health. Most of the advertisements are viewed as offensive, indecent, vulgar, repulsive, and against public decency. More particularly, it affects children negatively. Featuring children in advertisements aimed at grownups could be the change in the social patterns and lifestyles, with people in their twenties and thirties controlling the economy and consumer markets, making all key decisions both at home and at work. Such advertisements like Aamir Khan's "Kuposhan Bharat Chodo" need appreciation and wider social acceptance.

Children are especially vulnerable to advertising because they lack the experience and knowledge to understand and evaluate critically the purpose of persuasive advertising appeals. The self-regulation and social control measures bear importance. From this point of view, the Advertising Standards Council of India has a significant role to play. Advertisement Standards Council of India should protect the rights of children from exploitation through ads. The role of consumer organizations, human rights activists and media is also very important to keep away business interests eroding children's welfare. When children play a happy mind act in ads, it boosts their level of confidence and bring to the fore their potentials. But, if they are forced to act for the sake of money, then it can lead to behavioural and emotional disorders and the saleability of the product will no longer have the same impact.

The responsibility for ethics in advertising is, however, on all people of this country in different capacities—as advertisers, media persons, agency people, celebrities, models, photographers, filmmakers, business leaders, owners of business houses, consumers, traders, policy makers and the public at large. It is suggested that the advertisements for harmful products like soft drinks, junk food, tobacco etc., ads which may not be watched with children and elders due to their objectionable content, overt use of sex/sexual appeals in ads and ads aimed at children be completely banned. Marketers must communicate accurately and truthfully knowing that children may learn practices from advertising that can affect their health or well-being.

FIG. 1: M&M'S 4R MODEL ON ADVERTISING ETHICS W.R.T. PORTRAYING CHILDREN



Source: Developed by Authors (Mehta & Mehta-2013)

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**THE EFFECTS OF HUMAN RESOURCE OUTSOURCING ON ORGANISATIONAL PERFORMANCE
(A CASE STUDY OF POST BANK KENYA LTD.)**

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ABSTRACT

The study finds out that outsourcing has become a strategic human resource approach in our current competitive business environment. Companies involved in the practice need to stick to their core competencies and go for strategic outsourcing to reduce cost and become more effective in their customer service. A company's business success could be determined on how well it manages its outsourcing relationship. In general, organizations outsource to achieve cost reductions and/or to be able to focus on their core business. They also resort to outsourcing as a way to achieve more efficient, effective and competent functions in their processes. One of the fastest growing changes currently adapted by organizations is to outsource non-essential but critical functions to a large scale service provider, which is commonly referred to as Business Process Outsourcing or BPO. As the trends in outsourcing are evaluated, it is realized that the benefits of outsourcing far outweigh its disadvantages. Even as profits from the organization activities and Return on Investments increase year after year, it cannot solely be attributed to outsourcing. Other factors like commitment, team work, reward recognition and employee involvements all play a critical role in the overall performance of the organizations. Institutions that integrate these factors with outsourcing achieve performance enhancement.

KEYWORDS

Post Bank Kenya Ltd., human resource outsourcing, organisational performance.

BACKGROUND OF THE STUDY

Every workplace today is in a state of transformation with contemporary issues such as customer service, competitive advantage, revenue and expenditure, organizational culture, technological advancement, global markets, diverse customer needs, and need for effective work force with a global mind-set penetrating every aspect of the organization (Burke and Cooper, 2004). Effective workforce is crucial as it is the organization's primary player in accomplishing goals and delivering services. Most, if not all, firms are in business for the purpose of making profit. They then put measures in place to reduce costs in order to increase profits. According to (Bearden, Ingram and Lafarge, 2013) A common strategy that is commonly used for this purpose which has brought some debate in both academia and professional practice is outsourcing; a common trait of business-to-business firms. Some companies believe that this is more cost effective; as it allows them to concentrate on their core competencies and to purchase the products or services from expert companies than to produce in-house.

For a long time, different companies in the world have been taking advantage of the external providers of general company services, while spending money and trusting them to offer cost effectiveness and efficiency in internal organizational procedures as provided by (Vega, 2013). This is particularly important for organizations, which are considered as important players in the financial sectors (Post Bank) in any country because of the economic benefits they provide in their economic environment. In other words, when an organization pursues efficiency, it will afford management to concentrate on activities that yield more results at minimum costs to the units and to clients. Hence, attention will be given to the designing of correct product lines, effective market strategy, good targeting efficiency and gradual removal of bottlenecks in supply.

While making the decision of HR outsourcing (external providers of services), organizations need to analyse and consider the effects of outsourcing these functions on the organization's productivity. For this purpose, (Finn, 2012) suggests that the organizations need to differentiate between "core" and "non-core" activities of their functions. Some academic researchers have investigated empirically in which manner decisions of outsourcing are made, how these decisions are put into practice, how the effectiveness of the outsourcing is measured and the implication of these outsourcing decisions function on different groups in the organization. In general, there has been a lot of research done on outsourcing but there is a little academic-oriented research on issues related to HR outsourcing. In Pakistan, the concept of HR Outsourcing is in its inception stage. Organizations know the concept of HR outsourcing but it is not very much in practice. Organizations are outsourcing Human Resource but only the activities and functions, which are very much essential to be performed. Most of the Organizations are unaware from the factual essence of this idea that it is very cost productive and helps to gain competitive advantage.

The business of these organizations is highly dependent on the work force that has the ideas organized, produce and market a product. In the long term, the application of specific outsourcing strategies has been found to be related with the productivity of the organization. Moreover, where appropriate outsourcing

strategies have been applied, the organizational performance has been found to be increased. According to (Balkenhol, 2012) Outsourcing practices affect organizational outcomes, whether some practices have stronger effect than others, and whether complementary or synergies among such practices can further enhance organizational performance. Some other firms also outsource because they need to improve their quality and speed of software maintenance and development. Others also believe that outsourcing is now offering much value than it previously did. Initially, the concept of outsourcing was more popular among the companies found in the manufacturing sector. The business functions that are commonly outsourced are information technology (IT) and human resources.

STATEMENT OF THE PROBLEM

Business is highly dependent on the workforce. An organization can have all the capital and resources in the world but without a workforce to have the ideas organized, produce and market a product, nothing will ever reach consumers (Bearden, Ingram and Lafarge, 2013). In recent years, organisations have outsourced an expanding variety of activities including HR functions in an attempt to improve service and product quality, reduce production cycle times, lower costs, increase their focus on core competences, and in general, enhance organisational performance. Organisations appear to be focusing on a relatively narrow set of functions and are contracting with outside suppliers to perform the others. Substantial uncertainty remains, as to how HR outsourcing practices affects organizational outcomes, whether some practices have stronger effects than others, and whether complementary or synergies among such practices can further enhance organizational productivity (Milgrom and Roberts, 2013). As much as outsourcing is meant to increase the business efficiency, it may lead to some employees losing their jobs. It could also be difficult to break the outsourcing contracts which require a stipulated period, it will mean an organization incurring a lot of cost to reverse the situation and return the services in-house. Anecdotal evidence suggests that increased reliance on outsourcing may lead to reduced innovation, eventual competition from outsourcing partners and reductions in control of the tasks in question.

However, extensive research reveals outsourcing has become the preferred approach for improving quality and productivity in organizations as well as giving it a competitive advantage. (Eliot, 2014) notes that outsourcing practices have not been considered to be important elements of growth and productivity in many financial institutions. Post bank has been in operation since 1910. In the past, the bank had been ignoring outsourcing and which lead to poor performance of the company as a whole. This had limited its competitive advantage in the market. In the recent past, the assets and the net worth of the bank have increased tremendously. According to post bank website (2013), some of the major reasons for this improvement were employment of adequate skills in the banking sector through outsourcing which was started in the year 2010. This study seeks to assess the effects of incorporating HR outsourcing of some core human resource activities in Post bank Kenya Ltd to maximize the related benefits and also improve on competitive advantage as a result of outsourcing. HR outsourcing helps in minimizing cost. The activist, (Roberts, 2012) campaigned for outsourcing as considerably lowering the costs and risk, increasing the organizational flexibility, innovative capabilities, and opportunities for creating value-added stakeholder returns.

MAIN OBJECTIVE

To investigate the effects of human resource outsourcing on organizational performance (a case study of Post Bank)

SPECIFIC OBJECTIVES

1. To assess the effect of training on organisational performance in Post Bank Ltd.
2. To evaluate the effect of Recruitment and selection on organisational performance in Post Bank Ltd
3. To find out the effect of Human Resource Information System on organisational performance
4. To analyse the effect of Reward management on organisational performance in Post Bank

RESEARCH QUESTIONS

1. Does outsourcing Training programs in Post Bank affect the organization's Performance?
2. Does Recruitment and Selection Outsourcing have any impact on organization's performance?
3. Does HRIS outsourcing affect performance in Post Bank?
4. Does Payroll Outsourcing have any effect on organization's performance

SIGNIFICANCE OF THE STUDY

The study findings will be beneficial to the owners of the companies. This is because they will be able to get adequate knowledge concerning effects of outsourcing and its benefits. The findings also will be significant to several stakeholders. It will enable the management to concentrate on the work they are highly skilled at and maximize the benefits of expertise. Hiring the professionals that do various tasks on a daily basis permits you to take care of other things concerning your business. This is just one of the numerous advantages that a company enjoys when it hires a human resources outsourcing company.

It will also reduce stress on the organization in general. The management will also have a clear understanding of the role played by outsourcing activities in provision of the necessary services in the best way possible. It will also help organizations to estimate the relative cost of outsourcing to their companies. The study will also help outsourcing firms understand the main drivers of outsourcing decision in the manufacturing industry and how they can then respond to the available opportunities. This research will also serve as a resource base to other scholars and researchers interested in carrying out further research in this field subsequently.

SCOPE OF THE STUDY

This study on the effect of outsourcing human resource functions on organisational performance at Post Bank Kenya Ltd will cover human resource outsourcing approaches at post bank Kenya Ltd with a view of identifying its effect on organisational performance. The vision of the organization is to increase productivity and workers commitment by assuring them to identify with the mission and the objectives of the organization thereby increase and improve operations. The research will use questionnaires which will be administered by the researcher to selected middle level managers and specific employees in the bank

AGENCY THEORY

This is one of the theories that have been highlighted by researchers as one of the most crucial theories in management. It explains the relationship between principals, such as a shareholders, and agents, such as a company's managers. In this relationship the principal delegates (or hires) an agent to perform work. Initially, this theory was developed as a way of establishing a good relationship between the management and the stakeholders (Jensen and meckling, 1976). Over time, the theory has spread to include the relationship between the inter-firm subjects. In that context we associate the agency theory to understanding the relationship between outsourcer and vendor. Sources of the agency problem, moral hazards and adverse selection should be resolved by monitoring and bonding (Al-Darrab, 2000). Consequently, the application of the theory in the outsourcing process research was in the Preparation Phase (when screening for vendors and defining its own attitude towards the type of the relationship). Naturally, the Managing relationship phase has been also explored, and to a very small extent the reconsideration phase (Andrews, 1980).

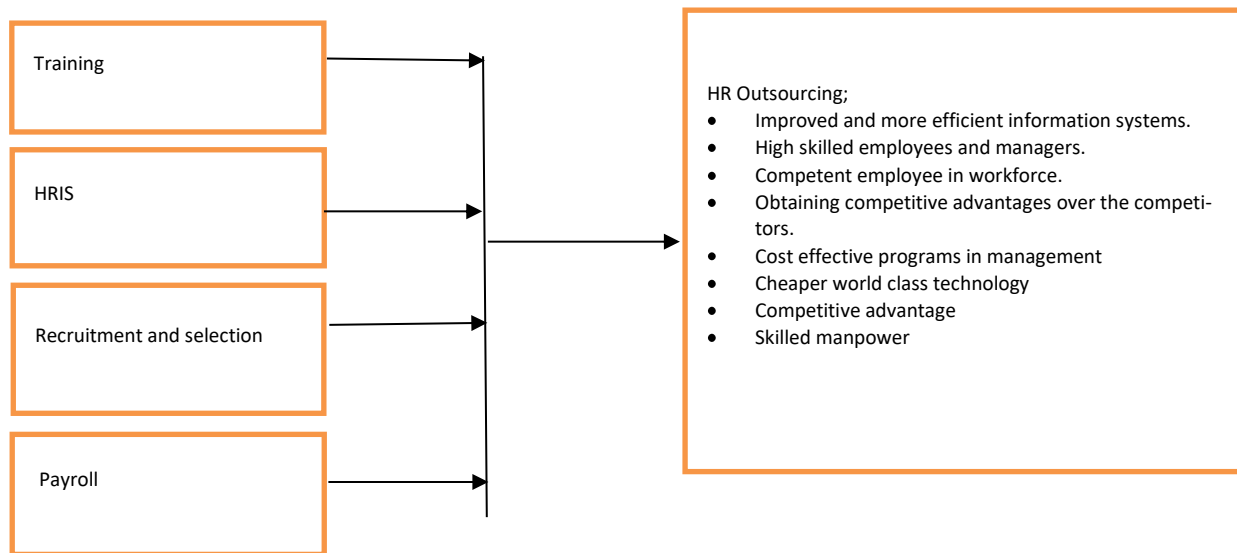
This Agency relation comes to being when one party contract another party to perform some aspect of work for a consideration and contractual arrangement is needed to manage the relations between the parties. The main focus in HR Outsourcing is the formation of an agency relationship in the context of a client contracting an outsource vendor for the provision of services. The goal congruence of this theory is to attempt explaining what happens in that particular situation when these corporate parties in a venture share differing objectives and goals. In particular the question arises as to extent that the agent acts to ensure the achievement of the principal's goals and how the relationship is managed to achieve this. The theory looks at how two key aspects of this type of relationship can

be resolved: 1) in what ways the desires or goals of the principal and agent differ and, 2) the difficulty that the principal has in confirming how the agent has performed (Eisenhardt, 1989)

The core idea is that each agent in a relationship has a tendency to place their own interest above that of the joint objectives or task. There is goal incongruence between a vendor of a service and the client such as we see in the purchase and supply of the outsource services. Put simplistically (as an example) the delivery of a service is measured within the vendor organization based on long term margin evolution whilst the client organization is more concerned with services delivered at an effective cost thus at a fundamental level the parties seem to pursue different objectives from the same contract. The point of the lack of assurance that the principal's goals are not maximized is central to the theory as is the differing perspective on risk. Briefly whilst the principal may be more or less neutral to the exchange the Agent on the other hand are assumed to be more risk adverse in its decisions towards the client firm due to the risk to personal wealth (or profit) resulting from the performance of the work.

Indeed as one of the key drivers of the HR outsourcing decision still tends to be concerned with delivering cost savings as the prime driver this sort of distinction is still very important. The issue as far as managing this situation is in the nature of the measurement problem (verification and information asymmetries) and the differing risk appetites of the parties. What the approach (Agency Theory) is concerned with is the monitoring and control processes that need to be in place, specifically contracting, and searching for the most (cost) efficient mechanisms that can be structured to control the relationship given assumptions about people behavior (bounded rationality, opportunism etc.) in order to perform to the clients requirement and organization. It is these two points that we now briefly consider.

CONCEPTUAL FRAMEWORK



TRAINING

Training outsourcing is a constant transfer of the organization and implementation of one or more entire training processes to an external services provider, this is according to (IDC) India. Training outsourcing is of two types. Select training outsourcing – In this type selected training activities are outsourced, Comprehensive total training - In this type, the entire training function is outsourced Although delivery of training has long been outsourced by companies, the level of outsourcing is increasing rapidly, which is based on two facts: training boosts organisational productivity, and outside training providers increase an organisation's ability to train more people faster and more cost-effectively than in-house staff. Driving the increase in outsourcing of training activities has been the rise in the number of training projects and the nature of those projects. (Friedman, 2015) and (Gainey and Klass, 2014) highlighted strategic importance of outsourced training in their study. The researchers apply to view of transaction cost economies, social exchange theory, the resource-based view to identify factors thought to impact client satisfaction with external training vendors. Findings show that socially-oriented trust and contractual specificity mediate the relationship (Norman, 2009).

RECRUITMENT AND SELECTION

Outsourcing is relatively a new phenomenon which is becoming very popular in modern organizations. Outsourcing Recruitment process is mainly used to increase the efficiency of the organization through managerial time saving along with the cost (Corbett, 2014). Recruitment Process Outsourcing is a form of business process outsourcing (BPO) where an employer transfers all or part of its recruitment processes to an external service providers. Recruitment and selection process outsourcing has a long history and is growing rapidly. A natural outgrowth of mass purchasing of recruiting services, Recruiting Process Outsourcing (RPO) has matured in terms of size, scope and duration of contracts. RPO taps into two core reasons for outsourcing; gaining needed expertise and lowering costs (Norman, 2009). The selection process consists of several critical steps in ensuring that the organization don't only attract the best capacity in the industry, but it provide them with most exciting and challenging environment to work in.

Recruitment process outsourcing (RPO) lets Talent Acquisition easily scale recruiting capacity to meet demand, better understand recruitment costs, and resolve the tensions associated with peak, valley, and even equilibrium requisition demand cycles. RPO also provides fast-changing organizations with a scalable, more cost-effective way to manage recruitment resources.

Global and domestic regulatory changes place an intense pressure on financial institutions' capital requirements. As a result of the rising regulatory cost burdens they're facing, a growing number of banks and financial services companies are turning to recruitment process outsourcing to improve the quality of their hires, to elevate the success rate of the employee training programs and to increase employee retention rates. Partnering with a provider with proven expertise can enable banks and other financial companies to reach new heights of enterprise productivity and efficiency (Prater, 2014). Without forgetting that recruitment specialists have more advanced techniques, including multiple sourcing channels, web-sites and recruitment software which can easily find thousands of applicants, thereby increasing the probability that the best person for the job will be found (Maidment, 2011).

HUMAN RESOURCE INFORMATION SYSTEMS (HRIS)

HRIS is a systematic way of storing data and information for each individual employee to aid planning, decision making and submitting of returns and reports to the external agencies. According to (Baum, 1990) he defined Human Resource Information System (HRIS) as a technology based system used to acquire, store, manipulate, analyze, retrieve and distribute pertinent information regarding organization of human resources. (Porter, 1990), suggested that management of human resource is most critical. Effective management of human resource in an organization set up requires timely and accurate information systems, on current employees and potential employees in labor market. With evolution of computer technology meeting these information requirements has been greatly enhanced through creation of Human Resource Information Systems. The increased complexity and turnover of information in the HR area is widely managed by external experts. Human Resource Information Systems (HRIS) together with other HR software plays a very important support role in managing people (Stone, 2016) Stone confirms the fact that HRIS has become a very important mechanism that helps organizations improve productivity and retain a competitive advantage. Furthermore, he argues that HRIS can integrate vital HR information and organization strategy.

PAYROLLS

In order for a company to run steadily and implement ambitious HR strategies, paying everyone in the organization and on time is a basic requirement. Payroll can prove to be costly and complex which requires companies to assess payroll-related processes in order to decide on the most relevant strategy and keep this critical function under control. Payroll processing involves perhaps the most transactional, routine activity involving HR and is the most frequently outsourced HRM activity (Norma, 2007). Rapid change in internet technology and its availability has enabled complex processes such as payroll to be outsourced because the organization and the vendor are in touch 24/7/365.

RESEARCH DESIGN

Research design is a plan, structure and strategy of investigation to obtain answers to research questions and control variance. It is a program that guides the researcher in the process of collecting, analysing and interpreting an observation (Ogula, 2013). The purpose of this study was to analyse the effects of HR outsourcing on performance. This study will focus on the use of descriptive survey design method. According to (Kathari, 2015) descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or a group. This is where a large amount of information and data will be gathered via three data collection methods i.e. interviewing, questionnaires and secondary sources

DATA ANALYSIS, PRESENTATION AND INTERPRETATION**TRAINING**

Based on the results from the respondents, 71% of the staffs which adds to 32, supported the outsourcing of training services from vendors, there reasons could be attributed from improved organizational performance and bringing in of new ideas from outside trainers, while the remaining 29% of the total staff which added to 13 were against the outsourcing of training activities arguing that training in-house helps to improve employee performance and enhancing and promoting organizational culture. Since most of trainers sourced within the organization seem to have a good knowledge of the organizational structure and culture this helping in maintaining the strengths of the current processes.

RECRUITMENT

The number of respondents who supported outsourcing online recruitment and selection was 60% basing their argument that recruitment is a non-core activity in an organization so undertaking it within the organization may be more costly thus leading to their concern that it should be outsourced outside the organization to experts and organizations performing recruitment as one of their core activity. The number of respondents who did not support outsourcing of online recruitment and selection were 40% basing their arguments that recruitment should be done within the organization because the managers or the senior management responsible for the recruitment are in a good position to understand the required type of individual for the gap within their organization, thus by conducting the interview themselves will be most favorable because from the applicants they will be able to select the best they think will best fit their requirements.

HUMAN RESOURCE INFORMATION SYSTEMS (HRIS)

The findings on outsourcing human resource information systems seemed to have a larger number respondents siding on the outsourcing of HRIS activities. The number of respondents who agreed on HRIS outsourcing is 77% of total staff researched which are 35. They based their arguments on; the HRIS are complicated and require much expertise than know how. This requires outsourcing information technology experts who are conversant to the systems. They also argued that there is the need of having some parts of HRIS done in house and the other from outside. This involves like outsourcing the system and the installation crew then looking for an expert who will be working and maintaining the system within the organization.

The number of respondents who declined the outsourcing of HRIS is 10 equal to 23% of the total number of staff researched. Basing their argument on that HRIS is very a very confidential system within an organization. Outsourcing of experts to work on HRIS is risky in that it may lead to information espionage to the competitors and thus making an organization loose its competitive secrets to its competitors.

PAYROLL SYSTEMS

Going by the results of the data collection it was found out that a majority of the respondents indeed acknowledged that payroll systems should be outsourced, giving them a percentage of 65% arguing that outsourcing this system to expert vendor will not only make up time to concentrate on other activities but it will also help the organization avoid penalties for errors, omissions or late payroll tax filings which can be costly. And report timely and accurately to the government. The other 35% who did not support payroll outsourcing based their argument on the fact that outsourcing payroll systems to an external provider will involve transmitting confidential employee information to the latter which will compromise security and confidentiality. They also stated inconsistencies in quality of work since the external vendors are motivated by profit and some of them provide outsourcing services to quite a number of companies making quality of services they give not their main concern as long as they deliver.

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION**SUMMARY OF MAJOR FINDINGS**

This research investigated the effects of outsourcing (whether there was an overall negative outcome or positive outcome), the services outsourced and performance based on respondents from both employees and management staff. The corporate social performance was based entirely on the data collected from employee respondents on important factors. There was also an investigation into the form of outsourcing that the companies were involved in from management. Management staff made available information on reasons for choosing an outsourcing vendor, the general outcome of outsourcing (beneficial in terms of cost saving, neutral effect or incurred costs). For online recruitment it was accepted by employees citing their reasons as; recruitment is not an all-time activity in an organization so undertaking it within the organization may result to be more costly thus leading to their concern that it should be outsourced outside the organization by outsourcing to experts and organizations performing recruitment as one of their core activity. For HRIS it was accepted by employees citing their reasons as; the HRIS are complicated and require much expertise than know how. This requires outsourcing information technology experts who are conversant to the systems. They also argued that there is the need of having some parts of HRIS done in house and the other from outside. This involves like outsourcing the system and the installation crew then looking for an expert who will be working and maintaining the system within the organization.

Payroll Outsourcing was also accepted by employees citing their reasons as: outsourcing this system to expert vendor makes up time to concentrate on other core activities, it will also help the organization avoid penalties for errors, omissions or late payroll tax filings which can be costly and report timely and accurately to the government. The researcher agrees with the above findings about outsourcing of training, recruitment processes, payroll systems and Human Resource Information Systems. This is in line with the Agency Theory by (Eisenhardt, 2003) which states that outsourcing is concerned with is the monitoring and control processes that need to be in place, specifically contracting and searching for the most (cost) efficient mechanisms that can be structured to control the relationship given assumptions about people behavior (bounded rationality, opportunities etc.) in order to perform to the clients requirement and organization. He also went on and concluded that the implications of agency theory led to the development of the assessment of several HRM activities with respect to their level of firm-customization (asset specificity), level of interdependence, and creation of organizational capital for the employee.

Under objective 2 the finding shows that there are some substantial problems in the current performances of HR functions. These problems showed in other words the reason why outsourcing should be incorporated within the organization. Some reasons like; cost effectiveness, reduced administrative costs, improved customer service, focus on core business, insufficient staff and redirecting HR focus towards strategy or planning. This is in line with

Under objective 3 the findings shows that there are cost effectiveness derived from outsourcing process. The researcher agrees with this as also explained by the approach (Eisenhardt, Agency Theory, 2003) which states that outsourcing is concerned with the monitoring and control processes that need to be in place, specifically contracting and searching for the most (cost) efficient mechanisms that can be structured to control the relationship given assumptions about people behavior (bounded rationality, opportunities etc.) in order to perform to the clients requirement and organization.

CONCLUSIONS

Outsourcing has become a strategic human resource approach in our current competitive business environment. Companies involved in the practice need to stick to their core competencies and go for strategic outsourcing to reduce cost and become more effective in their customer service. A company's business success could be determined on how well it manages its outsourcing relationship. In general, organizations outsource to achieve cost reductions and/or to be able to focus on their core business. They also resort to outsourcing as a way to achieve more efficient, effective and competent functions in their processes. One of the fastest growing changes currently adapted by organizations is to outsource non-essential but critical functions to a large scale service provider, which is commonly referred to as Business Process Outsourcing or BPO. As the trends in outsourcing are evaluated, it is realized that the benefits of outsourcing far outweigh its disadvantages. Even as profits from the organization activities and Return on Investments increase year after year, it cannot solely be attributed to outsourcing. Other factors like commitment, team work, reward recognition and employee involvements all play a critical role in the overall performance of the organizations. Institutions that integrate these factors with outsourcing achieve performance enhancement.

FUTURE OF OUTSOURCING

The subject of outsourcing is creating endless discussions and many sleepless night among workers whose jobs are, or may be in danger of, or already been outsourced. Managers sees it as the savior of businesses racked by high employees costs while the ordinary working class person also sees it as practice that is destroying the very livelihood of many working middle class workers. Outsourcing is continually growing as a corporate strategy for stakeholders to increase their returns on investments (ROI) by constantly lowering overall expenses of their organizations (Economist, Rogue, 2008). Many organizations are using outsourcing as the single biggest operational cost reduction approach. It is the most likely candidate for reducing wage and salary costs.

AREAS FOR FURTHER RESEARCH

The researcher discovered the areas, which need to be researched further. The area on how to outsource human resource services in an organization. This is because many human resource managers don't know the best ways of outsourcing HR services which leads to making the mistakes by hiring the wrong people to do the job. The other area was on the factors leading to outsourcing HR activities. This area needs to be researched further because many HR managers in many organizations don't know what can lead them to outsource HR services.

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AN EXTENDED STUDY ON THE OFFENCES UNDER NEGOTIABLE INSTRUMENTS ACT WITH SPECIAL REFERENCE TO CHEQUE BOUNCING

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ABSTRACT

A legal fiction has been created by which, a civil wrong, viz., cheque bouncing (unpaid cheque) has been made a criminal offence, by an amendment, made in 1988 in the Negotiable Instruments Act 1881. Section 138 of the said Act mandates severe punishment of imprisonment up to two years or fine of double the amount of cheque amount or both., this is a penalty payable by the defaulter in addition to the debt payable. However, the law provides adequate protection to honest persons who inadvertently or negligently issued cheques without ensuring sufficient credit balance in his/her bank account. On the other hand, an unscrupulous person, who does not consider dishonour of cheque, is a dishonour to his credibility. In this article, the researcher have analysed and presented the important aspects of who one is legally competent persons to file a criminal complaint against the person of the offence one committed u/s 138 of the Act.

KEYWORDS

N.I. Act, dishonour of cheques.

INTRODUCTION

egotiable Instruments Act 1881 (hereinafter mentioned as N.I. Act) was amended in 1988, and a new chapter XVII was included with new sections 138 to 142. The object and purpose of bringing new provisions in the Act was to make the persons dealing in commercial transactions work with a sense of responsibility and for that reason, under the amended provisions of law, a default on their part, would make them face criminal charges. The object and intention of the new provisions, in particular sections 138 to 142 of the N.I. Act, cannot be ignored. Proper and smooth functioning of all business transactions, particularly, of cheques as instruments, primarily depends upon the integrity and honesty of the parties.

Indian parliament has enacted the aforesaid provisions in order to restore the credibility of cheques as a trustworthy substitute for cash payment. The remedy available in civil courts is a long drawn process and an unscrupulous and litigant drawer would deliberately manipulate various pleas to defeat/delay the genuine claims of the creditor/lender.

The new provisions viz. section 138 to 142 of N.I. Act that make a civil wrong deemed to be a criminal offence, "*sans mensrea*" has been challenged as unconstitutional being violation of Articles 14, 19, 20 and 21 of the Constitution. This was rejected by the Hon'ble Delhi Court saying "only cheques have been chosen under the purview of section 138. This law has been necessitated because of the malpractices prevalent in our society. It may not be stated that the liberty of a person was being curtailed by an arbitrary procedure or that such a procedure was violative of Article 21 of the constitution." *Rajendra Steel Ltd., vs. Union of India (2000) 100 Comp. Cases 274 Delhi.* The law also provides compounding of offence u/s 147 of the N.I. Act, as a further concession to honest drawers.

After the amendment made in 1988, with effect from 01.04.1989, dishonour of cheque shall, subject to complying with the provisions of the act, be deemed to be a criminal offence u/s 138 of N.I. Act - which was only a civil wrong previously. When a cheque presented for payment is returned unpaid by the drawee bank for either of the following two specific reasons viz., (i) the amount of money standing to the credit of drawer's a/c is insufficient to honour the cheque or (ii) the cheque amount exceeds the amount arranged by the drawer to be paid from that account, by any arrangement with the drawee bank, like overdraft, the drawer shall be deemed to have committed an offence punishable with imprisonment which may extend to two years or with fine which may extend to twice the amount of the cheque or with both.

WHEN CAUSE OF ACTION ARISES TO FILE CRIMINAL COMPLAINT U/S 142 OF N.I. ACT

Law gives adequate safeguards to honest people who inadvertently or negligently issued cheques, without verifying the funds available in his or his company's bank account. Before initiating criminal prosecution u/s 142 of the N.I. Act, law mandates the complainant (i) to make a demand by giving a notice in writing to the drawer of the cheque to pay the cheque amount (ii) such notice shall be given within thirty (30) days of the receipt of information from the drawee bank- sec. 138 proviso (b). (iii) If, even after receiving the notice, the drawer fails to pay the cheque amount within fifteen (15) days from receipt of such notice, cause of action arises to set in motion of criminal proceedings before the competent court - proviso (c) to section 138 N.I. Act.

WHO CAN FILE CRIMINAL COMPLAINT U/S 142 OF N.I. ACT

Sec.142 of the N.I. Act reads: Cognizance of offences. – Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), -

- (a) No court shall take cognizance of any offence punishable under section 138 except upon a complaint, in writing, made by the payee or, as the case may be, the holder in due course of the cheque;
- (b) Such complaint is made within one month of the date on which the cause of action arises under clause (c) of the proviso to section 138:

[Provided that the cognizance of a complaint may be taken by the Court after the prescribed period, if the complainant satisfies the Court that he had sufficient cause for not making a complaint within such period;]

The following conditions shall be fulfilled for taking cognizance of the complaint:

- (i) the complaint must be made in writing clearly mentioning the offence committed u/s 138 and name of the person responsible for the offence. Mere bald allegation in the complaint is not sufficient.
- (ii) the complaint is duly signed and verified only by the payee of the cheque or the holder in due course.,
- (iii) the allegation made in the complaint shall make out a prima facie case warranting action u/s 142.,
- (iv) the complaint is made within one month of the date on which cause of action accrued i.e on the expiry of fifteen days of receipt of notice, provided under proviso (c) to section 138.,
- (v) the complaint is made in a court not inferior that of a Metropolitan Magistrate or a Judicial Magistrate of the first class.,

Filing of criminal complaint within the time stipulated in sec. 142 is very essential. When the grace period given in proviso (c) to sec. 138 expired on 13.03.2017, the complaint should be filed within a month i.e., on or before 12.04.2017.

WHETHER A POWER OF ATTORNEY OF THE PAYEE/HOLDER IN DUE COURSE, CAN FILE COMPLIANT U/S 142 OF N.I. ACT?

Law requires that a complaint for offence committed u/s 138 should be filed only by the payee or holder in due course. Where circumstances warrant a complaint can be filed u/s 142 before the competent Magistrate court by the power of attorney of the complainant, provided,

- (i) "Filing of complaint petition under section 138 of the N.I. Act through power of attorney, holding proper authority, is perfectly legal and competent.
- (ii) The power of attorney holder can depose and verify on oath before the court in order to prove the contents of the complaint provided, the power of attorney holder must have witnessed the transaction as an agent of the payee/ holder in due course or possesses knowledge regarding the said transaction.
- (iii) It is required by the complainant to make specific assertion as to the knowledge of the power of attorney holder in the said transaction explicitly in the complaint. If the power of attorney holder has no knowledge of the transaction, he cannot depose or be examined as a witness in the case – *Janaki Vasudeo Bhojwanivs Industrial Bank Ltd AIR 2005 SC 439*.
- (iv) In the light of section 145 of the N.I. Act it is open to the Magistrate to rely upon the verification in the form of affidavit filed by the complainant in support of the complaint under section 138 of the N.I. Act and the Magistrate is neither mandatorily obliged to call upon the complainant to remain present before the court, nor to examine the complainant or his witness upon oath for taking the decision whether or not to issue process on the complaint under section 138 of the N.I. Act.
- (v) The functions under the general power of attorney cannot be delegated to another person without specific clause permitting the same in the power of attorney. Nevertheless, the general power of attorney itself may be cancelled and be given to another." *A.C.Narayanan v. State of Maharashtra SCC pp.808-809, para 33 cited in (2015)12 SCC 203 para 15 page 313*.
- (vi) The power of attorney cannot step into shoes of the complainant and depose on those fact which are not in his personal knowledge.
- (vii) The complaint made u/s 142 must be signed and verified by the complainant – not by the power of attorney., complaint signed and verified by the power of attorney cannot be regarded as valid and complete - *Anirudhan v. Philip Jacob 2006 Cr. L.J. 3866 Ker*.
- (viii) The power of attorney cannot file a complaint in his own name as if he was the complainant, but he can initiate criminal proceedings on behalf of the principal.

"Keeping in mind various situations like inability as a result of sickness, old age or death or staying abroad of the payee or holder in due course to appear and depose before the court in order to prove the complaint, it is permissible for the power- of - attorney holder or for the legal representative(s) to file a complaint and/or continue with the pending criminal complaint for and on behalf of payee or holder in due course. However, it is expected that such power-of-attorney holder or legal representative(s) should have knowledge about the transaction in question so as to be able to bring on record the truth of the grievance/offence, otherwise, no criminal justice could be achieved in case payee or holder in due course, is unable to sign, appear or depose as complainant due to above quoted reasons. Keeping these aspects in mind, this Court had taken the view that if complaint is filed for and on behalf of payee or holder in due course, that is good enough compliance with Section 142 of the N.I. Act." – *A.C.Narayanan V. State of Maharashtra (2015) 12 SCC Page 211 Para 26*.

WHETHER LEGAL HEIR OF PAYEE/HOLDER IN DUE COURSE CAN FILE THE COMPLAINT U/S 142 OF N.I. ACT?

If, during the pendency of the proceedings, the complainant died, his/her legal heirs can continue the prosecution with leave of court. When the payee/holder in due course is alive his/her legal heir can file the complaint only if the legal heir is authorised with a power of attorney. But if the drawer of the cheque is dead then the criminal proceedings get abated, drawer's legal representative cannot be proceeded against u/s 142 of N.I. Act. But the payee is not deprived of civil remedy against the legal heirs of the drawer died intestate.

WHETHER A COMPANY CAN FILE A COMPLAINT U/S 142 OF N.I. ACT.

A complaint for offence committed u/s 138 of N.I. Act can be filed only by the payee or holder in due course. If the payee is a company the complaint shall be filed in the name of the company duly verified and signed by the authorised person. A company is a legal person but not a living person. It can be represented by any person, a director, or employee, or manager provided he/she is duly authorised by the Board by proper resolution or by a power of attorney. The only condition for filing the complaint u/s 142 N.I. Act is that the complaint must be in the name of and by the payee or the holder in due course and there are prima facie material for maintaining the complaint. When this condition is satisfied the Magistrate cannot reject the complaint.

A complaint u/s 142 of N.I. Act must be filed only by a living person who is capable of making a physical presence in the Court. When the complaint u/s 142 is made in the name of a company it must necessarily be represented by a natural person. (*Associated Cement Co. Ltd., v. Keshavanand (1998) 1 SCC 687*)

Sec. 200 Criminal Procedure Code mandates examination of the complainant. If the complainant is a company, only the authorised person can represent the company. As a result,

"the company becomes a *de jure* complainant and it imposes or other representative representing it in the criminal proceedings becomes the *de facto* complainant" – *National Small Industries Corporation Ltd., v. State (2009) Cr. LJ 1299 SC*.

Board of Directors have full authority by proper resolution to nominate/authorise any employee, or director or manager to represent the company who is the payee in the criminal proceedings. But such person should have full knowledge about the transaction contemplated in section 138 of N.I. Act. But a director of the company alone, in his capacity as a director, cannot represent the company without proper resolution by the Board.

COMPLAINT FILED BY PARTNERSHIP FIRM

Explanation to section 141 of N.I. Act says " Company means any body corporate and includes a firm or other association of individuals." Hence conditions apply to company for filing the complaint will apply to partnership firm also. A partnership firm can only file a complaint u/s 142 N.I. Act through authorised agent. A partner or Manager or an employee of the firm can file the complaint only representing the firm and not in his individual capacity. The complaint must be made in the name of the payee firm. When the firm is dissolved during the pendency of criminal suit filed u/s 142, the partner who has been authorised to file the complaint, can continue the proceedings with the leave of the court. *Negotiable Instruments Act, By Bashyam and Adiga, 19th Edition, page 996-997. KasargodeSelf Employees Financing Co v. State of Kerala (2009) Cr. LJ. 305 Ker.*

WHERE THE COMPLAINANT IS A PROPRIETARY CONCERN

If the payee or holder in due course is a proprietary concern, the complaint can be filed,

- i. by the proprietor of the proprietary concern, describing himself as the sole proprietor.,
- ii. the proprietary concern, describing that it is represented by the sole proprietor., and
- iii. the proprietor or the proprietary concern may also be represented by a power of attorney holder under a power of attorney executed by the sole proprietor. (*2015) 12 SCC 203 para 30 page 213*.

CONCLUSION

The averments made in the complaint filed u/s 142 of N.I. Act must be full and complete. The averments must disclose the name of the drawer who is the main accused, the cheque amount, fact that the cheque was presented within the validity period, date of dishonour intimation received by the payee, date of service of notice under proviso (b) to section 138, date on which cause of action arises proviso (c) to section 138, reason for dishonour i.e. for insufficient funds in drawee's bank account or account balance exceeded cheque amount. Dishonour of cheque for any other reason will not attract section 138 of the N.I. Act. If the drawer is a company or a firm or a society or an association or any other non-living person, name of the specific person responsible for the offence, and other ingredients

to be disclosed in the complaint providing that would give prima facie evidence to take cognizance of the offence by the court. The Hon'ble Kerala High Court quashed the complaint because one of the ingredients sufficient funds not available in the account of the drawer to honour the cheque, is not provided in the complaint - *Ashok and Another v. Vasudevan Moosad (1995)82 Comp. Case 665 ker. Page 670, para d & e.*

Notwithstanding, dishonour of cheque was made a criminal offence warranting imprisonment and fine, with effect from 01.04.1989, the incidence of dishonour of cheques did not come down. The Government of India has claimed that around 18 lakhs cases (in 2015) filed u/s 142 of N.I. Act are pending disposal in various Indian courts.

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CRITICAL EVALUATION OF THE RECRUITMENT PROCESS OF BUSINESS DEVELOPMENT EXECUTIVE AT PRIVATE SECTOR BANK, PUNE

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ABSTRACT

The report is to study the effectiveness of the recruitment and selection process followed in a Private Bank. The primary objective of the study was to understand the satisfaction of the level of the HR and the B.D.Es towards the recruitment process followed in the bank. The secondary objectives were to understand the selection criteria for B.D.Es and to identify the areas of improvements in the selection process for them. The researcher has used descriptive research and has used questionnaires as a tool from B.D.Es and schedules from HRs for primary data collection and various magazines and booklets of the bank for secondary data collection. The researcher has found that the recruitment process of the bank for B.D.Es is very cost ineffective. It is spending a lot of money in recruitment as it interviews much more people as compared to the number of vacancies. Even the back out percentage after being offered the job is quite high. The researcher also observed a number of loop holes in the recruitment process followed in the bank which includes: no pre determination of the interview panel, HR and the B.D.Es are having different opinion towards the recruitment policy followed in the organization, back out percentage after being offered the job is very high. The researcher has recommended some measures to improve the recruitment process like considering the location preference, and improvement in recruiting process etc.

KEYWORDS

Pune, recruitment process, business development executive, private sector banks.

INTRODUCTION

Recruitment means the process of attracting more and more candidates and convincing them to apply for a particular job. This can be done in two ways: either through internal sources (like: promotion, transfer, recall, etc.) or through external sources (like: advertisements, campus recruitment, placement agencies, etc.). It is considered as a positive process because it involves attracting more and more candidates to apply for a particular job.

On the other hand Selection is the process of picking individuals who have relevant qualification and competencies to fill jobs in an organization. The basic purpose is to choose the individuals who can most successfully perform the job from the pool of qualified candidates. It is considered as a negative process because it involves rejecting the unsuitable candidates.

The purpose of the study is to evaluate the effectiveness of the recruitment process for B.D.Es in a private bank. It includes the evaluation of the whole recruitment process till the induction program. The report includes the evaluation of the recruitment process starting from the short listing of the resumes of the candidates till their induction in the organization.

The report will help the bank to understand the loop holes in the recruitment process and to take the corrective actions. This will help the researcher to get an understanding about the recruitment process being followed by the bank and hence in getting a practical exposure of all the recruitment activities. This report would help any third person doing research on the recruitment process of any organization as a reference.

The report has identified a number of loop holes in the recruitment process of the bank and the researcher has also made some recommendations which could help the bank to take corrective actions against these loop holes.

REVIEW OF LITERATURE

Edwin B. Flippo (Personnel Management, McGraw-Hill Inc.,US; International 2 Revised edition, 1984) defined recruitment as “the process of searching for prospective employees and stimulating them to apply for jobs in the organization.” Recruitment is a ‘linking function’-joining together those with jobs to fill and those seeking jobs. It is a ‘joining process’ in that it tries to bring together job seekers and employer with a view to encourage the former to apply for a job with the latter.

Pravin Durai (Human Resource Management, Pearson Education India, 2010). “Selection is the process by which candidates for employment are divided into two classes—those who will be offered employment and those who will not.”—Dale Yoder

Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization. The basic purpose is to choose the individual who can most successfully perform the job from the pool of qualified candidates. It is the process of putting the right person on the right job. It is considered as a negative process because it involves rejecting the unsuitable candidates.

The purpose of selection is to pick up the most suitable candidate who would meet the requirements of the job in an organization best, to find out which job applicant will be successful, if hired. To meet this goal, the company obtains and assesses information about the applicants in terms of age, qualifications, skills, experience, etc. the needs of the job are matched with the profile of candidates. The most suitable person is then picked up after eliminating the unsuitable applicants through successive stages of selection process. How well an employee is matched to a job is very important because it is directly affects the amount and quality of employee’s work. Any mismatched in this regard can cost an organization a great deal of money, time and trouble, especially, in terms of training and operating costs. In course of time, the employee may find the job distasteful and leave in frustration. He may even circulate negative information about the company, causing incalculable harm to the company in the long run.

The overall aim of the recruitment and selection process is to obtain the number and quality of employees that are required in order for the business to achieve its objectives.

OBJECTIVES

PRIMARY OBJECTIVES

- a) To study the effectiveness of the recruitment process for B.D.Es.
- b) To understand the satisfaction of the HR executives towards the recruitment process followed by them in the organization
- c) To understand the satisfaction level of the employees towards the recruitment process they have undergone.

SECONDARY OBJECTIVES

- a) To understand the recruitment procedure of B.D.Es in the bank.
- b) To study about the selection criteria and procedure for hiring B.D.Es.
- c) To find out the areas of improvement in the recruitment and selection procedure.

RESEARCH METHODOLOGY

The research design used for the study of recruitment procedure is descriptive in nature because the study involves a combination of both secondary data in the form of induction booklet of the bank, various articles on recruitment and also the primary data in the form of information collected by conducting interview with the HR executives of the bank. It is not explorative because explorative research involves the collection of data only through secondary source.

SAMPLING

POPULATION

- a) The population includes the all the HR professionals of the bank i.e., 10 personnel.
- b) The new recruited 700 Business Development Executives (BDE).

SAMPLE SIZE

- a) 10 HR professional
- b) 700 BDEs

SAMPLING TECHNIQUE

- a) For HR professional the population and sample is same, so the sampling technique is population census because the population and the sample size both are same.
- b) For BDE's the sampling technique is probabilistic random convenient sampling because the researcher has identified the sample according to his own convenience without using any scientific method.

METHOD OF ANALYSIS

Statistical tools like charts, graphs and tables were used to represent and interpret the data.

DATA COLLECTION METHODS

Data collection is a process of obtaining valuable and reliable information for the purpose of research.

The data was collected mainly by the following methods:

1. PRIMARY DATA

- a. Questionnaire

Questionnaire method was used to take information from the BDEs, to understand their satisfaction level from the recruitment process.

- b. Schedule

Schedules were used to collect the first hand information about the satisfaction level of the HR personnel of the bank.

2. SECONDARY DATA

- a) Various booklets of the banks, like induction booklet etc.
- b) Internet.
- c) Magazines.
- d) Journals.
- e) Various books on recruitment.

RESULT AND DISCUSSION

1) Source of Recruitment

TABLE 1

Source	No. of Candidates (in %)
Campus	10
Consultancies	30
Advertisements	40
Job Portal	Nil
Employee Referral	20

Source: Internal Data with HR

Interpretation

Both employees and the HR executives are of the opinion that the most preferred source of recruitment is through the advertisements for the position of BDEs. The source of recruitment which is not used to recruit BDEs is by using the job portals.

II) Intimation about interview venue and time

TABLE 2

Option	No. of Employees (in %)
Yes	34
No	66

Source: Internal Data with HR

Interpretation

Majority of the respondents did not get a timely intimation about the venue and the timing of the interview while there are some who did get the timely intimation, which shows that there is some communication gap because some candidates get the information while other did not get the timely information about the interview.

III) Number of rounds undergone by B.D.Es

TABLE 3

No. of Rounds Involved	No. of Candidates (in %)
One	54
Two	32
Three	16
More than Three	Nil

Source: Internal Data with HR

Interpretation

Majority of the respondents went through a single round before being offered the offer letter but there are some people who went through two and even three rounds before they were being hired. The HR personnel are of the opinion that the selection process of BDEs is done in one round only. So, it is observed that panel does not follow the selection process of one round of interview for all the candidates.

IV) Written test Conducted or Not

TABLE 4

Option	No. of Candidates (in %)
Yes	34
No	66

Source: Internal Data with HR

Interpretation

Majority of the respondents did not go through written test; they give only interview while there were some respondents who went for a written test. The HR says that they do not conduct any written test for the post of BDE but they conduct test for those candidates who come from the consultancies. So, it is observed that the same types of selection criteria are not used for all the candidates.

V) Type of Interview technique used

TABLE 5

Technique	No. of Candidates (in %)
One-to-One	74
Panel	18
Conference	8

Source: Internal Data with HR

Interpretation

The interviewing technique which was used for majority of the respondents was one-to-one but for some panel interview was also taken and for some conference was used. HR says that they conduct one-to-one interview for BDEs but they use conference when they go for campus placements. So, the process of interview varies when there is recruitment at office premises and at campus.

VI) Type of interview method used

TABLE 6

Method	No. of Candidates (in %)
Structured	Nil
Unstructured	78
Combination of Structured and Unstructured	22

Source: Internal Data with HR

Interpretation

Majority of the respondents are of the opinion that the method for interview was unstructured but a few respondents said that the interview method used for interviewing them was a combination of structured and unstructured. HR are of the opinion that the interviewing method used for interviewing BDEs is a combination of structured and unstructured. So, it can be concluded that even the interview process is different and many interviewers are not following the right interview method.

VII) Location Preference considered or not

TABLE 7

Option	No. of Candidates (in %)
Yes	28
No	72

Source: Internal Data with HR

Interpretation

Candidates applying for the job position were not given location preference. This can be one of the reasons why many good candidates might not be accepting the offer.

VIII) Background Verification Check conducted for the B.D.Es or not

TABLE 8

Option	No. of Candidates (in %)
Yes	Nil
No	100

Source: Internal Data with HR

Interpretation

Background verification Check (BGV) is not conducted for the post of BDEs. The candidates are hired without any referral check, which can be a problem for the bank because it can result into hiring a wrong person.

IX) Duration of the probation period

TABLE 9

Time Period	No. of Candidates (in %)
6 Months	100
1 Year	Nil
More than 1 Year	Nil

Source: Internal Data with HR

Interpretation

The probation period for the BDEs is 6 months and after the completion of this period, the employees becomes a permanent employee of the bank and after completion of next 6 months, the BDE becomes eligible for promotions. It can be inferred that the policy of probation and norms of permanent employees were clearly informed to the employees.

X) Duration of the Induction Program

TABLE 10

Duration	No. of Candidates
1 Day	43
1 Week	7
1 Month	Nil

Source: Internal Data with HR

Interpretation

For majority of candidates the induction program was just one day affair but there are some respondents who had one week long induction. HR said that a full one week induction program is conducted for the employees. There is difference in the duration of the induction program because in some cases it was dependent on the workload at each location.

XI) The type of Induction Program

TABLE 11

Type of Induction	No. of Employees
Structured and Formal	3
Unstructured and Informal	47

Source: Internal Data with HR

Interpretation

The induction program is unstructured and informal which again points out that the induction program is not given much importance in the bank but some candidates were of the opinion that the induction was structured and formal. HR also said that the induction program is structured and formal. So from the above data it can be inferred that the type of induction program was dependent on the duration of the program.

XII) Negotiation on Salary

The HR does not negotiate on salary for the B.D.Es. The salary is pre fixed depending upon the branch location and the designation (here designation is B.D.E). Same salary is paid to all the B.D.Es working in the same branch irrespective of their experience or qualification.

FINDINGS

- For hiring BDEs the sources of recruitment used is through advertisements mainly and other sources are employee referrals, campus placement, consultancies and the source which is not used is job portal.
- There is a difference between the opinion of the HR and some of the BDEs because some of the candidates went through two rounds before they were finally selected but HR are of the opinion that only one round selection process is used. With different rounds of interview happening the quality of candidates may differ.
- Majority of the respondents did not went through written test, they give only interview while there were some respondents who went for a written test but HR say that they do not conduct any written test for the post of BDE but they conduct test for those candidates who come from the consultancies.
- The interviewing technique which was used for majority of the respondents was one-to-one but for some panel interview was also taken and for some conference was used. HR says that they conduct one-to-one interview for BDEs but they use conference when they go for campus placements and they do not use panel interview for BDEs which again shows that there is some difference between the opinion of HR and some respondents.
- There is difference between what the HR says about the interview method used and what majority of the candidates think about it. The HR says that the interview method used is a combination of structured and unstructured but majority of respondents said that the interview method was entirely unstructured.
- Background verification Check (BGV) is not conducted for the post of BDEs. The candidates are hired without any referral check, which can be a problem for the bank because it can result into hiring a wrong person.
- The probation period for the BDEs is 6 months and after the completion of this period, the employees becomes a permanent employee of the bank and after completion of 6 months, the BDE becomes eligible for promotions.
- For majority of candidates the induction programme was just one day affair but there are some respondents who had one week long induction. HR said that a full one week induction programme is conducted for the employees.
- The induction programme given to BDEs is unstructured and informal but this thing is not in the notice of the HR because according to them the induction programme is structured and formal which shows that the HR do not pay proper attention towards the induction programme of the BDEs.
- The back out percentage of candidates after being offered the job is very high in the organization.
- No negotiation is done on the basis of salary or location.

OBSERVATIONS

- The HR and the B.D.Es are having different opinion towards the recruitment policy followed in the organization. The policy which is framed most of the time is not followed.
- The induction program is not given much importance in the bank it is done for the sake of doing.
- Location preference was not given importance.
- Proper panel for taking interview were not prepared in advance.
- Due to last minute preparation the seriousness of the recruitment was not there.
- The interview panel is not decided before taking the interviews, any person is asked to take the interview according to the availability.
- No particular time or dates are fixed for taking interviews of the BDEs, it's more like walk-ins every time and every day, which results in problem in scheduling the interviews.
- No proper record is maintained regarding the total number of vacancies and the actual people recruited for a particular branch.
- The induction program is not done formally and only the legal formalities are completed during it.

RECOMMENDATIONS

- A proper interview panel should be formed to conduct the interview, which should also involve an HR executive because this will help to reduce probability of hiring a wrong person.
- The interview should be structured well in advance before the date of interview.
- BGV should be conducted for the BDEs because this will help in checking the background of the employees and this will help in reducing the chances of hiring a wrong person in the organization.
- The induction program should not be less than a week because this much time is required by the employees to get a better understanding of the bank.
- The job posting and the salary should be informed to the candidates well in advance which will help in reducing the back out percentage of candidates after offering the job to them.
- Proper scheduling of the interviews should be done, i.e., dates and time should be fixed.
- HR should consider the location preference and the salary expectance of the candidate.
- A proper database of the selected candidates and the actual requirement for new hires should be maintained and be checked time and again.
- Salary should be differentiated on the basis of the qualification and the previous work experience of the candidate which will reduce the level of dissatisfaction of the selected candidate.

CONCLUSION

From the study the researcher can conclude that there is a lot of difference in what the HR feels and what the employee feels about the recruitment process. Proper alignment of policy with correct action is required to hire the candidates. Policy should not be just a document but should be practiced in organization. Recruitment has direct bearing on other HR functions. If the organization is able to make its recruitment process efficient and effective then only it will be able to prosper and remain competitive in the market

LIMITATIONS

- 1) Sample size was limited to Pune circle, thus the results cannot be generalized to other circle.
- 2) The study is limited to a small time frame of 45 days and hence the results may be biased.
- 3) Some of the respondents were reluctant to part with certain information on the text of sensitivity of the information and also, in some case the policy of the company came in the way for a free revelation of the desired input.
- 4) Some of the employees were not candid enough to divulge all the required information.
- 5) The magnitude of the influence of these limiting factors can have a bearing on the report, but is too little to alter the basic objectives of the report.

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DEVIATIONS OF INVESTMENT INSTRUMENTS PORTFOLIO FROM IRDA GUIDELINES IN LIFE INSURANCE

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ABSTRACT

The Indian life insurance industry has undergone through major ups and downs after liberalization, privatization and globalization. This policy lead to the opening up of the Indian economy to the private entrepreneurs, which attracted some private and international players in the insurance sector also. Thus, introduction of private players in the industry have made lot of changes and have added value to the industry. This paper focuses on the behaviour of various investment instruments of private life insurance companies for the period from 2002 to 2014 and their deviation from the set IRDA guidelines. The sample for this study includes 5 Indian life insurers and it analysis the data of 13 years from 2001-2002 to 2013-2014. The study uses descriptive analysis for in-depth analysis of the various instruments of investment for top five private life insurance company's.

KEYWORDS

IRDA, deviations liberalization, privatization, globalization.

INTRODUCTION

Investment is a commitment of allocating the funds in order to achieve future benefits in the form of income received from the interest, dividends and appreciation in the value of securities. The complexities in investment have increased manifold due to the impact of globalisation as a result of which the financial market has extended beyond the domestic market. A life insurance company thus should be vigilant enough to different investment objectives and the expectations of the policy holders, which need to be taken care of cautiously in order to manage its funds to ensure, safety, liquidity and return.

A life insurance company invests its funds to provide policy benefits as well as post-retirement benefits to its customers. Investment has always been an important part of all forms of life insurance. Right asset management strategies along with regulations adopted by the life insurers have provided attractive and reasonable returns to the policyholders.

REVIEW OF LITERATURE

Balasubramaniam (2003) in his paper discussed the issues, which are the drivers for investment management and how these issues are addressed. Those drivers are predominantly policy holders reasonable expectations, nature of liabilities, level of free assets available and the regulatory norms. Keeping these in mind he suggested that the management of life insurance funds thus require multifaceted skills to assess the above drivers.

Shah (2003) in his paper discussed the importance of investment income as a key determinant in the calculation of premium rates for declaration of bonuses by life insurers. He added that insurance companies have been serving as a significant source of funds helping to finance capital formation & increase productivity keeping to finance capital formation & increase productivity of economy by channelizing savings of million investors. He further explored that now there is a fundamental shift in the direction of short-term maturities and more liquid instruments as a asset-liability matching has become a key concept of proper investment management.

Krishnamurthy (2004) emphasized on the importance of increasing the investments by the insurance industry in infrastructure projects in a right way. He found that due to better risk management capabilities of insurance companies, they are able to appraise the complex infrastructure projects, identify the core risks present in them because of the specialists they have & can take effective steps to hedge against such risks. He finally concluded that their financing thus can enhance the commercial image of the project and opens the door for other funding means like banks to flow.

OBJECTIVES OF THE STUDY

1. To evaluate the investment pattern of top five life insurers in Indian insurance industry.
2. To study various IRDA guidelines and its deviations for these private life insurers.
3. To suggest the measures for improvement.

RESEARCH METHODOLOGY

The present paper is designed to analyze the investment behaviour of of top five private life insurance companies i.e. ICICI Prudential Life, SBI Life, HDFC Life, Bajaj Life and Reliance Life during the study period from 2002 to 2014 and to analyse the deviations from the set IRDA guidelines. This comprehensive analysis is based on descriptive methodology and analysis the private sector companies by finding the consistency level in portfolio investment and getting the deviation level so that companies are able to analyse where they need to improve themselves.

SAMPLE SIZE

The top five private life insurers has been taken for the study on the basis of highest market share capacity. They are ICICI Prudential, HDFC Life, SBI Life, Bajaj Allianz Life and Reliance Life.

ANALYSIS AND INTERPRETATION

CONSISTENCY IN PORTFOLIO INVESTMENT

In Table 1 the realized life fund investment of top five private life insurance companies is shown in different portfolio as a percentage to total life fund investment.

TABLE 1: CONSISTENCY IN PORTFOLIO INVESTMENT (in percent)

YEAR		2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
CENTRAL GOVERNMENT SECURITIES (CGS) (25%)	ICICI PRUDENTIAL	-	54.11	58.05	56.95	52.02	53.13	49.45	38.17	41.55	39.92	29.46	37.24	42.66
	SBI LIFE		60.84	57.45	61.17	49.06	44.21	74.19	40.74	42.50	45.85	46.86	14.76	50.85
	BAJAJ ALLIANZ		52.37	63.71	61.65	55.74	40.92	25.45	31.52	27.90	37.23	42.09	42.02	48.47
	HDFC LIFE		61.92	59.54	59.55	50.94	33.53	49.33	72.87	45.90	42.47	41.80	42.59	46.99
GOVERNMENT SECURITIES AND OTHER APPROVED SECURITIES (INCLUDING CGS) (NOT LESS THAN 50%)	ICICI PRUDENTIAL		54.12	58.05	56.95	52.02	53.13	2.53	15.80	13.84	12.40	12.67	10.69	5.88
	SBI LIFE		60.84	57.45	61.69	50.47	52.54	10.78	12.06	8.94	6.77	6.73	7.17	3.18
	BAJAJ ALLIANZ		54.98	63.71	61.65	55.74	46.77	26.71	24.64	26.04	15.59	10.28	11.43	11.12
	HDFC LIFE		61.92	59.54	59.55	50.94	52.44	3.79	2.98	3.14	8.52	7.97	7.15	4.59
INFRASTRUCTURE AND SOCIAL SECTOR (NOT LESS THAN 15%)	ICICI PRUDENTIAL		14.98	15.88	16.39	17.21	16.83	16.53	16.92	15.91	16.47	18.83	19.57	17.00
	SBI LIFE		15.58	16.88	16.16	17.14	18.99	19.32	18.22	16.15	15.84	18.03	16.15	19.63
	BAJAJ ALLIANZ		19.70	20.85	19.36	19.63	16.27	15.91	17.33	22.81	18.95	19.80	18.47	19.95
	HDFC LIFE		18.13	18.94	17.85	23.42	18.13	16.43	19.58	18.96	24.29	21.92	19.63	21.08
OTHERS TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 20%)	ICICI PRUDENTIAL		30.90	26.06	26.66	30.77	30.04	18.62	24.50	26.03	29.48	37.23	30.50	29.54
	SBI LIFE		23.57	25.67	22.15	32.39	28.47	19.53	26.44	32.13	29.22	26.00	23.21	20.26
	BAJAJ ALLIANZ		25.32	15.44	18.99	24.64	33.64	28.03	26.34	23.19	27.21	26.35	26.28	18.66
	HDFC LIFE		19.94	18.96	22.60	25.64	29.43	28.19	26.86	29.80	23.77	26.16	27.43	25.40
OTHERS THAN APPROVED INVESTMENT TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 15%)	ICICI PRUDENTIAL		8.45	8.35	7.81	5.13	5.89	12.87	4.61	2.66	1.73	1.80	1.99	4.92
	SBI LIFE		8.94	8.29	9.21	10.85	7.98	5.81	2.71	0.28	2.32	2.38	2.20	0.96
	BAJAJ ALLIANZ		0.20	0.00	5.46	4.28	4.80	3.20	0.17	0.06	1.01	1.49	1.80	1.79
	HDFC LIFE		4.21	5.91	4.09	1.63	1.81	2.26	1.37	2.21	0.95	2.15	3.21	1.95
	RELIANCE LIFE	-	-	-	-	3.66	8.64	3.25	1.60	1.03	0.36	3.97	1.13	1.20

Source: Calculated from IRDA Annual Reports

For finding the consistency in the performance of investment portfolio of different years, in Table 2 the coefficient of variation has been computed. The summary statistics of life fund such as minimum value, maximum value, mean, standard deviation & coefficient of variation during the study period, of the five insurance companies in order to summarize the performance and F value (anova) to indicate the mean difference between companies for comparison of the mean performance has been computed.

TABLE 2: DESCRIPTIVE STATISTICS OF CONSISTENCY OF LIFE FUND (in percent)

	MIN. VAL	MAX. VAL	MEAN	SD	CV(%)
CENTRAL GOVERNMENT SECURITIES (CGS) (25%)					
ICICI	29.46	58.05	46.06	9.09	19.74
SBI	14.76	74.19	49.04	14.52	29.60
BAJAJ	25.45	63.71	44.09	12.61	28.61
HDFC	33.53	72.87	50.62	10.95	21.64
RELIANCE	18.51	58.42	36.56	12.06	32.99
F val.(df:4,52)= 2.11 ns					
GOVERNMENT SECURITIES AND OTHER APPROVED SECURITIES (INCLUDING CGS) (NOT LESS THAN 50%)					
ICICI	2.53	58.05	29.01	23.13	79.74
SBI	3.18	61.69	28.22	25.32	89.74
BAJAJ	10.28	63.71	34.06	21.02	61.73
HDFC	2.98	61.92	26.88	26.70	99.35
RELIANCE	6.01	58.42	21.76	19.22	88.35
F val.(df:4,52)= 0.37 ns					
INFRASTRUCTURE AND SOCIAL SECTOR (NOT LESS THAN 15%)					
ICICI	14.98	19.57	16.88	1.25	7.42
SBI	15.58	19.63	17.34	1.44	8.33
BAJAJ	15.91	22.81	19.09	1.92	10.05
HDFC	16.43	24.29	19.86	2.37	11.91
RELIANCE	14.64	21.18	18.02	2.33	12.94
F val.(df:4,52)= 5.08 *					
OTHERS TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 20%)					
ICICI	18.62	37.23	28.36	4.52	15.92
SBI	19.53	32.39	25.75	4.24	16.46
BAJAJ	15.44	33.64	24.51	4.88	19.92
HDFC	18.96	29.80	25.35	3.46	13.67
RELIANCE	20.64	50.91	33.50	9.44	28.18
F val.(df:4,52)= 4.48 *					
OTHERS THAN APPROVED INVESTMENT TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 15%)					
ICICI	1.73	12.87	5.52	3.39	61.38
SBI	0.28	10.85	5.16	3.73	72.32
BAJAJ	0.00	5.46	2.02	1.96	96.79
HDFC	0.95	5.91	2.65	1.44	54.42
RELIANCE	0.36	8.64	2.76	2.56	92.62
F val.(df:4,52)= 3.94 *					

1. CENTRAL GOVERNMENT SECURITIES (CGS)

The mean life fund ranges from 36.56 in Reliance Life to 50.62 in HDFC Life and the F-statistics indicate that there is no significant mean difference among the companies. Further, the least coefficient of variation 19.74 per cent in ICICI Prudential Life indicates the consistent performance of the variable during the study period.

2. GOVERNMENT SECURITIES AND OTHER APPROVED SECURITIES

The mean life fund ranges from 21.76 in Reliance Life to 34.06 in Bajaj Life and the F-statistics indicate that there is no significant mean difference among the companies. Further, the least coefficient of variation 61.73 per cent in Bajaj Life indicates the consistent performance of the variable during the study period.

3. INFRASTRUCTURE AND SOCIAL SECTOR

The mean life fund ranges from 16.88 in ICICI Prudential Life to 19.86 in HDFC Life and the F-statistics indicate that there is significant mean difference among the companies. Further, the least coefficient of variation 7.42 per cent in ICICI Prudential Life indicates the consistent performance of the variable during the study period.

4. OTHERS TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5

The mean life fund ranges from 24.51 in Bajaj Life to 33.50 in Reliance Life and the F-statistics indicate that there is significant mean difference among the companies. Further, the least coefficient of variation 15.92 per cent in ICICI Prudential Life indicates the consistent performance of the variable during the study period.

5. OTHERS THAN APPROVED INVESTMENT TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5

The mean life fund ranges from 2.02 in Bajaj Life to 5.52 in ICICI Prudential Life and the F-statistics indicate that there is significant mean difference among the companies. Further, the least coefficient of variation 54.42 per cent in HDFC Life indicates the consistent performance of the variable during the study period.

DEVIATIONS OF INVESTMENT FROM REGULATIONS

Investment regulations are necessary to protect the interest of policy holders and the industry. The efficiency in funds invested depends heavily upon the performance shown within the strong regulatory environment. Indian regulatory authority, IRDA has placed a well framed regulatory framework for investment management. Investment portfolio regulation is simply a quantitative limit on different classes of assets. Those instruments whose holding is regulated are those either having high price volatility or with low liquidity.

For evaluating the realisation of regulatory commitment regarding portfolio investment of life insurers the year-wise deviations of the investment portfolio from the regulatory targets has been calculated in Table 2.

TABLE 2: DEVIATIONS OF INVESTMENT FROM REGULATIONS (in percent)

INVESTMENTS WITH REGULATORY TARGETS	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	
CENTRAL GOVERNMENT SECURITIES (CGS) (25%)	ICICI PRUDENTIAL	-	29.11	33.05	31.95	27.02	28.13	24.45	13.17	16.55	14.92	4.46	12.24	17.66
	SBI LIFE		35.84	32.45	36.17	24.06	19.21	49.19	15.74	17.50	20.85	21.86	-10.24	25.85
	BAJAJ ALLIANZ		27.37	38.71	36.65	30.74	15.92	0.45	6.52	2.90	12.23	17.09	17.02	23.47
	HDFC LIFE		36.92	34.54	34.55	25.94	8.53	24.33	47.87	20.90	17.47	16.80	17.59	21.99
	RELIANCE LIFE	-	-	-	-	33.42	17.72	24.20	1.15	7.44	11.40	5.95	-6.49	9.26
GOVERNMENT SECURITIES AND OTHER APPROVED SECURITIES (INCLUDING CGS) (NOT LESS THAN 50%)	ICICI PRUDENTIAL		4.12	8.05	6.95	2.02	3.13	-47.47	-34.20	-36.16	-37.60	-37.33	-39.31	-44.12
	SBI LIFE		10.84	7.45	11.69	0.47	2.54	-39.22	-37.94	-41.06	-43.23	-43.27	-42.83	-46.82
	BAJAJ ALLIANZ		4.98	13.71	11.65	5.74	-3.23	-23.29	-25.36	-23.96	-34.41	-39.72	-38.57	-38.88
	HDFC LIFE		11.92	9.54	9.55	0.94	2.44	-46.21	-47.02	-46.86	-41.48	-42.03	-42.85	-45.41
	RELIANCE LIFE	-	-	-	-	8.42	1.60	-43.99	-37.37	-34.31	-36.92	-42.08	-35.20	-34.35
INFRASTRUCTURE AND SOCIAL SECTOR (NOT LESS THAN 15%)	ICICI PRUDENTIAL		-0.02	0.88	1.39	2.21	1.83	1.53	1.92	0.91	1.47	3.83	4.57	2.00
	SBI LIFE		0.58	1.88	1.16	2.14	3.99	4.32	3.22	1.15	0.84	3.03	1.15	4.65
	BAJAJ ALLIANZ		4.70	5.85	4.36	4.63	1.27	0.91	2.33	7.81	3.95	4.80	3.47	4.95
	HDFC LIFE		3.13	3.94	2.85	8.42	3.13	1.43	4.58	3.96	9.29	6.92	4.63	6.08
	RELIANCE LIFE	-	-	-	-	5.94	1.77	1.40	3.36	4.10	4.33	0.49	-0.36	6.18
OTHERS TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 20%)	ICICI PRUDENTIAL		10.90	6.06	6.66	10.77	10.04	-1.38	4.50	6.03	9.48	17.23	10.50	9.54
	SBI LIFE		3.57	5.67	2.15	12.39	8.47	-0.47	6.44	12.13	9.22	6.00	3.21	0.26
	BAJAJ ALLIANZ		5.32	-4.56	-1.01	4.64	13.64	8.03	6.34	3.19	7.21	6.35	6.28	-1.34
	HDFC LIFE		-0.06	-1.04	2.60	5.64	9.43	8.19	6.86	9.80	3.77	6.16	7.43	5.40
	RELIANCE LIFE	-	-	-	-	0.64	11.64	5.13	21.26	11.73	10.83	21.67	30.91	7.71
OTHERS THAN APPROVED INVESTMENT TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 15%)	ICICI PRUDENTIAL		-6.55	-6.65	-7.19	-9.87	-9.11	-2.13	-10.39	-12.34	-13.27	-13.20	-13.01	-10.08
	SBI LIFE		-6.06	-6.71	-5.79	-4.15	-7.02	-9.19	-12.29	-14.72	-12.68	-12.62	-12.80	-14.04
	BAJAJ ALLIANZ		-14.80	-15.00	-9.54	-10.72	-10.20	-11.80	-14.83	-14.94	-13.99	-13.51	-13.20	-13.21
	HDFC LIFE		-10.79	-9.09	-10.91	-13.37	-13.19	-12.74	-13.63	-12.79	-14.05	-12.85	-11.79	-13.05
	RELIANCE LIFE	-	-	-	-	-11.34	-6.36	-11.75	-13.40	-13.97	-14.64	-11.03	-13.87	-13.80

Note: Positive figures indicate that the realized is greater than the stipulated target and negative figures indicate that the realized is less than the target.

Source: Derived from Table 1

For finding the deviations in the performance of investment portfolio of different years, Coefficient Of Variation (CV) has been computed. The summary statistics of deviations such as mean, standard deviation & coefficient of variation during the study period of the five insurance companies in order to summarize the performance is calculated.

(i) Investment in Central Government Securities (CGS)

TABLE 3

CENTRAL GOVERNMENT SECURITIES (CGS) (25%)					
AGR	ICICI PRUDENTIAL	SBI LIFE	BAJAJ ALLIANZ	HDFC LIFE	RELIANCE LIFE
MEAN	21.06	24.04	19.09	25.62	11.56
SD	9.09	14.52	12.61	10.95	12.06
CV(%)	43.17	60.38	66.07	42.76	104.31

It has been found from Table 3 that the mean deviation growth rate is least in Reliance Life and maximum in HDFC Life. The least coefficient of variation in HDFC Life indicates the consistent performance in year wise deviation from the regulatory framework.

(ii) Total Government (Central and State Government) and other approved securities, including (i)

TABLE 4

GOVERNMENT SECURITIES AND OTHER APPROVED SECURITIES (INCLUDING CGS) (NOT LESS THAN 50%)					
AGR	ICICI PRUDENTIAL	SBI LIFE	BAJAJ ALLIANZ	HDFC LIFE	RELIANCE LIFE
MEAN	-20.99	-21.78	-15.95	-23.12	-28.24
SD	23.13	25.32	21.02	26.70	19.22
CV(%)	-110.18	-116.26	-131.85	-115.48	-68.05

It has been found from Table 4 that the mean deviation growth rate is least in Reliance Life and maximum in Bajaj Life. The least coefficient of variation in Bajaj Life indicates the consistent performance in year wise deviation from the regulatory framework.

(iii) Approved Investments

a. Investment in Infrastructure and Social sectors.

TABLE 5

INFRASTRUCTURE AND SOCIAL SECTOR (NOT LESS THAN 15%)					
AGR	ICICI PRUDENTIAL	SBI LIFE	BAJAJ ALLIANZ	HDFC LIFE	RELIANCE LIFE
MEAN	1.88	2.34	4.09	4.86	3.02
SD	1.25	1.45	1.92	2.37	2.33
CV(%)	66.72	61.80	46.95	48.66	77.15

It has been found from Table 5 that the mean deviation growth rate is least in ICICI Prudential Life and maximum in HDFC Life. The least coefficient of variation in Bajaj Life indicates the consistent performance in year wise deviation from the regulatory framework.

b. Other Approved Investments.

TABLE 6

OTHERS TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 20%)					
AGR	ICICI PRUDENTIAL	SBI LIFE	BAJAJ ALLIANZ	HDFC LIFE	RELIANCE LIFE
MEAN	8.36	5.75	4.51	5.35	13.50
SD	4.52	4.24	4.88	3.46	9.44
CV(%)	54.02	73.70	108.33	64.78	69.91

It has been found from Table 6 that the mean deviation growth rate is least in Bajaj Life and maximum in Reliance Life. The least coefficient of variation in ICICI Prudential Life indicates the consistent performance in year wise deviation from the regulatory framework.

(iv) Other than Approved Investments

TABLE 7

OTHERS THAN APPROVED INVESTMENT TO BE GOVERNED BY EXPOSURE / PRUDENTIAL NORMS SPECIFIED IN REGULATION 5 (NOT EXCEEDING 15%)					
AGR	ICICI PRUDENTIAL	SBI LIFE	BAJAJ ALLIANZ	HDFC LIFE	RELIANCE LIFE
MEAN	-9.48	-9.48	-9.84	-12.98	-12.35
SD	3.39	3.39	3.73	1.96	1.44
CV(%)	-35.76	-35.72	-37.94	-15.08	-11.66

It has been found from Table 7 that the mean deviation growth rate is least in HDFC Life and maximum in SBI Life. The least coefficient of variation in HDFC Life indicates the consistent performance in year wise deviation from the regulatory framework.

CONCLUSION

Thus, it has been found that the performance of the private life insurers on the basis of investment pattern has been satisfactory however, investing more of life fund in infrastructure sector will uplift the economy and leads to more and more generation of employment opportunities. Moreover, the huge deviation from the growth path has been seen in the year 2007-08 for the private life insurance sector. This can be interpreted as the effect of global meltdown upon the life insurance investment in India. Moreover, they should also control their exposure in investments in the central government securities, as it was higher than the prescribed guidelines and on the other hand must increase their investments in government and other approved securities as it has declined drastically than the prescribed guidelines after economic crisis.

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DEMONETIZATION AND ITS IMPACT**DR. YASHODA****ASST. PROFESSOR****SMT. INDIRA GANDHI GOVERNMENT FIRST GRADE WOMEN'S COLLEGE****SAGAR****ABSTRACT**

The Government has decided to discontinue the legal tender character of high denomination bank notes of Rs. 500 and Rs. 1000. Such notes will not be legal tenders from midnight of November 8, 2016. This decision is being taken to curb financing of terrorism through the proceeds of fake Indian currency notes and for eliminating black money.

KEYWORDS

Indian economy, demonetization.

INTRODUCTION

As per dictionary demonetization means "ending something (e.g. gold or silver) that is no longer tender of a country. Demonetization is the process of removing currency from general usage or circulation. It is the act of stripping a currency unit of status as legal tender. In this the current form or forms of money is pulled from circulation and retired, often to be replaced with new notes or coins. The purpose of demonetization is to fight against inflation, corruption, crime, counterfeiting, and tax evasion and to discourage a cash dependent economy.

On 8th November 2016, The Government of India declared that the Five hundred and One thousand rupees will no longer be legal tender from midnight. People have been given upto 30th December 2016 to exchange the notes held by them. The RBI issue Two thousand rupees notes and new notes of Five hundred rupees which will be place in circulation from 10th November 2016. Notes of One hundred, fifth, twenty, ten, five, two and one rupee will remain legal tender and will remain unaffected by this decision. This measure has been taken to control counterfeit notes that could be contributing to terrorism, corruption, to eliminate the black money and to lower the cash circulation in the country.

OBJECTIVES OF THE STUDY

1. To study the history of demonetization in the India and some other countries.
2. To analyze the impact of demonetization on Indian economy.

METHODOLOGY

The paper is purely based on Secondary data. The data was collected from websites and newspapers respectively.

HISTORY OF DEMONETISATION

The measure of demonetization is not a new concept of the world. Many countries have experimented with the process of demonetization in the past. Some countries benefitted from this while some failed at it. For India also demonetization is not a new concept. It has been implemented twice in 1946 and in 1978. Following are the some countries including India have implemented the policy of demonetization.

INDIA

Beginning in 1934 Rs.500 and rupees Rs.1000 notes were introduced and after four years in 1938 rupees Rs.10000 notes were introduced.

On 12th Jan 1946 Rs.500, Rs. 1000 and Rs. 10000 notes were removed from circulation. The ban did not affect much, as the currency of such higher denomination was not accessible to the common people. However, new notes of Rs.1000, Rs.50000 and 10000 were introduced in 1954.

On 16th Jan 1978 the Prime Minister of India Morarji Desai led-Janata Party demonetized bank notes of Rs.1000 and Rs.5000 and Rs.10000 with the aim of curbing black money generation in the country. The Finance Minister at that time was H.M.Patel.

In 1987, The Reserve Bank of India introduced a new bank note of Rs.500 in the economy.

On 8th Nov 2016, the old bank notes of Rs.500 and Rs.1000 were removed from circulation and new notes of Rs.2000 were introduced.

GHANA

In 1982, in order to reduce tax evasion, curb corruption and manage liquidity, Ghana demonetized its 50 cedi currency note. The move backfired, with the public losing faith in the banking system and switching over to physical assets and foreign currency.

NIGERIA

An anti-corruption crackdown was conducted by the military government led by Muhammadu Buhari in 1984. He issued new currency notes with new colours so that old would be rendered unusable within limited time frame. The goal to fix debt-ridden and inflated economy was not achieved.

MYANMAR

In order to curb the black market, the country's military invalidated 80 percent of the currency in 1987. But the move resulted in a lot of protests and the country witnessed several killings.

SOVIET UNION

Under the leadership of Mikhail Gorbachev in January 1991, the erstwhile Soviet Union withdrew 50 and 100 ruble notes, in order to eliminate black money and increase the currency value. The notes accounted for a third of the total money in circulation.

Gorbachev faced a coup within eight months in August as the move was not a success. The 1991 attempt led to a successful re-denomination of the ruble in 1998 where three zeros were removed. This was followed by another currency switch in 2010 when two more zeros were removed from the old currency. The 2010 attempt was not as successful as the timing coincided with a poor harvest.

ZAIRE

Dictator Mobutu sese seko's administration laid out back-to-back currency reforms along with a plan to withdraw obsolescent currency from the system in 1993. The reform was not well received by the public and resulted in increasing economic disruptions. Mobutu was ousted in 1997.

ZIMBABWE

Zimbabwe once had hundred trillion dollar note, which was demonetized and was exchanged in a mocking way dropping trillion dollars to \$0.5 dollar.

NORTH KOREA

North Korea faced demonetization of their currency in 2010, which led to major economy breakdown with people left to starve for basics.

IMPACT OF DEMONETIZATION

1. Since high denomination notes facilitate the illegal transfer of money for financing transactions which are harmful to the national economy the demonetization of highest currency notes could eliminate 100% fake currency out of circulation in one stroke.

2. It would abolish black money from the economy.
3. It will affect more on the Indian economy and clean up illegal cash; old notes are deposited in banks and help to reduce interest rates.
4. It will bring more borrowings to the treasury and increase India's Gross Domestic product.
5. This will lead to higher tax collection, as business starts to deposit cash lying with them as current year income with advance tax and long pending bills like property tax, electricity bills and telecom bills will be cleared by utilizing old currency notes.
6. Due to moderation from demand side, prices of goods is expected to lower temporarily. The business persons who deal in cash would now start using cashless modes for transactions or digital methods.
7. The prices of land and property will come down. Because Real estate is an industry built on black money and hype in real estate prices is because of the circulation of black money in the market. From the demonetization black money would get out of circulation from this sector.
8. It helps in making the election process clean and transparent. Because the removal of highest denomination notes is a shock for the political parties and politicians for whom black money is a lifeline and who believe in the idea of purchasing votes in exchange for notes.
9. Before the demonetization due to corruption and red-tapism foreign investors were reluctant to invest in India. But after the demonetization the corruption is reduced up to a certain level. As Indian market is large size and has huge number of consumers, it will attract foreign investors to invest in India.

CONCLUSION

Though the Government decision to scrap high value notes of rupees 500 and rupees 1000 was to reduce corruption, black money, counterfeiting and terrorist funding, it had caused huge inconvenience to the people. It had created a shortage of cash in the system and led a lot of discomfort for the general public and business. Since our economy is heavily dependent on cash and only less percentage of the population use online banking transaction, demonetization hit trade and commerce. People, small merchants, business persons, transport services, daily-wage earners who do not use plastic money such as credit cards, debit cards or online banking they did not accept other methods of payments. Many poor daily wage workers are left with no jobs and their daily income had stopped because employers were unable to pay their daily wage and business persons couldn't buy stocks and lost their business.

Of course, the demonetization will help in fighting against corruption, black money and tax evasion and its benefits will be seen in the long run. But in order to reduce inconvenience to the people the Government should have taken all the necessary steps and actions to meet the currency demand.

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PROFITABILITY AND LIQUIDITY RATIOS ANALYSIS: AN EMPIRICAL STUDY OF PANYAM CEMENTS & MINERAL INDUSTRIES LTD.

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ABSTRACT

All organizations are performing profit orientation or not, irrespective of the level of investment and nature of business. The organizations are periodically measure their performance for knowing achievement of the profit states through financial statement. The financial statement indicates the firm operations relating to Liquidity, profitability and financial position. The effective management of liquidity and profitability operations supports to sound financial states of the firm. In this study to analyze firm financial statement, this study result will give an idea about the performance of Panyam Cements and Mineral Industries Ltd.

KEYWORDS

ratio analysis, liquidity, profitability, financial statement.

COMPANY PROFILE

 Panyam cement and mineral industries Ltd, has been started in the year 1955 in the most backward region of rayalasima. The company fast developed into one of the largest cement manufacturing unit in south India. From the last fifty seven years, the company is providing livelihood to thousands of its dependents. The present capacity of the cement plant is 3000 Metric Tons per day.

CONCEPT OF RATIOS

The relationship between two relevant concepts expressed in numerically is called a ratio. This Ratio analysis is technique of analysis and interpretation of financial statement; it is helpful for finance manager to taking decisions.

The current Liquidity expresses the capacity of the company to pay its short term debts from the claims, the short term cash and financial statement. Profitability is indicator of achievement of business.

Profitability ratio measures a company's performance. Profitability is simple the capacity to make a profit and a profit is what is left from income earned after you have deducted all cost and expenses relating to earning income. It is the main concern for all interested persons, creditors, investors, owners and management.

Current Asset Ratio: Current Ratio is one of the liquidity ratios; it is expressed as current assets and current liabilities. The current ratio ideal rule is 2:1. If the actual current ratio is less than the standard current ratio of 2:1, it indicates firm cannot enjoy the sufficient liquidity position if the firm. If the current ratio is 2:1 or more then 2:1, it indicates firm have sufficient Liquidity.

Quick ratio: This ratio shows the relationship between quick Assets and Current Liabilities, it is having ideal indicator that is 1:1. This standard is supporting to ability to pay of its short term liabilities without any difficulty situations of the firm. If firm have less than this indicator, firm suffering financial payments.

Net Profit Ratio: Net profit ratio is the one of the important ratio to measure profitability ratio. The net profit ratio measures the relationship between net profit and sales. It is more meaning full interpretation of the profitability of the firm.

Return on Asset Ratio: This ratio is also called profit to asset ratio; it is the relation between net profit and asset. The return on assets ratio is found by dividing the net income by total assets. The higher the ratio indicates the better the company is at using their assets to generate income.

Return on Capital Employed Ratio (ROCE): The purpose of this ratio is to find out whether capital employed is effectively used or not. This ratio expresses the relationship between capital and net profit of the business. The higher the ratio of ROCE, the more efficiency use of capital employed.

Return on Equity Ratio: This ratio also called Net worth ratio. The return on equity measures profitability related to ownership. It measures a firm's efficiency at generating profits from every unit of the shareholders equity. it is plays a vital role in the equity holders' investment decision.

RESEARCH METHODOLOGY

In this company selected by through Random sampling, the name of company is Panyam cement and minerals Ltd. has been taken for analysis of financial statement relating to Liquidity and Profitability position. This Study is based on Secondary data, there is published by annual reports, Journals and Books. This Study has covered 5 years data's from 2010 to 14.

OBJECTIVES OF THE STUDY

1. To analyze the liquidity position of the Firm.
2. To analyze the Profitability of the firm.
3. To analyze the working capital position of the firm.
4. To evaluate the financial position of the firm.

LIMITATIONS OF THE STUDY

1. This study is mainly depends on the information published by the company.
2. This study conducted on limited period only.
3. This study covers only selected ratios.

ANALYSIS

1. Table-1: Shows the Current ratio of as a measure of liquidity position. During the period of study during it was observed that current ratio was fluctuating tendency. The highest value of current ratio 2.81 was 2009-10 and least of 0.65 in 2013-14. The current ratio indicates less than one in 2012-14, it indicate bad signal of liquidity position and reaming study period have good position.
2. Table-2: Shows the Quick ratio of as a measure of liquidity position. During the period of study during it was observed that quick ratio was fluctuating tendency. The highest value of quick ratio 2.47 was 2009-10 and least of 0.49 in 2013-14. The quick ratio indicates less than one in 2012-14, it indicate bad signal of liquidity position and reaming study period have good position.
3. Table-3 shows the Net profit Ratio of five years, this ratio had the highest value of 16.22% profit in 2012-13 and least of -8.15% Loss in 2013-14, this ratio had over fluctuations. This firm facing two years loss (2010-1 and 2013-14) out of five years.
4. Table-4 shows the return on asset ratio of study period. The ratio highest value is 0.08 in 2012-13 and least value is (-) 0.02 in 2010-11. This ratio had two years Negative values (-0.02 and -0.02) in 2014 and 2011, reaming positive values (0.08, 0.04 and 0.06) in 2013,2012 and 2010.
5. Table- 5 show return on capital Employed on study period. The highest ratio 0.18 in 2009-10 and least ratio is -0.04 in 2010-11. This ratio had two years Negative values (-0.04 and -0.03) in 2011 and 2014, reaming positive values (0.18, 0.06 and 0.12) in 2010, 2012 and 2013.
6. Table- 6 show return on shareholders' Equity Ratio on study period. The highest ratio 1.08 in 20112-13 and least ratio is -0.26 in 2013-14. This ratio had two years Negative values (-0.26 and -0.24) in 2014 and 2011, reaming positive values (1.08, 0.56 and 0.90) in 2013, 2012 and 2010.

FINDINGS

- In this study last three years firm managing more current Liabilities
- The firm net profit having fluctuation with positive and negative results.
- Firm capital employed ratio is not good position.

SUGGESTIONS

- Firm need to reduce current liability status, it is good for firm financial health.
- Firm need to improve the liquidity position of the firm.
- The firm needs to improve sales volume, it is good for firm sustaining long period. The firm sales volume affected in Net profit ratio, Return on Asset ratio, return on capital Employee ratio and return on sere holders' equity.
- The firm concentrates to reduce capital employed; it is helpful for maximum return with minimum capital.

CONCLUSION

From the above analysis of Panyam Cement & Minirels Industry Ltd. had unsound financial position of the firm, The net profit shows the unfavorable position of the firm. Company concentrate quality of the products and product promotional tools for increasing the sales volume, it is better to achieve positive net profit. The firm increase liquidity position for good financial health of the form.

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ANNEXURE**TABLE 1: STATEMENT SHOWING CURRENT ASSET**

Year	Current Asset	Current Liabilities	Ratio
2013-14	712423881.88	1095856460.69	0.65
2012-13	846464545.01	1144797351.00	0.74
2011-12	1047554813.92	1092559297.38	0.96
2010-11	1463135952.83	525394736.49	2.78
2009-10	1485889225.97	529181150.85	2.81

TABLE 2: STATEMENT SHOWING QUICK RATIO

Year	Quick Asset	Current Liabilities	Ratio
2013-14	538153550.48	1095856460.69	0.49
2012-13	649175652.36	1144797351.00	0.57
2011-12	767369363.06	1092559297.38	0.70
2010-11	1273461553.08	525394736.49	2.42
2009-10	1305036667.26	529181150.85	2.47

TABLE 3: STATEMENT SHOWING NET PROFIT RATIO

Year	Sales	Net Profit	Ratio
2013-14	522261228.85	-42581139.63	-8.15
2012-13	1077915403.38	174873879.77	16.22
2011-12	1812422257.83	91328386.87	5.04
2010-11	1627978724.88	-38120449.29	-2.34
2009-10	1734816307.37	145399201.28	8.38

TABLE 4: STATEMENT SHOWING RETURN ON ASSET RATIO

Year	Total Asset	Net Profit After Tax	Ratio
2013-14	2128155210.26	-42581139.63	-0.02
2012-13	2308058471.23	174873879.77	0.08
2011-12	2608116726.12	91328386.87	0.04
2010-11	2528624127.46	-38120449.29	-0.02
2009-10	2287954904.34	145399201.28	0.06

TABLE 5: STATEMENT SHOWING RETURN ON CAPITAL EMPLOYED

Year	Net Profit	Capital Employed	Ratio
2013-14	-42581139.63	1415731328.38	-0.03
2012-13	174873879.77	1461593926.22	0.12
2011-12	91328386.87	1560561912.20	0.06
2010-11	-38120449.29	1065488174.63	-0.04
2009-10	145399201.28	802065678.37	0.18

TABLE 6: STATEMENT SHOWING RETURN ON SHAREHOLDERS' EQUITY RATIO

Year	Net Profit	Shareholders' Equity	Ratio
2013-14	-42581139.63	162141085.00	-0.26
2012-13	174873879.77	162141085.00	1.08
2011-12	91328386.87	162141085.00	0.56
2010-11	-38120449.29	162141085.00	-0.24
2009-10	145399201.28	162141085.00	0.90

MARINE TRADE MEDIATOR’S SATISFACTION TOWARDS PRIVATE CONTAINER FREIGHT STATION SERVICES IN TUTICORIN

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ABSTRACT

Indian port has shown substantial improvements in the last one-decade by way of port facilities and cargo handling. With the emergence of large private investments, the cargo handling capacity at minor ports has increased, commensurate with the cargo traffic volumes. Minor ports in India had a capacity to handle about 230 million tonnes of cargo and the traffic handled was about 220 million tonnes during the year 2007-08. As per the times of India on January 28th 2011, The total cargo handling capacity of Indian ports are crossed more than 1 billion tonnes. It is denoted that, there is a wide scope and opportunity in the field of international trade related activities like customs house agent, freight forwarding agents, logistics, warehousing, minor port, dry port, private Container Freight station etc... warehousing and storage is a major chunk of logistics in India. The private CFS have storage spaces. So, they are also considered and treated as a warehouse industry components. The private CFS is facilitating to the all international traders in related to air and seaport. The increased global competition in international trade has made it imperative that we pay much greater attention to developing world class infrastructure at our ports and support the shipping industry in facing these challenges. Ports handle around 95% of India’s total trade in terms of volume and 70% in terms of value. Massive investment is expected for developing new port facilities through private sector participation to meet this huge demand, Shippers and consignees also responded to the opportunities and benefits in containerization. One popular method of shipment is to use containers obtained from carriers or private leasing companies. For this purpose, Government of India has specially framed export import policy to facilitate International Trade related areas like artificial seaport, airport, container yard, CONCOR, timber yard and Container Freight Station (CFS) etc. The CFS formalities in export and import are complicated like carting order, preparation of checklist, admission chit/ID card, de-loading, customs inspection, stuffing, fumigation, putting OTL, Liners formalities and preparation of gate pass.

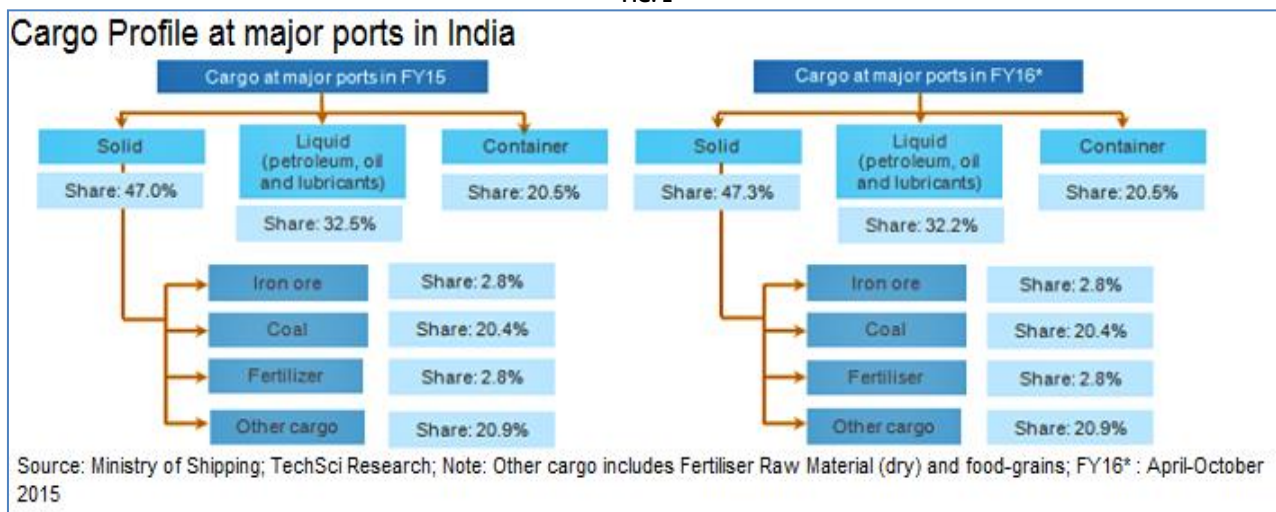
KEYWORDS

CFS, CONCOR, OTL, customs inspection, seaport, container yard.

PREAMBLE

International trade has been playing crucial role for centuries. In the present day world it has become indispensable for any country. Its role has increased in significance, both at the macro economic and micro economic level. In last three years, several private companies like PSA-SICAL, Airogo logistics private limited and Thai multimodal trans private limited in Chennai etc... are started and offering best services under private CFS control in Tamilnadu. At the same time, the tuticorin private CFS is performing in around tuticorin with efficient manner. The tuticorin port at present name as V.O. Chidambaranar port is a fast growing major port of india, is strategically located to international main line shipping sea route on the south eastern coast of India adjoining the gulf of manner at latitude of 78 13’ E and facilitated with world class services. Long term leases, joint ventures and Build-operate-transfer options have been agreed in the past year or will shortly be decided in Aden, Kadok, Island, Mumbai, Colombo, Karachi and Port Qasim. Management skills and technical/operating know-how are also important inputs from private terminal operators involved in such development. The umteen number of public & private international traders and mediators are engaging with carrying and storing the cargo from production point to consumption point in all over the world. In south Tamilnadu, the tuticorin port trust playing as a major foreign exchange earning resources in India. The private CFS also handling the considerable volume of cargo in tuticorin. The Government of India also take necessary action against improving the international trade volume through private and public participation project for reforming the maritime industry in the year 2010 onwards. Road Ministry and National Highways Authority of India together take up 82 highway projects under the ambitious Bharatmala project in order to improve port connectivity in all over India. it is part of the broader highway expansion plan that the Government plans to undertake in future. Right now, connectivity to both major and minor ports required a lot of work as per the information of Shipping Ministry official.

FIG. 1



OVERVIEW OF MAJOR AND MINOR PORT IN INDIA

TABLE 1

Ports in India			
Region/State/UT	Major Ports	Minor Ports	Total
West Coast			
Gujarat	1 (Kandla)	39	40
Maharashtra	2 (Mumbai, Nava Sheva)	52	54
Goa	1 (Mormugao)	6	7
Karnataka	1 (New Mangalore)	13	14
Kerala	1 (Cochin)	13	14
East Coast			
Tamil Nadu	3 (Chennai, Ennore Tuticorin)	8	10
Pondicherry	-	2	2
Andhra Pradesh	1 Vizag	9	10
Orissa	1 (Paradip)	1	2
West Bengal	1 (Calcutta)	-	1
Lakshadweep Islands	-	1	1
Anadman & Nicobar Islands	-	19	19
Total	12	163	174

Source: Ministry of Surface Transport 2015

OPERATIONAL PERFORMANCE OF INDIA'S SEA PORTS 2014-15

TABLE 2

All India Sea Ports	Cargo handled in million tonne 2013-14	% of increase or decrease	Cargo handled in million tonne 2014-15	% of increase or decrease
Chennai	51.11	-4.30% ↓	52.54	2.81% ↑
Ennore (corporate)	27.34	-52.85% ↓	30.25	10.66% ↑
JNPT	62.37	-3.32% ↓	63.80	2.36% ↑
Kandla	87.00	-7.06% ↓	92.50	6.31% ↑
Kochi	20.89	5.25% ↑	21.60	3.39% ↑
Kolkata	41.39	3.65% ↑	46.29	11.86% ↑
Mangalore	39.37	6.29% ↑	36.57	-7.11% ↓
Mormugao	11.74	-33.65% ↓	14.71	25.32% ↑
Mumbai	59.19	1.98% ↑	61.66	4.18% ↑
Paradip	68.00	20.25% ↑	71.01	4.42% ↑
Tuticorin	28.64	1.35% ↑	32.41	13.17% ↑
Visakhapatnam	58.50	-0.91% ↓	58.00	-0.85% ↓
TOTAL	555.50	1.78% ↑	581.34%	4.65% ↑

Source: Economic Times 2015.

Indian Port sector comprising of 13 major ports (including Ennore port) and 139 minor and intermediate ports handles more than 380 million tones of cargo annually. While major ports handled 70 per cent of the total cargo traffic, minor or non-major ports accounted for 30 per cent during the year 2007-08. As per the port expression of interest in the Hindu, February 28th 2011, the total traffic through tuticorin port would be 34 million tonnes (projected figure) by 2012-13 and 59 Million tonne by 2019-2020. So, the private CFS have opportunity to expand and booming their container handling volume in future. Major ports are parasitical bodies formed on the basis of Major port Trusts Act, 1963 and they provide services to an exclusive hinterland. Minor ports are under the control of State Maritime Boards, were minor in their role until a few years back and never competed either with the major ports or amongst themselves. Now the thing has been changed with the opening up of the domestic port sector to private operators. With intense competition, the role of Indian ports is changing from a service port model; port owns the infrastructure and superstructure and also provides services to a Landlord port model. Growing demand for handling of large size vessels throughout the world has also made significant impact on the domestic port sector by making it one of the major parameters of competition between existing ports and new ports. Warehousing and Private CFS is a major business of logistics industry in India.

REVIEW OF LITERATURE

1. Relationships between port service providers and users: an empirical Study-in this study modern container ports are typical industrial markets whereas the relationships between port service providers and the users of these services fall within a B-2-B framework. In such industrial markets, the value that the users of a particular port perceive to extract by this usage (perceived value) is considerably influenced by the relationships developed between the parties involved. Thus, these relationships stand as a key construct towards a better understanding of ports and the development of effectiveness assessments (i.e. measurements of the perceived value, satisfaction measurements, etc.).
2. Evangelia N. Kaselimi¹ (2011) preferred scale of container terminals in sea ports: a statistical analysis on parameters and size distribution in this research articles authors were covered both terminal operators and port authorities make management decisions on the scale of terminals they operate or lease. Existing studies on determining the best possible scale in classic non-port economic theory use the notion of Minimum Efficient Scale (MES) focusing on the shape of the Long Run Average Cost (LRAC) Curve. The MES in combination with a number of other factors such as the market size and structures, technological change and operational considerations, the port governance framework and objectives, physical and geographical limitations and shipping line costs and business patterns induce a complex interaction. This interaction leads to a "preferred scale".
3. Theo NOTTEBOOM Institute of Transport & Maritime Management Antwerp (ITMMA) University of Antwerp, studied under the title of global container terminal operators from diversification to rationalisation? About the terminal and stevedoring industry has expanded substantially in recent years with the emergence of Global Container Terminal Operators (GCTO) controlling large multinational portfolios of terminal assets. The container terminal industry was confronted with several challenges, including economies of scale in maritime shipping and competition from new entrants, in particular from container carriers, logistics companies and investment groups. Up to recently, a pervasive response to these challenges by all stakeholders has been the diversification of their assets both geographically as well as in terms of their involvement in supply chains.
4. Peter W. De LANGEN, discussed in his research paper titled towards an ILT centred value proposition in container transport? The two main value propositions in international container transport are 'port-to-port' services and door-to-door services. In port-to-port services, buyers 'just' purchase maritime transport from a shipping line. Door-to-door services comprise of the total transport chain and include land-based transport. Carriers as well as forwarders offer these door-to-door services.
5. Yap, WY Notteboom T (2011) analysed under the title Dynamics of Liner Shipping Service Scheduling and Their Impact on Container Port Competition, Maritime Policy and Management. Container ports provide the primary interface where physical exchange between buyers and sellers of containerised shipping capacity can be consolidated and realised. Consequently, ports that are able to complement and add value to the objectives of shipping lines and

shippers will become focal points for containerised cargo flows. To evaluate container port competition, the authors propose a practical and direct approach based on revealed preferences of shipping lines with respect to container shipping service dynamics.

STATEMENT OF THE PROBLEM

The concept of Container Freight Station has been conceived with the view to de-congest the Port. The CFS is nothing but an extension of Port only. The Role of Container Freight Station (CFS) In International Business is an extension of port infrastructure and a center place whereby both shipper and the port are linked. This is opened for getting certain service commission from the shipper under the reputation of government. The shipper has to document this type of stuffing when they don't have warehouse facility for stuffing. The researcher denoted as Marine traders instead of Customs House Agents (MARINE TRADERS)/Clearing and forwarding agents are the persons or Companies that clear the goods from the customs station on behalf of the principal owner of the cargo. They do all the customs formalities in the customs area. The current research aims to find out the functions of private CFS basic functions, procedures and customs officials formalities, mediator roles and One Time Lock (OTL) system of cargo of private CFS Park. In this direction, the researcher aims to find out the satisfaction level of marine trade mediators with respect of infrastructure, human resources and the system as a whole. Each attribute introduced in the study have been defined with five variables and in total there are about fifteen variables for three specific measures and one in general terms.

OBJECTIVES OF THE STUDY

1. To study the level of satisfaction of Marine traders in terms of infrastructure, human resources and the logistic system
2. To compare and measure the deviation in the level of satisfaction between three attributes, viz., infrastructure, human resources and the logistic system

HYPOTHESIS OF THE STUDY

The following hypotheses have been formulated to test the equality of mean;

Ho: There is no difference in the level of satisfaction of respondents on the mean score with respect to existing infrastructure, human resource and the logistic system of the Private CFS.

RESEARCH METHODOLOGY

The research approach is descriptive in nature and there are twenty-five sample respondents included by way of adopting area-sampling method among the population of 125 marine traders. Using a pilot tested questionnaire with fifteen items in particular and one item in general, the field survey is conducted in Tuticorin sea port area. In order to test the hypothesis of equality of mean between all the three attributes, one-way ANOVA is employed. It is found that the means score on the satisfactory level of marine traders do vary in all three attributes. It is also inferred that the existing infrastructure, human resources and the system is above satisfaction in the rating scale.

SCOPE OF THE STUDY

In India, warehousing industry is mostly dominated by state warehousing corporation and private sector only. Warehousing and CFS is the new focus area for logistics industry to moving up the value chain from plain trucking in to modernised system of cargo handling techniques. The international trade formalities and procedure are quite complicated one for clearing and forwarding the cargo from one country to another country. Therefore, the researchers has selected this present study for find out the marine trade mediators level of satisfaction towards private CFS. In further, any researcher may conduct the study related to operational style of CFS, performance of CFS and problems faced by the CFS operators in India.

LIMITATIONS OF THE STUDY

The present study conducted by researchers based on the one Private CFS located in Tuticorin only. Therefore, the present studies findings and recommendations may not suitable to all over India's CFS. The current study respondents are marine trade mediators only, it is not included the exporter and importer view towards private CFS in the study area.

DESCRIPTION OF THE SCALE

With the liberalization of Indian economy, last few years have seen considerable growth in import and export volumes. With the new modes of transportation and increase in international trade and containerisation, the ports were getting congested. Further, with widespread industrialization and economic growth, the imports for use in hinterland and exports originating from there have increased over time. The private CFS expert are helping to solve this existing inconvenience of the international business community through their effective services. In the study there are three attributes defined as infrastructure, human resources, and the logistics system. Each attribute introduced in the study has been defined with five variables and in total there are about fifteen variables. The attributes are classified into three categories.

(A) Infrastructure average- includes the latest addition to Private CFS impressive List of Strategic Business Units is the "State of the Art" CFS Park, which is built as per & conforming to International Standards at Tuticorin, situated on the Harbour Express Way, within 8 km, distance leading to the Tuticorin Port, covering 156,000 sq.ft of Warehouse space, including "bonding" facility, sprawling over 60 acres (0.60 hectares) including "Open-Bonding" facility, with fully 'automated' Electronic Data Interchange (EDI) Facility. Supported by adequate infrastructure facilities, including Heavy Equipments, & fleet of Heavy Vehicles on 24 hours/ 7 day week service provision.

i. Physical structure

Pioneer Private CFS Operator in the Tuticorin Port area and in existence since 1995, India's First CFS to be certified ISO 9002 – Standards by BVQI. The private CFS located on the Harbour Express Road, distance of 8 kms from Port Green Gate and hence haulage cost is minimized.

ii. Modern equipment's

It is supported by adequate infrastructure facilities, including Heavy Equipment's, & fleets of Heavy Vehicles on 24-hours/ 7-day week service provision. All handling Equipments such as one Top Lifter, one Reach Stacker, three cranes, 51 Trailers with prime movers and nine Fork Lifts are owned and maintained by in house technicians and hence, reliability and safety of containers, cargo and personnel. In order to keep pace with International Norms/Standards, our forklifts are Gas Driven to meet "Eco-Friendly & Pollution-free" standards.

iii. Warehouse facility

Warehouse are the godown for keeping, storing and preserve volume, quality and usefulness of goods in a scientific as well as systematic manner for facilitating to the international traders. This private CFS have well equipped front line technology for handling the cargo with in the container freight station will all facilities.

iv. Safety and maintenance

The private CFS is maintaining the maximum requirement space of 150,000 sq.ft. area for handling, storing the container with respect to material handling needs with efficient control in Tuticorin. The major benefits of private CFS are control, safety, flexibility, maintenance, cost and operational efficiency. The all seven days operation system is followed in three shift per day for maintain the cargo with careful manner.

(B) The human resource average -attributes include**i. Manpower for cargo handling:**

Special attention needs to be given to the speedy handling of cargo to reduce its dwell time. The objective will be to reduce dwell time of exports/import activities for achieving international norms through manpower. Infrastructure relating to cargo handling like satellite freight cities with multi-modal transport, cargo terminals, cold storage, automatic storage and retrieval systems, mechanized transportation of cargo, computerization and automation, etc., will be set up on top priority basis. Such facilities have to come up at smaller places too.

ii. Stuffing, & Destuffing:

An ideal private CFS operations starts with receiving the cargo from exporter or importer for to do the stuffing/de-stuffing the consignments. The private CFS is installed with fully automated system for completing the stuffing/de-stuffing work with in twenty minutes to thirty minutes. The private CFS is take initiative to introducing the front line technology oriented equipment for cargo and container handling to reducing the operations cost and time consumption. This CFS is offering the services to international traders to store their cargo without demurrage charges for 3 days.

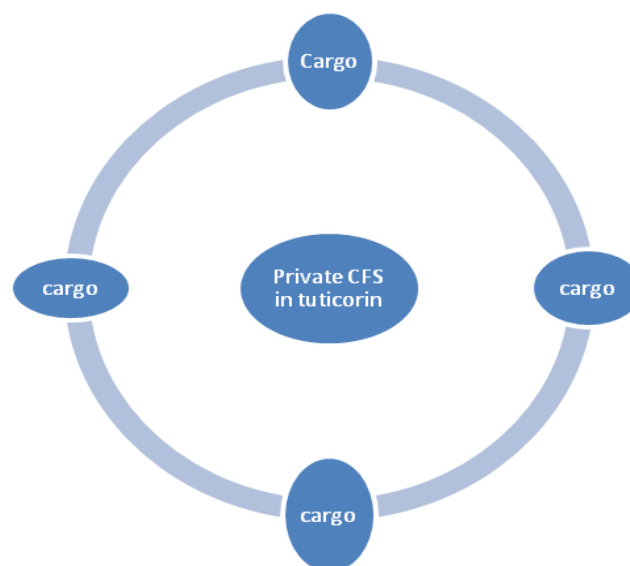
Stuffing and destuffing procedure

a. Exports: The Less than Container Load (LCL)/Full container load (FCL) cargo brought to an ICD/CFS is subject to routine documentation, assessment and examination by Customs. After examination and clearance of LCL/FCL cargo at the ICD/CFS, the packages opened for Customs examination are sealed by the Customs. The shipping line is required to use identification mark on each package, clearly indicating serial number of package, description of goods, total number of packages covered under that particular shipping bill, exporters identity and their own codified identity.

b. Imports: On arrival of the LCL/FCL cargo meant for ICDs/CFS, at the Gateway Port the concerned shipping line files the I.G.M. (IGM-EGM Preparation Software for shipping companies) with the Customs, as per the procedure.

ii. Customer response and security services:

The Private CFS also provides remote customer/broker access to the system via the Internet for freight status and freight release. Powerful filtering capabilities enable fast responses to customer service calls about shipment status. With container tracking, and intermodal tracking tools various internal and customer reporting capabilities are offered.

FIG. 1: CONSOLIDATION WORK OF PRIVATE CFS

The Private CFS is rightly called "All Weather CFS" as its facilities offer complete protection for cargo and containers under all weather conditions. Even in stormy conditions it offers unhindered operations. Customer satisfaction and overall quality and efficiency of service have always been key focus and have been instrumental in attracting large international business personality and its mediators in tucorin. In the case of the third attribute,

(C) The logistic system, the variables defined are**i. Logistics services :**

Private CFS offers time definitive services enabling clients to achieve their objectives in supply chain management.

1. Fastest door to door transit times.
2. Annual contract rates with choice of carriers who meet our service criteria.
3. Largest Non Vessel Operator Commissioner from India to Europe/USA with guaranteed space allocation.
4. Scheduled sailing to all major ports worldwide.
5. Modern warehousing offering maximum security and control.
6. Bonded facilities.
7. Expertise in worldwide documentation requirements.
8. Fast tracking of urgent consignments

ii. Customs procedure

All dutiable, Non-dutiable, Duty - draw back and Free/Gift goods/cargo are permitted to do export/import in India have to pass through procedure of customs clearance. The cargos are examined, appraised, assessed, evaluated by customs authority and issue the let export order or Bill of entry to stuffing the cargo (LCL-Less than Container load or FCL-Full container load) and de-stuffing the cargo with in the private CFS based on the shipping bill to letter of credit. After stuffing of goods, container/customs bonded truck (CBT) is sealed by the customs officer and the same is removed from Private CFS for export through the desired port. In respect of imports, the goods received at ports are brought to Private CFS and stacked in Private CFS after verification of the seal by customs officers.

iii. Filing system

On site processing of documents is done using the Indian Customs EDI Scheme and another site the manual-filing system is followed for the documentation work.

iv. Inland Container Depot (ICD)/Container Freight Station (CFS) functions and quality of service

The "A common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under Customs transit by any applicable mode of transport placed under Customs control. All the activities related to clearance of goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export, transshipment, take place from such stations."

The following liners' empty containers are stored in the private CFS container yard. EVERGREEN, CONTSHIP, APL, HYUNDAI, OOCL and IPCL etc. The international business community people getting the right type of services from Private CFS in tucorin.

DATA COLLECTION & PERIOD OF STUDY

Primary data is collected from the Customs House Agents through structural questionnaire and an area sampling (convenient) containing 25 respondents were taken for the study. The area of study is restricted to Tuticorin City only. The period of study from December 2015 to June 2016.

ANALYSIS AND INTERPRETATION

The analysis of the data collected in response to the level of satisfaction on the fifteen variables is presented with mean scores and its simple percentage. Further it is tested for equality of means in terms of three attributes using one-way ANOVA.

THE LEVEL OF SATISFACTION OF MARINE TRADERS

Simple average mean has been computed to frame the interpretations of the attributes and the related variables. In order to describe the level of satisfaction of marine traders opinion, four-point Likert's scale has been used. The attribute infrastructure is found with a mean score (maximum score 4.00) of, 3.60 for physical structure, 3.76 for modern equipment, 3.48 for warehouse facility, 3.40 for safety and 3.56 for maintenance. The overall score for infrastructure has the level of satisfaction among the users of private CFS is 87 per cent with a mean score of 3.46 (Figure 1). The human resource attribute has been revealed in terms of manpower with a mean score for cargo handling 3.80, for stuffing & destuffing 3.32, for customer response 3.36, for grievance handling 3.00 and for security services 3.32. The overall satisfaction level on the Private CFS human resource support is 84 per cent with a mean score of 3.35. In the case of the third attribute, the logistic system, it is reported that the mean score for logistics services is 3.20, for customs procedure 3.40, for filing system 3.28, for ICD functions 3.56 and for quality of service it is 3.56. The overall satisfaction level for logistic services in the Private CFS is 85 per cent with a mean score of 3.40. In total, the satisfaction level of respondents about the private CFS on infrastructure, human resources, and logistics services is 85 per cent with a mean score of 3.40.

TABLE 1: LEVEL OF SATISFACTION ON PRIVATE CFS

Sl.No	Variables	Highly Satisfied	Satisfied	Simple Average (Max.4 Score)	% Level of Satisfaction
1	Infrastructure	15	10	3.60	90
2	Modern equipments	19	06	3.76	94
3	Warehouse facility	12	13	3.48	87
4	Safety	10	15	3.40	85
5	Maintenance	14	11	3.56	89
	Infrastructure Average (A)			3.46	87
6	Human resource –cargo handling	20	05	3.80	95
7	Stuffing & de stuffing	08	17	3.32	83
8	Customer response	09	16	3.36	84
9	Grievance handling	03	21	3.00	75
10	Security services	08	17	3.32	83
	Human Resource Average (B)			3.35	84
11	Logistics services	05	20	3.20	80
12	Customs procedure	10	15	3.40	85
13	Filing system	15	10	3.28	82
14	ICD/CFS functions	14	11	3.56	89
15	Quality of service	14	11	3.56	89
	Logistics Service average (C)			3.40	85
	Source : Primary Data				

MEASURE OF DEVIATION ON THE LEVEL OF SATISFACTION FOR PRIVATE CFS

It is construed from the above results that the mean scores for the satisfaction level of infrastructure, human resource and logistics service are varying with significant values. The deviation level of satisfaction on the human resource and logistics system is compared with infrastructure. It is found that the deviation in the level of satisfaction for human resource with reference to infrastructure is 0.10 and for logistics system is only 0.06 positive mean score. The deviation of infrastructure with reference to human resource is 0.10 and for logistics system is 0.05 mean score. The deviation of human resource with reference to both infrastructure and logistics system is negative. In the case of deviation on logistics system, infrastructure has a negative 0.06 mean score and human resource has deviation of 0.05 positive mean score. In total, the infrastructure has a maximum mean score and it is followed by logistics system and human resource in descending order. In order to verify the equality of mean a suitable null hypothesis is proposed as mentioned above. The results of the analysis of one-way ANOVA are presented with Post-Hoc test, Levene Test of Homogeneity of variance. The test results at 95% level of confidence has revealed that there is no variation in the mean scores on the satisfaction level of infrastructure, human resources and logistics system in a Private Cfs' agents. It is also revealed that the mean difference and variance also do not vary with three attributes used in the study.

TABLE 2: POST HOC TESTS FOR DIFFERENCE IN MEAN VALUE

Multiple Comparisons Dependent Variable: LEVEL OF SATISFACTION ON MARINE TRADERS						
(I) Category of Facility/(J) Category of Facility	Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
				Lower Bound	Upper Bound	
Infrastructure	Human Resource	.10	.19	.60	-.31	.52
	Logistic system	.06	.19	.77	-.36	.47
Human Resource	Infrastructure	-.10	.19	.60	-.52	.31
	Logistic system	-.05	.19	.81	-.46	.37
Logistic system	Infrastructure	-.06	.19	.77	-.47	.36
	Human Resource	.05	.19	.81	-.37	.46

TABLE 3: DESCRIPTIVE LEVEL OF SATISFACTION OF MARINE TRADERS

Groups	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Infrastructure	5	3.46	.40	.18	2.96	3.95	2.88	3.84
Human Resource	5	3.35	.30	.13	2.98	3.72	2.96	3.80
Logistic system	5	3.40	.16	.07	3.20	3.60	3.20	3.56
Total	15	3.40	.28	.07	3.25	3.56	2.88	3.84

TABLE 4

Test of Homogeneity of Variances LEVEL OF SATISFACTION ON MARINE TRADERS							
Levene Statistic	df1	df2	Sig.				
1.661	2	12	.231				
One-way ANOVA - LEVEL OF SATISFACTION ON MARINE TRADERS							
		Sum of Squares	df	Mean Square	F	Sig.	
Between Groups	(Combined)	.03	2	.01	.149	.863	
	Linear Term	Contrast	.01	1	.01	.086	.774
		Deviation	.02	1	.02	.212	.654
Within Groups		1.09	12	.09			
Total		1.12	14				

MAJOR FINDINGS OF THE STUDY

The following are the results obtained in the study with reference to Private CFS mediators level of satisfaction.

1. The overall score for infrastructure has the level of satisfaction among the agent of Private CFS is **87** per cent
2. The overall satisfaction level on the Private CFS' human resource support is **84** per cent
3. The overall satisfaction level for logistic services in the Private CFS is **85** per cent
4. In total, the satisfaction level of respondents about the private CFS on infrastructure, human resources and logistics services is **85** per cent
5. It is found that there is no variation in the mean scores on the satisfaction level of infrastructure, human resources, and logistics system in a Private CFS Customs House Agents. It is also revealed that the mean difference and variances also do not vary with three attributes used in the study.

RECOMMENDATIONS OF THE STUDY

1. Road Connectivity's from dry port (Inland container Depot) to private CFS and private CFS to sea port to be improved.
2. Terminal operators should give more timing for loading and unloading the cargoes in CFS.
3. More Number of Private warehouse and Container Freight Station should set up for meet out the large volume of cargo from production point to stuffing point.
4. Domestic traffic support should modernize and alternate route should make for the port.
5. The separate commercial road should develop for connecting the Private CFS to Tuticorin Sea port.
6. The private CFS should provide quality labour service to stuffing and destuffing the cargo for avoiding the cargo traffic.
7. The automatic electronic system should develop for arranging the container properly in side the private CFS.
8. The new software should develop for findout the container status on road like where is the container, which place it is standing etc.
9. The cargo management system should develop for monitoring the cargo operation inside the private CFS.

CONCLUSION

The initiatives of the Government of India in the export import policy to facilitate International Trade related Container Freight Station (CFS) is studied in detail with a special focus on infrastructure, human resource and logistics systems. In the context of revealing the satisfaction level of Private CFS, fifteen variables have been investigated and the results have also been obtained. It is evident from the results that all the three attributes have equal level of satisfaction which is around 85 per cent on the expectation of the agents. In essence, the scope for further study is to explore the similar study in the context of product types and its total quantity of trade as well as in value terms. The application of statistical model of one-way ANOVA is addressed in the study and the results are indicative for the proposed objective of the study.

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A STUDY ON SATISFACTION OF BANKING CUSTOMERS TOWARDS ONLINE SERVICES

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ABSTRACT

As everything turns to its online format the service sector was also forced to render their services through online. The prime service sector called banking sector had no other way but to go with these waves. The very busy world have no time to keep their money safe or to keep look on through. So the banks run behind their customers through internet to serve them. But the customers being king of the market, always need more from their service provider to serve them. The study reveals the association of various dimensions of online service quality towards satisfaction of the online banking customers. A sample of thirty has taken for the study. The sample was operationally defined as those who regularly use online banking services. Structured questionnaire was used to collect the primary data. The satisfaction was measured in relation to the following dimensions of online service quality: Efficiency, Assurance, Privacy, Contact and aesthetic code. The results reveals that the online banking customers are satisfied with the services rendered. An interaction through this online methods could help to improve the e-CRM which would be the most innovative way to keep in touch with customers and thus maintaining them.

KEYWORDS

customer relationship management (CRM), banking customers, online services.

INTRODUCTION

Internet revolution has exposed significant changes in the electronic commerce. The good old manual systems on which Indian Banking depended upon for centuries seem to have no place today. The banks have expanded physically and virtually through mobile banking, internet banking, tele banking, and biometric and mobile ATMs since last decade and has gained momentum in last few years. ICICI bank is the pioneer in the field of internet banking followed by Citi bank and HDFC bank. The cheaper cost and the increased usage of internet made the internet banking more popular. Hence more and more banks registered for their internet banking services. It has replaced the significance of branch banking as the banking facilities are available at the places where the customers are. Today both private and public sector banks provide internet banking facility. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000 which provided legal recognition to electronic transactions and other means of electronic commerce. Reserve Bank of India has accepted the recommendations of the 'Working Group on Internet Banking' to be implemented in a phased manner. The group has focussed on three major areas of internet banking, i.e (i) technology and security issues, (ii) legal issues and (iii) regulatory and supervisory issues. All those banks who are offering internet banking were advised to make review of their systems in the light of these areas and to ensure security to customers for their transactions.

Internet banking enables bank customers to handle account management and perform account transactions directly with the bank through internet. This is also called as online banking. It allows the customers to monitor accounts, download transactions, and transfer funds between accounts, including checking, saving and money market accounts, management of investments and loan handle activity, including applications and repayment. Online banking has made personal and business banking faster, more efficient and safer. The customer of the bank need to register for the internet banking service with their branch. The branch will provide a kit containing username and password for the first login. Customer can then logon to the bank's online website where there would be an initialization process. The net banking assistant of the bank will guide the customer throughout the process. Even though the internet banking provides lot of easiness in the transactions, it has the pitfalls like, security issues and the trustworthiness of the transactions. Moreover the real problem is that, majority section of the customers still do not know what an internet banking and how convenient it is. They still stick on 'brick and mortar' style. They are not confident in doing online transactions. But the internet banking system is looking forward to the future days which are highly competitive.

Competition arises because of the increased number of bank customers and the number of banks and more and more banks starting their online banking services. Customers can easily switch over from one bank to other bank by just withdrawing their deposits and depositing in other. Hence internet banking services were provided in its full-fledged form and up-to-date changes were adopted. It has become more user friendly. But it's required to check the quality of service of the online banking services.

Electronic service quality (e-SQ) is becoming increasingly important in determining the success of electronic commerce application. In banking industry, delivering effective e-SQ is important to provide customers efficient internet banking services and to remain competent in the market. The five dimensions of the e-SQ include:-

- (i) Efficiency (System Availability):- Measures the speed of accessing and using the site's internet banking and availability and functionality of the site that facilitates completion of all transactions in a convenient way.
- (ii) Assurance (Fulfilment):- Measures the confidence the customer feels in dealing with the site and the extent to which requirements of users are fulfilled in the internet banking transactions.
- (iii) Privacy: - Measures the privacy of the internet banking transactions.
- (iv) Contact (Responsiveness):- Measures the availability and accessibility of bank's assistance through online representatives and effective and prompt handling of users' internet banking transaction problems and requests.
- (v) Website Aesthetic Code and Guide: - It measures the appearance and beauty of the site and the extent to which the information, structure and online content provided by the site helped the customers to perform internet banking smoothly.

The study used the above discussed five dimensions of e-SQ which was refined from E SERVQUAL model proposed by Parasuraman et al.

LITERATURE REVIEW

Many research works had done by the experts at both national and international level. A significant work that had contributed to the current study has added here. It was done by Mohd Shoki Md Ariff, Leong Ooi Yun, Norhayati Zakuan, Ahmad Jusoh during 2012, Examining the dimensions of Electronic Service Quality for Internet Banking Services. The study helped to frame the conceptual model for measuring the service quality of internet banking services. It clubbed; E-S-QUAL or core scale and E-RecS- QUAL or recovery scale of E SERVQUAL proposed by Parasuraman.

SCOPE OF THE STUDY

The internet revolution was said to be the third revolution after agricultural and industrial. Anything and everything is now internet based. Banking sector is not an exception. When internet is available at our fingers, banking facilities has also came a click away. But there are people still who believe in traditional way of doing transactions and go to branches every weekends. On the other side most of them are technology savvy and depend on internet. The study considers only those people who transact through online. This is a study where the researcher intend to study from the view point of customers, i.e whether they were satisfied or not with the online services with regard to service quality.

STATEMENT OF PROBLEM

The globalisation has brought the competition into the banking industry. To sustain in the market, bank should serve the customers with the most advanced technologies. So banks incorporated the internet revolution into its banking service. Now the opening of account, balance checks, fund transfer, cash deposits and withdrawals and all such and even more than the usual banking transactions are done through internet. Customers need not go to bank branches but all these are available at their fingertips. More than providing these services it is important that whether the customers are satisfied with these services. This paper tries to figure out the relation between the service quality of and the customer satisfaction on, online banking services.

OBJECTIVES OF THE STUDY

To identify the relation between service quality and the customer satisfaction on online banking services.

HYPOTHESIS

H_0 : Customers using online banking services are satisfied.

RESEARCH METHODOLOGY

The study is descriptive in nature. The data was collected from primary sources with the help of structured questionnaire. All those who were using online banking services, constitute the population of the study. From the population a sample of 30, were conveniently selected for the study. A structured questionnaire was given to the respondents. Questionnaire was designed based on E-SQ model for measuring service quality. The model consist of five dimensions namely, efficiency, assurance, privacy, contact and Website Aesthetic Code and Guide. Each dimension were measured with the help of variables as: (i) Browser Efficiency, Convenient Transaction, User friendly interface, Website interactivity, Website availability and Website proper work were used to measure the 'Efficiency' (ii) Confidence, Good reputation, On time reaction and bank's Accurate Response were used to measure 'Assurance' variable. (iii) The 'Privacy' is measured by Customer authentication and Safety and Security variables (iv) Accessibility, Direct Link, Direct and Fast Contact and Quick Help were used to measure the 'Contact' variable (v) Website Attractively, Website appearance, Website Info and Website map were used to measure Website Aesthetic and Guide. The responses were measured on a five point Likert Scale with responses ranging from Strongly Agree to Strongly Disagree.

RESULTS AND DISCUSSION

The modified model of E-SQ with five dimensions, was used to measure the service quality of the online banking services. The responses were measured at five point Likert Scale ranging from Strongly Agree to Strongly Disagree. The score are assigned as follows: 5 – Strongly Agree, 4 – Agree, 3- Neutral, 2 – Disagree, 1- Strongly Disagree

PROFILE OF THE RESPONDENTS

- Of the 30 respondents, 18 were males and 12 were females.
- Researcher classified the age of the respondents into three groups like Below 25 years, Between 25 – 50 years and above 50 years. 5 respondents were under 25 years old. 23 were in the age group of 25 – 50 years. And there were 2 respondents who were above 50 years.
- 11 respondents were postgraduates and 19 were graduates. None of them were below that education level.
- Among the respondents 9 were government employees, 15 were non-government employees and there were 6 students. There were no business people among the respondents.
- Researcher grouped the income level of the respondents as: Below 200000, between 200000 - 500000 and above 500000. All the working class i.e 24 were under the group, between 200000- 500000. The six respondents were students and they have no income.

PRIMARY DATA ANALYSIS**TABLE 1.1: MEAN SCORE OF EFFICIENCY**

Efficiency	Mean Score
Browser Efficiency	4.3
Convenient Transaction	4.23
User friendly interface	3.7
Website interactivity	3.7
Website availability	3.73
Website proper work	4.3
Over all Mean score	3.99

Source: Primary Data

Since the overall mean score of efficiency is 3.99, the customers are satisfied with the availability of the system i.e. Efficiency of the online banking services.

TABLE 1.2: MEAN SCORE OF ASSURANCE

Assurance	Mean Score
Confidence	4.3
Good reputation	4.16
On time reaction	3.96
Bank's Accurate Response	3.83
Overall Mean Score	4.06

Source: Primary Data

The overall mean score for 'assurance' is 4.06. Since it is greater than 3, we can interpret that the overall confidence in performing the online banking services is relatively high.

TABLE 1.3: MEAN SCORE OF PRIVACY

Privacy	Mean
Customer authentication	3.76
Safety and Security	3.63
Overall mean score	3.69

Source: Primary Data

The overall mean score for 'privacy' is 3.69. Since it is greater than 3, we can interpret that the customers feel privacy in online banking transactions.

TABLE 1.4: MEAN SCORE OF 'CONTACT'

Contact	Mean Score
Accessibility	3.83
Direct Link	3.4
Direct and Fast Contact	3.46
Quick Help	3.23
Overall mean score	3.48

Source: Primary Data

The overall mean score for 'assurance' is 3.48. Even though it is greater than 3, we can interpret that the satisfaction level is comparatively less. The availability of online representatives and the problem handling system were not that much satisfied.

TABLE 1.5: MEAN SCORE OF WEBSITE AESTHETIC CODE

Website Aesthetic Code	Mean
Website attractively	3.86
Website appearance	3.7
Website info	3.53
Website map	3.83
Overall Score	3.73

Source: Primary Data

The overall mean score of 'website aesthetic code' is 3.73, which indicates that customers are satisfied appearance and beauty of the website.

TABLE 1.6: SERVICE QUALITY OF ONLINE BANKING SERVICES

Variables	Mean
Efficiency	3.99
Assurance	4.06
Privacy	3.69
Contact	3.48
Website Aesthetic Code	3.73
Over all Mean score	3.79

Source: Primary Data

Over all Mean Score for all attributes of service quality are above 3, so we can conclude that customers of online banking services were satisfied.

The overall mean score of all these five attributes is 3.79, which indicate the overall service quality of online transactions provided by the bank websites. Since it is above the average score of 3, we can conclude that the Service Quality is moderately high and thus the hypothesis that 'the customers using online banking services were satisfied, is accepted.

CONCLUSION

In the highly competitive market, the customers may move from one bank to the other. So the online banking service providers were very particular in their customer satisfaction. The study figures out the satisfaction of online banking services with the help of modified E-SQ model which have clubbed the dimensions of E-SERVQUAL developed by Parasuraman. All the five dimensions have a mean score of more than 3, which reveals the satisfaction of online banking customers. The least scored dimension was 'contact', which measured whether there was availability of customer representatives and the ability to redress the transaction problems. The service providers can make available a representative online. All other variables scored above the average and we can conclude that the online banking services provided were satisfied. Still, the banks can update the latest technology in electronic banking services. This would ultimately help the banks to build e CRM which can emerge as the best way to maintain relationship with the customers.

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FINANCIAL INCLUSION Vs. FINANCIAL EXCLUSION: AN OVERVIEW

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ABSTRACT

This research paper aims to define Financial Inclusion from various corners. Financial inclusion as a measure must comprehend its concept, significance, structure, object and outcome by analysis of financial exclusion. Formation of strategies is for effective financial inclusion or to reason the presence foundation of financial exclusion. Dimensions in society about the financial services are being understood nearly by the twist in the problems of financial exclusion. Financial exclusion shows the probability of people being excluded from financial services.

KEYWORDS

financial inclusion, bank, credit, farmers, social groups, formal institutions.

INTRODUCTION

Financial Inclusion can be explained as the diverse services provided by the bank to low income sector and disadvantaged people in the rural areas. Rural regions are deprived of various facilities of Financial Inclusion preferred to provision of their requirements or demands such as credit facility etc. Financial Inclusion takes in many areas of financial services namely payments, savings, insurance, remittances and much more by the systems that are formal in functioning unfamiliar to those that are excluded.

In case of Credit facilities, moneylenders take advantage of many households contrast to disadvantages that are seen as a part of the exclusion. Money lenders act as agents but not recognised by the RBI. So, Financial Inclusion refers to the facilities for household variant to difficulty towards institutional credit including various establishments such as Commercial banks, Microfinance institutions cooperative banks etc. Financial Inclusions make up for bank accounts in the institutionalized systems of banking but is not sufficient as it fails to cover various social groups, small and marginal farmers living in rural areas. Financial Inclusion on a larger scenario should also cover growth of farmers, social groups and others by expanding credit facilities. Lack of Credit facilities and other factors such as poverty, unemployment, illiteracy basic facilities etc lessen the total progress of the people residing in a country. Country and its politicians should take a call on financial inclusion or financial exclusion with a doubt. Financial inclusion makes way for economic growth rather than financial exclusion. In this regard, policy makers, reformers will include financial inclusion and exclude financial exclusion. This research paper examines financial inclusion by not overlooking financial exclusion based on available resources. Resources mirror financial inclusion in real about being deep rooted in developed or developing country. Financial inclusion is understood to be short or long term phenomenon in this research paper.

OBJECTIVES

1. The following article aims to understand the concept of financial inclusion from different perspectives.
2. The concept of financial exclusion needs to be understood in order to improve financial inclusion.

THEORETICAL FRAMEWORK

Financial inclusion offers financial services to certain social groups by withdrawing financial exclusion. Financial exclusion as exclusion from certain services of banks is to be understood in its degree.

Financial inclusion proposes people of various banking financial services by denouncing designated services that they are deprived of. Financial institution very much like banks in relation identifies exclusion. Financial products or services are made available to people through education where increased inclusion as a majority diverse to minority are neglected. Minority may be a household or an individual, who having an account in the bank and does not know to operate it then financial inclusion cannot evolve where the service goes unnoticed. The ratio of the people and that of the financial services does not tally as the choices vary. Financial exclusion is an obstacle in reaching its goal to the society advancing towards providing value added financial services or products by certain providers in the market. In other contexts or circumstances, financial services by the formal financial institutions are prevented to certain social groups and individuals known as financial exclusion. Financial services are to be provided to needy borrowers, low income groups from financial institutions in a proper manner. Exclusion is due to the prevailing spaces leading to lack of access, circumstances, self-exclusion, price, literacy where negative experiences respond to contribution of financial exclusion. Financial exclusion is dispossessed of financial services that are much needed for the fulfilment of societal needs whose observations are being included in inclusion. Inclusion in terms of finances is an issue of financial services whose concern excludes people of lower income undergoing financial hardship requiring financial help.

RESULTS AND DISCUSSIONS

Financial Inclusion is significant to improve the living conditions of people belonging to various sectors living in rural regions. Financial Inclusion should consider both forms of supply and demand opposite to ignorance in its approach. The growth in banking industry has witnessed many problems of supply slightly to some extent variant to demand in functioning for various banks such as cooperative banks, commercial banks etc. In the early contexts, the banking networks were narrow in functioning in the rural regions upon comparison to the expanded administration at the later stages in urban areas. Some of the problems viewed in the banking power as an error is the credit deposit ratio. Credit deposit ratio declined dissimilar to improvement of the regional inequalities in rural banking. The fall of the credit deposit ratios in rural areas against rise of disproportioned agricultural credit to small and marginal farmers that eventually led to the fall of the RRB. RRB was upheld by the political power different to oppose waived farmers loan and write-offs resulted in unviability. The question that needs to be answered is whether there is a requirement of an establishment to foster financial Inclusion. For this objective, the prevailing formal organizations may be sufficient. Organizations may have their own issues and challenges to be meted out and resolved such as manpower, infrastructure, road, electricity, behavioural attitudes towards rural services, internet, technology and much more. Rural banking needs to be known among the rural mass so as to benefit financial Inclusion. Financial Inclusion is being promoted by the officers of the bank to include low income people of rural areas. It enhances knowledge of financial Inclusion as a business opportunity and that of a social responsibility. The supply demand is low as many rural people/farmers depend on credit facilities while the demand supplies are low in productivity and risk. Financial Inclusion is vulnerable to small group of people due to poor market of urban labour workers and rural farm workers who are prone to risk, inadequate awareness and low financial literacy. Financial measure should be developed to push economic activities. Activities of Financial Inclusion should meet larger sections of poor people to educate them about the services available through publicity.

CONCLUSIONS

Financial Inclusion is very much necessary to have provision for credit facilities to people of lower sector from formal institutions. Formal institutions witness Financial Inclusion as an opportunity hostile to transaction and a responsibility for social needs that is ignored for too long. Does it make way for any changes

through self improvements or institutions of Micro Finance alternate to certainty towards Financial Inclusion? Financial Inclusion needs to be systematized by norms rather than derange the financial functioning system. The purpose is to boost Financial Inclusion towards the larger poor masses of their living conditions irrespective of rural and urban regions. Regions vulnerable to groups debate the core issues and challenges of financial inclusion and concepts covering services of finances. While financial exclusion is very high for small groups, farmers, social groups towards credit accessibility from formal institutions. The supply and demand side should be resolved by taking appropriate measures as financial inclusion needs to be enhanced towards the poor masses as a business opportunity and a social responsibility. Money lenders and traders act as informal sources of finances who need to be curbed.

The formal financial establishments are maintained by the financial systems due to flexible political measures. The risk factor needs to be taken for answers by framing policies for financial inclusion where credit and financial services are taken up along with advices. Financial exclusion imparts curious attention of exclusion being accommodated in inclusion. Financial exclusion was operative previously discarding poverty, unemployment and other issues. It was widely used in extensive debates; in formulation of policies, strategies for financial inclusion. Financial inclusion as a concept in all forms irrespective of an entity impacted social exclusion as it was homogenous in nature. Nature in terms of economic functioning whose structure depended upon financial systems, social inclusion, strategies and policies, political measures etc slightly to some extent free. The object and its effects are still prevalent for which the policy makers eliminate financial exclusion to retain financial inclusion for progress. Progress measured in relation to the results is not sufficient due to retrogression. The analysis about the collection of materials is viewed and not misjudged but needs to be aggregated.

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