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**MANAGEMENT OF CASH, INVENTORIES AND RECEIVABLES IN FOOD AND AGRO BASED INDUSTRY
(A CASE STUDY IN BAGALKOT DISTRICT)**

**Dr. SUNANDA S RATHOD
PROFESSOR
DEPARTMENT OF COMMERCE DEPARTMENT
PG CENTRE
MUNDGOD
UK**

**Dr. R HIREMANI NAIK
PROFESSOR
MBA DEPARTMENT
KUVEMPU UNIVERSITY
SHANKER GHATTA
SHIVAMOGGA**

ABSTRACT

The small-scale industries have been getting all the possible encouragement and assistance from the Government of India since independence in the country. The small-scale enterprises are generally labour intensive with a short gestation period and create many job opportunities. It was realized that with a low investment per worker, they have a high productivity of capital than large-scale capital-intensive enterprises. These industries held in dispersal of industries, rural development and in decentralization of economic power and at the same time acting as outlets for entrepreneurial talents and other skills. The Karnataka State occupied an important place in the industrial sector in the country. The State has made certain progress after the independence of the country and the industrial scene has undergone structural changes in the past few decades. This dynamic role played by the Small Scale Sector of Industry, many studies have been undertaken to assess the role of Small Scale Industries in the economy and to evaluate its performance, problems and prospects. Most of these studies have pointed out that finance is one of the major problems faced by the Small Scale Industry. The study undertaken is entitled as Food and Agro based industry in Bagalkot district. Data Analysis on this article the management of cash, inventories and receivables in various factors and drawn on conclusion.

KEYWORDS

management of cash, inventories, receivables.

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INTRODUCTION

The industrial sector is declared by the government of Karnataka as the priority sector, because growth of industrial sector is not at the desired rate. So the present study involves the analysis of the factors leading to practical problems to the processing units in the study area, and suggests the suitable remedies. It also involves the forecasting prospectus of this industry and identifies the areas, which offers better scope to set-up new units. Hence, the present study undertaken is entitled as Food and Agro based industry in Bagalkot district.

The Food based industry covering large spectrum of industrial units producing food based products, have to play key role in stimulating economic development, particularly 70 percent of the people live in rural areas and depend upon agricultures. Food based industry can also be used as an instrument for improving food supplies through prevention of past harvest losses of 15 percent to 20 percent of durable foods and 20 percent to 30 percent of perishable food and generating employment specially the rural area. Establishment of food processing industry can trigger improvement in productivity in agricultural and improve income of farmers. They can also provide a boost to many downstream industries and generate foreign exchange through exports.

REVIEW OF LITERATURE

Venkaiah very important of agro-based industries rural economy, Himalaya publishing house Bombay 1987. According to Venkaiah "Economic development in most of developed countries as already noted is crucially dependent on progress of the agriculture. Agriculture development assumes to priority in development efforts. As agricultural production is largely a carried on I millions of firms to promote its progress must be perceive & most more through the market forces in the context of a developing economy rapid growth of food & agriculture production assumes carried importance due to a arising demand for them generated by the growing population & rising levels of income".

Shrivastava U.K Agro-processing industries potential for employment generation productivity vol 32, No. 1, april June 1998). Shrivastava U.K in his article examined the role of agro-based industries in employment generation. According to him "these industries provide the crucial form industry linkage which helps to calculate agricultural development by creating backward linkages (supply of credit input & other production enhancement services) & forward processing and marketing adding value to the farmers production generating employment opportunities & increasing farmers net income, These industries are generally labor intensive & can contribute to the export earnings".

According to Roa "agro industries need govt. attention in aspects relating to a structured rationalization technology up gradation & quality improvement".

OBJECTIVES OF THE STUDY

1. To examine the nature and extent of Food Based Industrial activity in Bagalkot district.
2. To explore the existing problems of the food and agro based industry in Bagalkot district.
3. To explore opportunities for industrial units in this field.
4. To suggest suitable measures necessary for improvement in the industry.

METHODOLOGY

For the analysis, information about industrial estate, a well-structured questionnaires has prepared which consisting of 100 questions, which cover all the field of infrastructure problems.

COLLECTION OF DATA

- **Primary data:** - visiting the various food processing industrial units carried out a comprehensive survey and administering the well-structured questionnaires schedules to the identified sample respondents.
- **Secondary data:** - collected from the records of sample food processing industrial units, government office and zilla parishad office, district industries center.

DATA ANALYSIS

1. FOOD AND AGRO BASED INDUSTRIES IN BAGALKOT DISTRICT

The study covered a total of 100 food based industrial units in the Bagalkot District of Karnataka. The respondent units were chosen on a random sample basis. The composition of the units based on the natures of production is in the following table.

TABLE NO. 1: FOOD AND AGRO BASED INDUSTRIES IN BAGALKOT DISTRICT

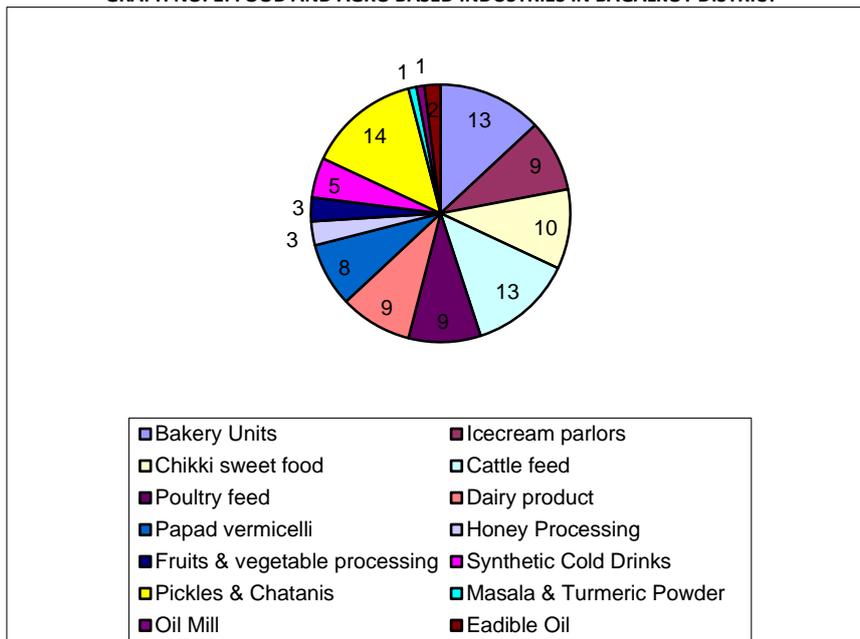
Product	No. of Units
Bakery units	13
Ice-Cream parlors	9
Chikki sweet food	10
Cattle feed	13
Poultry feed	09
Diary product	09
Papad vermicelli	08
Honey processing	03
Fruits and vegetables processing	03
Synthetic cold drinks	05
Pickles and chutneys	14
Masala and turmeric powder	1
Oil mill	1
Edible Oil	2
Total	100

Source: Office of District Industrial center

This kind of study was necessary to acquit oneself with the nature of the units as well as the extent of difficulties in the management of working capital. The researcher visited not only the enterprises of the above units, but also Government agencies, trade associations, chamber of commerce etc., for collection of the required data.

The table shows that study covered of 100 units of food based industries in Bagalkot District. The product wise classification of units surveyed. They fall into 14 categories, majority of the units engaged in low tech basic like food masala, and turmeric powder, of the units are in the food category. In all category of food like chikki sweet, synthetic cold drinks, pickles and chatanis, which are largely homemade cottage units.

GRAPH NO. 1: FOOD AND AGRO BASED INDUSTRIES IN BAGALKOT DISTRICT



From the above table we infer that the clusterization of units requiring low technology has taken place. On the other hand, the high technology food processing units have not yet made their in roads in Bagalkot District. Hence, most of the entrepreneurs seem to be following the path of safety rather than risky and trying to play the business game safely.

Since concentration process is absolutely necessary for all the agricultural products, its distribution channel involves a large number of marketing middleman or market functionaries. This is inevitable in the marketing of agricultural products. This is one of the reasons for the agricultural product between what the primary producer get and the final consumer pays for it.

2. MINIMUM CASH BALANCE PER MONTH

One of the most important functions of the business unit is to maintain sufficient liquidity to enable the firm to pay off its obligations when they fall due. The frequency of conversion of input into finished products with more frequent turnover rate, the lesser will be the cash requirement. In other words, the shorter the operating cycle period, the lesser will be the cash requirements.

Minimum cash balance required also depends upon the synchronization of receipts and payments. If there is an ideal situation where all receipts and payments have been synchronized business can operate with a minimum cash balance.

TABLE NO. 2: MINIMUM CASH BALANCE PER MONTH

Amount	Hunagund	Mudhol	Jamakhandi	Badami	Bagalkot	Bilagi	No. of units
Up to 2,500	0	0	0	0	0	0	0
2,500 – 3,000	2	2	1	2	2	1	10
3,001 – 4,500	0	0	0	0	0	0	0
4,501 – and above	15	5	18	12	10	20	80
Not applicable	1	2	2	1	3	1	10
TOTAL	19	9	21	15	15	22	100

Source: Survey Data

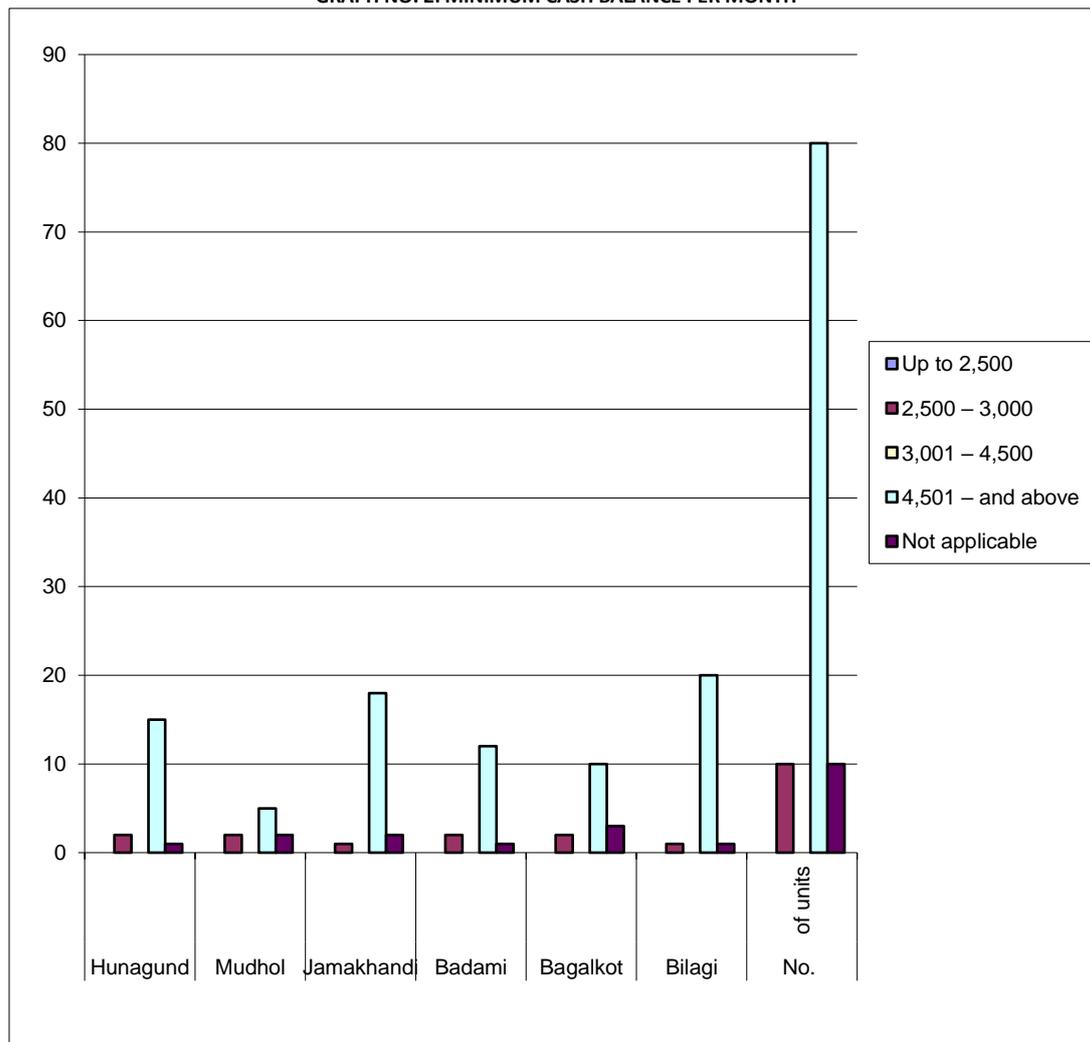
Study reveals that out of 100 units, 10 percent units are maintaining a minimum cash balance between Rs. 2,500 – Rs. 3,000 per month and 80 percent units are maintaining more than 4,500 per month. Remaining 10 percent units are not maintaining exact minimum cash balance.

The table shows maintenance of the minimum cash balance per month in different Taluka’s of Bagalkot Dist. Hungund, Badami Mudhol, and Bagalkot taluk have 2 units each. With minimum cash amount of Rs. 2,500 to 3000 each, while Jamkhandi, Bilagi talukas have 1 unit each, with Cash balance of Rs. 2500 to 3000/- per month.

Out of 80 units maintaining more than 4,500 per month the Hungund taluka has 15 units, while there are 5 units in Mudhol taluk, 18 in Jamkhandi taluk, 12 in Badami taluk, 10 in Bagalkot taluk, and 20 in Bilagi taluk.

Hungund, Badami, Bilagi, Taluk’s have 1 units each. Mudhol, Jamakhandi, Taluks are having 2 units each and Bagalkot, with 3 units come under the “not applicable category”.

GRAPH NO. 2: MINIMUM CASH BALANCE PER MONTH



3. MAXIMUM CASH

Though it is necessary to maintain minimum cash balance to meet business obligations, business units must not hold more than the maximum limit. Higher the amount of idle cash, the greater is the cost of holding in the form of loss of interest which could have been earned either by investing it in some interest bearing securities or by reducing the burden of interest charges by paying off the past borrowings, besides inflationary conditions. Therefore, proper planning is necessary to maintain cash.

TABLE NO. 3: MAXIMUM CASH BALANCE PER MONTH

Amount(Rs.)	Hunagund	Mudhol	Jamakhandi	Badami	Bagalkot	Bilagi	No. of units
Up to 5,000	0	0	0	0	0	0	0
5,501 – 6,000	2	2	1	2	2	1	10
6,001 – 8,000	0	0	0	0	0	0	0
8,001 and above	15	5	18	12	10	20	80
Not applicable	1	2	2	1	3	1	10
TOTAL	18	9	21	15	15	22	100

Source: Survey Data

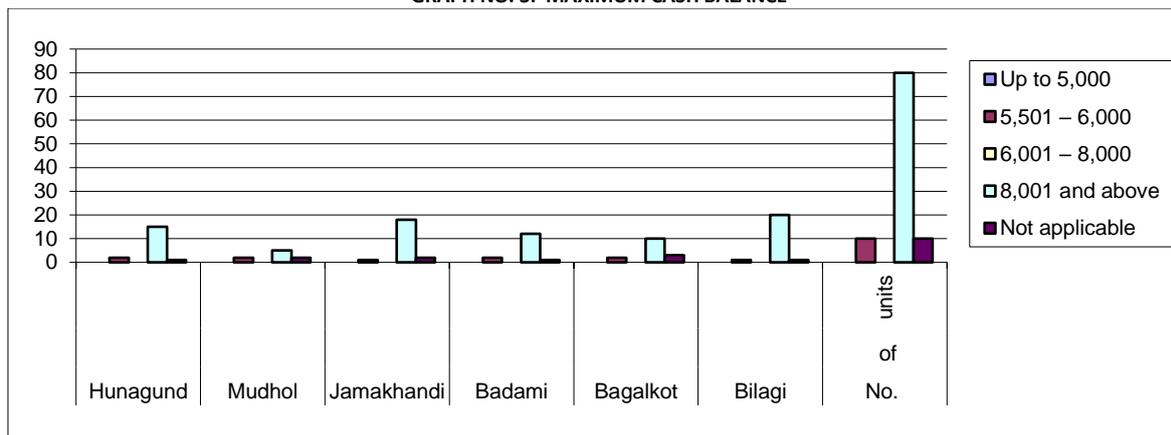
Above table shows that, out of 100 units 10 percent units are maintaining maximum cash balance per month between Rs. 5,001 – 6,000 and 80 percent units are maintaining a maximum cash balance per month more than Rs. 8,000. Remaining 10 percent units are not maintaining minimum or maximum cash balance.

Out of 10 units, Hungund, Mudhol, Badami, Bagalkot talukas are having 2 units each. which are maintaining minimum cash balance between 500 to 6000/- per month.

In case of maximum cash balance per month from Rs. 8001/- and above, Hungund taluka with 15 units, Mudhol with 5 units, Jamakhandi with 18 units, Badami with 12 units, Bagalkot with 10 units and Bilagi with 20 units, have maintained maximum cash balance per month of Rs 8001/- and above.

Of the 10 units, 1 Hungund, Badami, Bilagi, taluks with 1 unit each. Mudhol, Jamkhandi 2 taluks with 2 units each. and Bagalkot. with 13 units come under the “not applicable category”.

GRAPH NO. 3: MAXIMUM CASH BALANCE



4. DETERMINATION OF LEVEL OF INVENTORY

Inventories will have their own systems and standards of manufacturing the level of inventory irrespective of the level of raw material supply and quantum of the finished goods produced. Some industries requiring a quite lengthy time for the conversion of raw material, into finished goods. The requirement of raw material will be more if the process of manufacture is lengthy and vice-versa. The inventory of a concern constitutes raw material, work in progress and finished goods. Table indicates that out of 100 units, in case of 70 units owner/entrepreneur will decide the level of inventory. In 10 percent units manager will decide the level of invest in case and the remaining 20 percent units they are not maintaining the level of inventory due to their ignorance of maintaining the level of inventory.

TABLE NO. 4: DETERMINATION OF LEVEL OF INVENTORIES

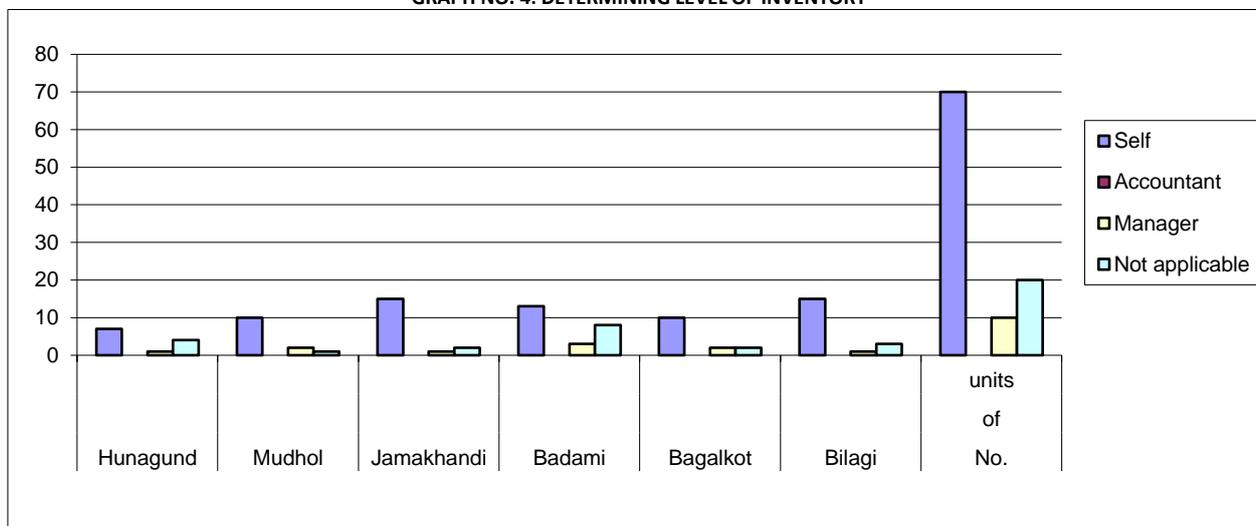
Persons	Hunagund	Mudhol	Jamakhandi	Badami	Bagalkot	Bilagi	No. of units
Self	7	10	15	13	10	15	70
Accountant	0	0	0	0	0	0	0
Manager	1	2	1	3	2	1	10
Not applicable	4	1	2	8	2	3	20
TOTAL	12	13	18	24	14	19	100

Source: Survey Data

The above table shows that, ‘self’ determination of level of inventories is indicated by to respondents units, of which, Jamakhandi and Bilagi have 15 units each while. Badami with 13 units, Mudhol and Bagalkot with 10 units each and, Hungund with 7 units are involved in ‘self’ termination of level of inventories. Manager to determine level of inventory, in 10 units of which Badami has 3 units, Mudhol and Bagalkot 3 units each. Hungund, Jamakhandi, Bilagi talukas have 1 unit each.

Badami taluka having 8 units, Hungund 4 units, Bilagi 3 units, Jamakhandi and Bagalkot 2 units each, and Mudhol with 1 unit belong to category of ‘not applicable’ group.

GRAPH NO. 4: DETERMINING LEVEL OF INVENTORY



5. RECEIVABLES MANAGEMENT PRACTICE

With the advent of Industrial Revolution, production was carried in large scale with the help of latest machineries. Present entrepreneur problem is not the production. But the marketing of such products at the appropriate price to get a margin of profit. In order to attract the potential customer’s varieties of goods has been produced which increases the competition, among the manufactures. To overcome such though competition, entrepreneur is forced to sell goods on credit also other than cash. It is clear that sale is the primary criteria on which the survival of firm depends.

Following table makes it clear that out of 100 units only 10 percent units are selling cash, 10 percent units are selling on credit and 80 percent units are selling both for cash and credit. In other words, more than 80 percent of 100 units are selling both for cash and credit. Hence, credit sales are dominant in small-scale food and agro industries of Bagalkot District.

TABLE NO. 5: METHODS OF SALES ADOPTED

Method	Hunagund	Mudhol	Jamakhandi	Badami	Bagalkot	Bilagi	No. of units
Cash sales Only	2	2	2	1	2	1	10
Credit sales Only	1	2	3	1	1	2	10
Cash and Credit sales	10	15	10	20	20	5	80
TOTAL	13	19	15	22	23	8	100

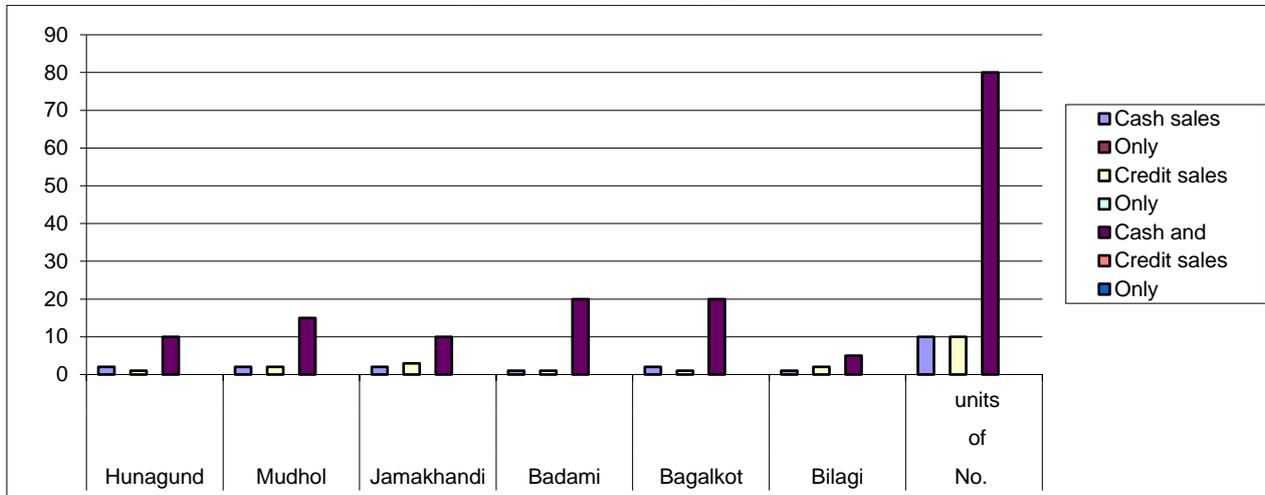
Source: Survey Data

The above table shows that methods of sales adopted 64 units in different taluka's of Bagalkot Dist. Of the 10 units "cash sales only" is adopted by 2 units in Hungund, 2 in Mudhol, 2 in Jamkhandi, 1 in Badami, 2 in Bagalkot and 1 in Bilagi.

In 'credit sales' adopted by 10 units, 1 unit each in Hungund, Badami, and Bagalkot, taluk's 2 units each in Mudhol and Bilagi and 3 in Jamkhandi are covered as reported by respondents.

'Cash and credit sales' adopted by the 80 units, include 10 units each in Hungund, and Jamkhandi, 20 units each in Badami, Bagalkot and 15 in Mudhol, and 5 in Blagi.

GRAPH NO. 5: METHODS OF SALES ADOPTED



CONCLUSION

The progress of small-scale industry in India has been quite low. Less than 50,000 in the early Sixties the registered small-scale units have by now exceeded 5,00,000. Including unregistered units; their number is estimated to have crossed 10 lakhs. The govt. of India has formulated a number of schemes for the development of Agro based industries; State Govt. are still to take up suitable policy measures for promoting the food processing industry which has tremendous scope for employment and export. In this direction, the Government of Karnataka has established with joint venture of Government of India in 1967. That is "Karnataka Agro Industries Corporation Ltd."

An analysis of the majority of food and agro industries of Bagalkot district under examination shows that attempt has been made to fill up the gap created by the decline in bank credit by resorting to other borrowings. But the other borrowings have not been able to compensate fully the decrease in bank credit. As a result, the share of short-term borrowings in the total working capital is less. The necessity for some kind of restraint on the availability of bank credit was felt by national credit council study group.

It has been found that in the absence of any restraint on bank credit, industry used to avail bank credit much more than justified by their production performance. An excessive dependence of industry on bank credit for working capital requirements is undesirable and industry must find alternative means particularly long-term sources capital market for meeting a large portion of working capital.

In order to discourage the speculative holding of necessary commodities under selective credit control only 7 percent to 8 percent of total working capital advances go to the food units.

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AGRICULTURAL CREDIT POLICY - NEED FOR RETHINKING

Dr. MANISHA PATHAK
PROFESSOR
DEPARTMENT OF ECONOMICS
GOVERNMENT POST- GRADUATE GEETANJALI GIRLS COLLEGE
BHOPAL

ABSTRACT

Agricultural credit is the most important input in development of Indian agriculture. In post-independent India, Policy of supplying agricultural credit through cooperatives was initiated. It was substituted by multi-credit policy. The major flaw of multi credit policy is that it looks to agricultural credit policy only from the supply side. There is a need to create a suitable agricultural credit policy and to look at the problem from demand side as well. There is thus an urgent need to think about changing agricultural credit policy as it is today. An attempt has been made in the paper to do the same.

KEYWORDS

agricultural credit policy, non-viable farmers, farmers indebtedness, corporate farming.

JEL CODE

Q14

INTRODUCTION

An Indian aphorism in verse tells a farmer that only that village is fit to live in, where there is a money lender from whom to borrow at need, a Vaid to treat in illness, a Brahmin priest to minister to the soul and a stream that does not dry up in summer.

This ancient wisdom, codified in form of an aphorism, clearly lays down the importance of agricultural credit, in whole gamut of increasing agricultural production and keeping a farmer happy. This ancient Indian wisdom regarding agricultural credit was true, is true and shall remain true for foreseeable future. Agricultural credit is, thus, life blood of whole agriculture sector. A sound economic framework for increasing agricultural production and keeping farmer happy must therefore provide, along with other factors, a sound agricultural credit policy. It is really unfortunate that we are still in search of a sound agricultural credit policy.

OBJECTIVES OF THE STUDY

1. To examine agriculture credit policy in India over the years.
2. To suggest a framework for reforming agriculture credit policy in India.

RESEARCH METHODOLOGY OF THE STUDY

Study involved careful analysis of secondary data with respect to agriculture policy of India over the years. Data available in Economic survey of India and various reports have been used for analyzing the agriculture credit policy and finding out shortcomings so that they can be overcome in the suggested framework.

PRE-INDEPENDENCE ERA

In pre-independent India, there was no agricultural credit policy. It, however, does not mean that nothing was done in field of agricultural credit in pre-independence era. Some efforts were of course, made but they were for administrative convenience rather than as a part of clear thought out policy. In pre-independence period efforts were confined to controlling money lenders. At the same time efforts were made to provide credit to farmers through government machinery under Land Improvement Loans Act, 1883; Agriculturists Loans Act, 1884; (known as Taccavi Loans) and through co-operative movement for which Act was passed in 1904 and then amended by Act of 1912. Also Reserve Bank of India established a separate department to provide short term financial accommodation, at concessional rate, to State Co-operative Banks. Needless to say that pre-independence efforts were miserable failure in solving credit problems of cultivators. Money lender flourished notwithstanding all legislative measures to curb his activities and no dent could be made on problem of rural credit.

FORMULATION OF POLICY

In post-independence India, right from the beginning, efforts were made to evolve a right type of agricultural credit policy. In the year 1951-52, the Reserve Bank of India, did a fine job by appointing a Committee of Direction of the Rural Credit Survey, which recommended for the first time a precise agricultural credit policy. Integrated scheme of rural credit, as the policy was named, was based on principle of state participation in providing agricultural credit through cooperative institutions.

By the year 1969, the All India Rural Credit Review Committee admitted that integrated scheme of 1951-52 substantially failed to materialize because of continued ailments of co-operative sector. The continued ailments of co-operative sector forced on government in later half of sixties, a reorientation of its agricultural credit policy. The emphasis now shifted from co-operative to multi-agency credit. The multi-credit idea is based on the principle that all credit institutions should be brought into the picture so that they may collectively bridge the rapidly widening gap between supply and demand of agricultural credit.

Policy of multi-credit agency in the area of agricultural credit has continued since then. It has been further reinforced by nationalization of commercial banks on 19th July, 1969 and then involving commercial banking sector in task of providing agricultural credit. In addition, supplementary and complementary efforts have been made from time to time to give more impetus to the Policy, like establishing Regional Rural Banks in the year 1975 and National Bank for Agricultural and Rural Development (NABARD) in July 1982, introduction of Kisan Credit Card Scheme in 1998-99, Self Help Group (SHG) Bank linkages Programme for Micro Finance, etc. No doubt multi-credit agency policy has made some dent on problem of agricultural credit in sense that share of institutional credit in total agricultural credit have increased from 7.3 per cent in 1951-52 to 72.0 per cent in the year 2012 as can be seen from Table-1.

TABLE 1: A COMPARISON OF INSTITUTIONAL AND NON-INSTITUTIONAL CREDIT OVER THE YEARS¹

YEAR	INSTITUTIONAL CREDIT	NON-INSTITUTIONAL CREDIT	TOTAL
1951-52	7.3	92.7	100
2002-02	57.1	42.9	100
2011-12	72.0	28.0	100

¹ Table 1 Sources: 1. Economic Survey, 1998-99 and 2010-11, 2. NSS 59th Round

Notwithstanding some increase in percentage of supply of agricultural credit through institutional sources, as mentioned in previous paragraph, problem of agricultural credit still persists. The problem was nicely summarized by All India Rural Credit Committee Report, submitted in 1954, as follows:-

- (a) "Agricultural credit that is supplied falls short of right quantity", that means, demand for credit is more and supply is less,
- (b) "is not of right type", that means, large portion of it comes from non-institutional sources,
- (c) "does not serve right purpose," that means, large portion of it is used for non-agricultural purposes, and,
- (d) "by criteria of need, not overlooking to criteria of creditworthiness often fails to go to right people," that means, those in real need of credit do not get credit.

Note:- Above words within inverted commas are from All India Rural Committee Report.

From what has been said above, it is clear that though more than six decades have passed after attaining independence, we have not been able to solve the problem of agricultural credit in India. This is one of most important reasons for various problems faced by agricultural sector and sufferings of large number of farmers under yoke of poverty. Even today after lapse of decades of independence, there are news almost every month that some or other farmer has committed suicide because of debt burden. This unfortunate situation calls for an urgent rethinking on the existing agricultural credit policy in India. An attempt may now be made in this direction.

RETHINKING

At the very outset it may be said that it is not true that existing agricultural credit policy has altogether failed. Truth is, it has succeeded only partially because in existing policy attempt has been made to solve the problem only from supply side. Thus, supply side of agricultural credit has no doubt improved. Fatal weakness of existing agricultural credit policy is that it has almost totally ignored demand side of the problem of agricultural credit. There is therefore also urgent need to think over problem of agricultural credit from demand side and then amend existing policy on this basis.

Looked from demand side of agricultural credit, farmers who take credit can be divided into two categories. In first category comes those farmers who are financially sound and viable, are in a position to get desired amount of credit on basis of their sound economic position or/and because of their clout in administrative system or/and political system. For this category of farmers, getting over command of credit is no problem. They can get such quantum of credit as they like and use it even for non-agricultural purpose. In other words, this category of farmers have no problem from demand side of credit. The problems that are created in whole gamut of agricultural credit by this category of farmers are: not repaying institutional agricultural credit due to them for repayment; on time and adopting pressure tactics for reduction of rates of interests and/or for writing off the debt they owe to credit agencies. This does not require change in agricultural credit policy but calls for change in administrative methods and political culture prevailing in Indian society.

On demand side of agricultural credit, real problem is for second category of farmers, that is for those farmers who are not financially viable today nor they are potentially viable. This category of farmers urgently need credit not only for continuing the farming but also for bare survival as human beings, but the problem is they are not in a position to repay back principal amount nor are in a position to pay interest. It is this category of farmers who need appropriate changes in agricultural credit policy for survival. At the same time, it has to be clearly understood that these are those who are far below the economic size and thus cannot be rehabilitated in agriculture by any credit or extension service under set up prevailing today in Indian agricultural sector.

In a capitalist country, no one ever think about providing agricultural credit to this non-viable category of farmers. For example, in United States of America, agricultural credit is not provided to this non-viable category of farmers. Of course it is provided to potentially viable farmers through Farmers Home Administration, at concessional rate, for short period, till they become viable and thereafter they have to depend on credit on commercial basis through banking sector. In Indian situation, where a large chunk of population is surviving on non-commercially viable farming, it is not possible to deny totally agricultural credit to this chunk of the population. From this angle, there is thus an urgent need to reshape our agricultural credit policy from its demand side.

From the analysis made as above, it appears necessary that we should reshape our existing agricultural credit policy, from demand side, keeping in view following two objectives:-

- (a) agricultural credit should be made available to each and every non-viable farmers (It is estimated about 62% of all farmers are nonviable having an average of 0.4 hectare of land in 1995-96 - Source- Indiastate.com²) in such a manner that will help him/her to carry out farming at current level and to survive along with his family as human being, and
- (b) Simultaneously a system should be gradually developed so that, in due course, such a farmer and his farming is transferred to a commercial agricultural operation.

Keeping in view the above two objectives, there is an urgent need to reshape our agricultural credit policy somewhat on lines, as follows:-

- (a) for supply of agricultural credit to non-viable farmers a separate institution will be established or one of the existing credit institutions can be assigned this task. This institution will identify non-viable farmers³ and will ensure to supply agricultural credit without any interest to such farmers as and when demanded by them. Quantum of such credit will depend on size of agricultural holding possessed by the farmer,
- (b) beneficiary farmer will be required to repay back only eighty per cent of the credit on the repayment date for purpose of final settlement of debt. Remaining twenty percent of debt burden and whole of interest burden will be borne by the society at large through the government,
- (c) in case the beneficiary farmer fails to repay the agricultural credit supplied to him as mentioned above, wholly or in parts, even after lapse of six harvesting seasons or three years from date of receipt of first installment of agricultural credit, the ownership of farm will be transferred to a company created for this purpose and in lieu of this he will be made shareholder of this company. The value of each such share will be determined by the market price of his holding on date of this transaction. The farmer will be entitled to dividends on shares declared from time to time as per law in this regard,
- (d) company/ companies established for this purpose will be in private sector as per provisions of companies law and shall carry out all agricultural operations, that is, production, processing, storage, transport and marketing so that whole agricultural operation is on large scale and it is able to reap benefits of scale. The company will be owned by shareholders but it will be promoted and managed by professionals, as per company law in force. Non-viable shareholder farmer will get preference, in matter of employment in this company over others provided he/she has necessary competence and capacity to perform the job irrespective of age constraint, if any.

If the agricultural credit policy is suitably amended keeping in view suggestions made to correct it from demand side of agricultural credit, as above, it is likely to solve the problem of agricultural credit to a very large scale. Agriculture sector will be able to reap a number of benefits, some of which are being mentioned below as examples:-

- (i) all non viable farmers will be in a position to get credit through institutional source;
- (ii) repayment of twenty percent of credit and full burden of interest will be borne by society at large through government;
- (iii) even when farmer totally fails to repay loan and interest, he will not be totally alienated from his land. He will continue to hold the same as non-viable farmer shareholder. It is well known that Indian farmers are strongly sentimentally attached to the land they own ;
- (iv) through this scheme, it will be possible to convert gradually subsistence farming in to commercial farming;
- (v) not force farmer to commit suicide just because of credit; and
- (vi) such a policy will also be in conformity with Indian philosophy of development, namely, Sabka saath, Sabka vikas.

There appears, therefore, an urgent need to have a rethinking on the agricultural credit policy as is being implemented today, somewhat on lines mentioned above.

² : <http://www.indiastat.com/india/showdata.asp?secid=1299&ptid=153&level=3>

³ Table 2 Sources: Ministry of Agriculture, Annual Report 1994-95 and Agricultural Statistics at a Glance(2012)

Figures in column 4 have been estimated on the basis of columns 2 and 3.

CONCLUSIONS

Agriculture credit policy in India has not been able to serve its purpose leading to agrarian crisis. There is a urgent need for rethinking. The agriculture credit policy must be redesigned from demand side. If the agricultural credit policy is suitably amended keeping in view suggestions made to correct it from demand side of agricultural credit, it is likely to solve the problem of agricultural credit to a very large scale and agriculture sector will be able to reap a number of benefits.

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THE EFFECT OF IMPLEMENTATION OF TRAINING AND REPOSITION: THE ROLE OF HUMAN RESOURCES TO THE COMPETENCE AND PERFORMANCE OF EMPLOYEES

FADLI HAVERA

STUDENT

SEKOLAH TINGGI ILMU EKONOMI (STIESIA)

SURABAYA

ISMAIL NAWAWI

PROFESSOR

UNIVERSITAS ISLAM NEGERI SUNAN AMPEL

SURABAYA

KHUZAINI

SR. LECTURER

SEKOLAH TINGGI ILMU EKONOMI (STIESIA)

SURABAYA

SOLIMUN

SR. LECTURER

UNIVERSITAS BRAWIJAYA MALANG

JAWA TIMUR

ABSTRACT

Many theories of human resource development and the results of previous studies stated that education and training is very beneficial to the organization, to realize the competitive advantage that is not easily imitated for its competitors, and for employees/employees to improve work benefits and close the "gap" between the skill or ability in the context of efficiency and effectiveness. To improve the competence of employees in the East Java Provincial Social Service obtained through the implementation of social work training and repositioning of the HR role that employees were given new duties and responsibilities at different places in order to enrichment experience (tour of duty or a tour of the area). Therefore the aim of this study to analyze the concept of human resource development through the implementation of the training, the repositioning of the role of human resources in order to improve the competence of employees in order to realize the performance of employees. Furthermore, to test the hypothesis proposed five used path analysis method or path analysis, to test the model of the relationship between the study variables either directly or indirectly. The research results as follows: first, implementation of training has a direct and significant effect on the competence of the employees. Second, the repositioning of the role of HR has a direct and significant effect on the competence of the employees. Third, implementation of training has a direct and significant influence on employee performance. Fourth, repositioning the role of HR has a direct and significant influence on employee performance. Fifth, Competence has a direct and significant influence on employee performance.

KEYWORDS

training, repositioning the role of human resources, employee competence and employee performance.

JEL CODES

M53, P36, O15.

INTRODUCTION

Governmental organizations these days, especially since the enforced use of performance-based budgeting, viewed from the aspect of government management have been many changes and improvements, including aspects of human resources (HR). It is recognized that human resources is a source of competitive advantage of the most dominant and never outdated, meaning the organization's success in managing human resources in order to have a standard of competence required will produce a competitive advantage that is not easily imitated by competitors, Prefer (1995) in Fuad (2003). Besides, HR Employee also has a very important role because they are responsible for formulating strategic plans organization as the basis for the preparation of programs and activities of the organization.

Innovative organization and competitiveness efforts are needed to build a sharing knowledge with the main actors are human. This is in line with the opinion of Nawawi (2010:37) that the benefits for people (employees) who have and share knowledge, the employee is able to respond to opportunities quickly and innovative in order to achieve success/performance of the organization, because with advanced facilities and complete not guarantee the success of the organization when without a balanced and supported by the quality of human resources that will use the facility.

Social institutions on all levels, including the Social Service of East Java Province, perform basic tasks effort social services and social institutions to provide and make individuals and groups in achieving a satisfying life so that the results can reduce the number of destitute families, Pramuwito (1996:26). In the framework of the competencies required of HR employees or professional social workers with a scientific background supported social welfare in accordance with the task at hand, as someone who works in the social institutions (public and private) should be competent social work. The competencies acquired through formal education, technical training, and experience of social work practice to perform the duties of care and handling of social issues (Profile Books East Java Provincial Social Service, 2013).

As for the performance of the Social Service of East Java Province, can be seen in government performance accountability reports (LAKIP). Performance management is within the scope of social welfare issues (POM) that results/achievements of the organization's work in quantity and quality through employee performance in carrying out their duties and functions in accordance with the responsibilities given to him. Kita

Based on the data civil servants (PNS) within the Social Service of East Java province with the background of general education or social welfare non around 80% and which has a social welfare science < 20%. Such conditions affect the level of competence which should be owned by employees and ultimately have an impact on the performance of employees and organizations. To solve the problem that one of the strategies to do the organization as stipulated by the Law of the Republic

of Indonesia Number 11 Year 2009 on Social Welfare in the third chapter that social welfare workers is an educated and trained professionals to perform the duties of care and handling of social problems.

Furthermore, the institutional competence of employees is required to always adjust to the dynamics and expectations of the community in providing good service. Therefore, employees need to be given the task and the different responsibilities for enrichment experiences (tour of duty or a tour of the area), in the form of repositioning (change) role in the internal environment of the organization both horizontally and vertically.

RESEARCH PURPOSES

As for research purposes, to: (1) Examine and analyze the influence of the Implementation of Training on Competency Employee, (2) Examine and analyze the influence Repositioning the Role of Human Resources of the Competence Employee, (3) Examine and analyze the effect of implementation of training on employee performance, (4) Testing and analyze the role of HR Repositioning on employee performance, (5) Examine and analyze the effect on the performance Competence of employees at the Social Service of East Java Province.

THEORETICAL FRAMEWORK

IMPLEMENTATION OF TRAINING

Basically, training is a continuous process and the implementation always adjusts to the changes and development of society, including the development of the science and technology. Employee development through education and training refers to the potential that the individual employees have, so that its potential can grow and develop into an ability to carry out the task/job responsibility. Therefore, the implementation of the training must be structured and based on scientific methods and are guided by the skills needed now and in the future, Ardana et al., (2012:91). Training is a process in which workers learn the skills, attitudes, and behaviors required to carry out the job effectively, Wexley and Yukl (1995) for employees who are creative and innovative is a highly profitable investment capital as well as the basis for an organization. Thus employee training is to improve the organization's activities (upgrading) and repair (improving) the competence (competency) of employees, Robbins and Coulter (2004:317).

REPOSITIONING (CHANGES) HR EMPLOYEE ROLE

Furthermore, in order that the organization is able to adapt to change and the dynamics of society, one of the organization's policy is to implement the repositioning (changing) role of HR employees, because the real existence of the organization that is well able to formulate strategies and policies of rapid, accurate and effective through the placement of HR employees as actors organization that contribute directly to any program activities and service activities related to handling problems with humans. In this context preffer (1995) found that the organization be successful if it can quickly change its strategy in action, can manage human resources efficiently and to maximize the contribution and work commitments.

EMPLOYEE COMPETENCE

Governmental organizations in order to succeed in providing public services should have a competitive advantage in the field of human resources, in addition to management practices oriented to transparency, and focus on change, innovate continuously Barbey (2000). Thus, the organization called learning organization that is effective, that is, organizations that are always moving dynamically build capacity, adapt and transform themselves continuously, Nawawi (2010:217), and in turn is able to adapt to the culture and new situations

Competence is basically something that should be owned by the individual employee and attached to the behavior, and can be measured by the ability, skills, and knowledge for competence is a basic characteristic of someone who lets give superior performance on the job, role or certain situations, Nick Boulter *et al.*, (2003:41). Therefore, the competence needed in every process of development of human resources, in addition to communicating the values and standards, analyze and improve your organization's culture. Spencer and Spencer is quoted Wibowo (2009: 111) argues that competence is the basic foundation of his characteristics and indicate how to behave or think, equating the situation, and support for a period of time long enough.

EMPLOYEE PERFORMANCE

Performance of employees in the organization leads to the ability of employees to carry out the overall duties which they are responsible is based on indicators of success were set to know someone is at the level of specific performance. Bernadin and Russel (1999:379) argue "Performance is defined as the record of the outcomes produced on a specified job function or activity during a time period" that the performance is the result of a performance that has been achieved by the employees in accordance with the functions and duties in the period certain. Thus the performance (performance) is the result of the quality and quantity of work accomplished by an employee in performing their duties in accordance with the responsibilities assigned to him, Mangkunegara (2005:67). There are two factors that affect performance, sourced from within the individuals named by individual variables (such as: the ability, experience, and motivation) and sourced from outside the so-called situational variables (such as: leadership, structure, resources and rewards), Robbins (1996:109). To realize high performance and maximum, necessary to fit or match (matching) between the competencies of individuals with job competency or task in hand, because the job competency (job competency) has a very important role and can be used as the basis for deciding an employee positions.

PREVIOUS RESEARCH

Past research can be used as a reference and comparison in a comprehensive and competitively on the object of study in accordance with the variable observed, among other things: 1) Boahin, Peter and Hofman, (2013), "perceived Effects of Competency - Based Training on the Acquisition of Professional Skill", Results of the study: that the implementation of training using modular construction material has very significant direct effect on the skill of the employee / employee (professional skills), 2) Alainati, Shaikhah; Sarmad and al Shawi, Wafi al Karaghoul, (2010), "The Effect of Education and Training on Competency" The results that the training effect or no direct positive effect on the competence of individual employees, 3) Li Jin, Huang Ju, ZhiQiang Liu, Hong Zhu, and ZhenyaoCai (2012), The Effects of Employee Training on the Relationship Between Environmental Attitude and Firms' Performance in Sustainable Development. Employee training as part of human resource development directly affect/positive to performance in sustainable development. 4) Amelia, Carr, SenthilMuthamy, Charles Owens, (2012), "Strategic Repositioning of the Service Supply Chain". Results: The essence repositioning strategy requires a broad-scale changes in the entire operations of the company, the repositioning is not only important to know the changing environment and the ability of the company, but also of how the company is able to distinguish the HR and maintain their skills in a new position, 5) Talukder, AKM Mominul H (2011), "Strategic Job Analysis and Competency Modeling in HRM". Results: (1) there is a significant correlation between the performance appraisal and competency selectio process, (2) Managers in providing (reward), according to the organization's needs, 6) Mohd Noor KhairulBaharin&Dola lunar, (2012), "Leveraging To Maximizing Training, Performance And Potential Employees Benefits". Result: Institutions/ organizations must be well planned and sustainable implement training, because training had a positive impact on performance. Training is not only able to increase the Knowledge, Skill, and Attitude and the competence of individual employees, but more importantly training can improve morale. With competency and moral owned, the employee can perform the job effectively and efficiently, in turn, many organizations make a profit and benefit, 7) Nassaji, Aidah (2013), "Effects of Training on Employee Performance". Results: (1) training of employees has a very important role to improve employee performance in line with increased productivity, (2) it is important to put the organization in a good position in the face of global competition, so that the organization remains at the top level.

HYPOTHESIS

1. Implementation Training significant effect on the competence of employees.
2. Repositioning the role of HR significant effect on employee competencies.
3. Implementation Training significant effect on the performance of employees.
4. Repositioning the role of HR significant effect on the performance of employees.
5. Competence effect significantly influence employee performance.

RESEARCH METHOD

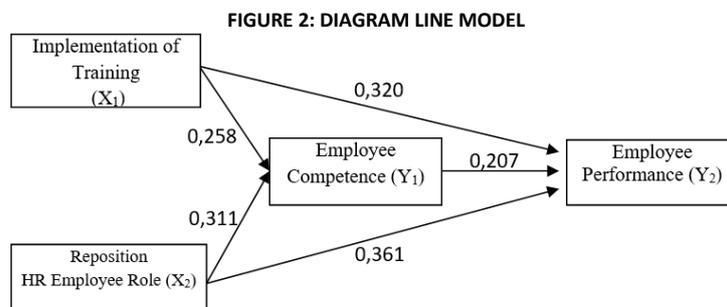
This study included an explanatory research, which explains the subject of a causal relationship between the variables through hypothesis testing. Format explanation is meant to describe a generalization sample to the population or to explain the relationship, differences or the effect of one variable to another variable, Burhan (2010:38). The population in this study are civil servants (PNS) which have the educational background strata one and two as many as 305 (three hundred and five) employees. After referring to the characteristics of the population known to many as 112 people. The amount is sampled by the sampling technique used purposive sampling. Furthermore, the data and information collected through questionnaires (after validity and reliability) data analysis and processing is done by using path analysis techniques.

RESULTS AND DISCUSSION

TABEL 1: STRUCTURAL EQUATION MODEL REGRESSION COEFFICIENTS

Variable	Standardized Coefficients Beta	T-Score	Significant score	Information
Employee Competence				
Implementation of Training	0,258	2,108	0,037	Significant
Reposition HR Employee Role	0,311	2,541	0,012	Significant
R	0,533			
R Square	0,284			
F	21,631			
Significant	0,000			
Employee Performance				
Implementation of Training	0,320	3,377	0,001	Significant
Reposition HR Employee Role	0,361	3,777	0,000	Significant
Employee Competence	0,207	2,852	0,005	Significant
R	0,769			
R Square	0,591			
F	51,998			
Significant	0,000			
N	112			

Based on Table 1 note the significant value of each variable with α (0.05), the significant value of the variable implementation of education and training (X_1) to variable employee competence (Y_1) (0,037) variable and reposition the role of HR (X_2) to variable employee competence (Y_1) (0,012) value of these two variables $<\alpha$ (0.05) means significant. Furthermore, the significant value of the variable X_1 employee performance (Y_2) (0.001) and X_2 to Y_2 (0,000) variable Y_1 to Y_2 (0,005). The significant value of these three variables $<\alpha$ (0.05) means significant. In other words, there is influence of X_1 to Y_1 , X_2 to Y_1 , X_1 to Y_2 , X_2 to Y_2 and Y_1 to Y_2 . After the regression coefficient results is known in Table 1, then constructed the path diagram as Figure 1.



DISCUSSION

1. The Influence of Implementation of Training through Employee Competence

The analysis showed that the implementation of the training is measured by three dimensions: 1) Dimensions of training material, 2) Dimension training process, and 3) Dimensions of the results of training, can improve the competence of employees and implement it for the implementation of tasks or work more effectively and efficiently.

Technical Implementation Unit Development of Social Welfare Workers (UPT PTKS) as responsible for the technical implementation of the training staff of the Social Service of East Java Province, has according to standard operating procedure (SOP). As a result, employees were able to perform their duties and work based on the knowledge and practice of social work. This is consistent with the opinion of Nawawi, (2003) theory of education and the economy that the implementation of the training contains three paradigms, among other things: 1) the paradigm of an increase in knowledge or insight (set out), 2) the paradigm of development skill (ready to work), 3) paradigm doubles as a combination of both, that the implementation of the training should be able to increase the maturity of thinking and need oriented.

The results of this study support and extend the results of research conducted earlier researchers, among others: Boahin, Peter and Hofman (2013) that one feature of the implementation of good training, the learning process using the module, and the result has a direct effect very significantly to the skill of the employee / employees (professional skills). Furthermore, the results of research conducted Shaikhah Alainati *et al.*, (2010), that a training effect on the competence of individual employees and in turn will affect the existence and success of the organization. Agus research results Sutiyo (2010), states that the implementation of competency-based training is a process and assist employees in order to obtain the effectiveness of job duties and responsibilities today and in the future through the development of concepts and thoughts, knowledge, and attitudes and actions. Each employee abilities can develop more optimal, efficient in their work and the result is more effective when before carrying out the main tasks and responsibilities they get training tailored to the needs of the organization.

2. The Influence of Reposition HR Employee Role Through Employee Competence

The analysis showed that the repositioning of the role of HR measured in two dimensions: 1) Dimensions of the role change, a change in the position of experienced employees from an existing position to a different position or new to the enrichment experience (tour of duty or a tour of the area) in the Department of Social Welfare East Java province in order to improve their competence, and 2) Dimension transformation, a process of change that occurs in an employee in a new place, so with the awareness and the will itself is concerned is able to imitate the way of thinking of innovative, creative, and how to work productively from employees who are in their environment. Thus, the repositioning of the role of HR can improve the competence of employees in the Social Service of East Java province, when the implementation is done at the right time, well-planned and sustainable in accordance with the development, the needs and dynamics of society. This is in line with the theory of Schuller and Jackson (1996), that the ability of an employee can be increased through efforts to reposition the role of HR indicators: 1) Definition of roles, their new role of HR as a result of the repositioning, 2) Definition of transformation, their ability, ways of working, a new way of thinking of the HR Employee.

The results of this study extend previous studies conducted Amelia Carr *et al.*, (2012) that in the context of the organization in profit or corporate strategy of repositioning the role of HR essence requires scale sweeping changes in the entire operations of the company, since the implementation of the repositioning it must keep abreast of market needs and abilities the industry itself. Repositioning the role of HR is not only important for the adjustment of the changing environment and the company's ability, but how companies can build trust, and eventually was able to distinguish the HR and maintain their skills in a new position.

3. The Influence of Implementation of Training Through Employee Performance

One characteristic of a productive and professional employees in the Social Service of East Java province are employees who have the ability (knowledge and practice) of social work in the performance of duties and work. Training conducted in the framework of updating the knowledge, skills and attitudes of employees in accordance with the organization's needs, changes and dynamics of society. This is in line with the theory developed Mondy and Noe (1999) that in order to improve employee performance, the organization conducts planned and sustainable effort through training programs, education and development. Therefore, the implementation of good training is training that is oriented to the needs of the organization, programmatic and sustainable is a strategic component in order to achieve organizational goals.

The results of this study support and extend the results of previous studies, Li Jiet *al.*, (2012), that employee training is being implemented consistently have direct and positive influence on the performance of companies in sustainable development. Furthermore, empirical results of this study prove that employee training is an important factor of sustainable development of human resources so as to provide a direct and positive effect on company performance. While the research results Nurhalis (2007) states that training followed terhapap employee has a positive influence employee performance, especially technical training should be more frequently performed on employees. Noting the results of this study as well as referring to the results of previous studies it can be concluded that the implementation of employee training on the performance of employees.

4. The Influence of Reposition HR Employee Role Through Employee Performance

One form of human resource development of employees in implementing policies repositioning or changing role of HR employees, among others, put the right people in place and according to need, so that employees and organizations more productive. This is consistent with the opinion of preffer (1995) that the organization be successful if it can quickly change its strategy in action, can manage human resources efficiently and to maximize the contribution and work commitments. Therefore, in order repositi role of HR in the form of a tour of the area and or tour of duty to improve the performance of employees, the implementation is done in a planned, sustainable and in a timely manner in accordance with the organization's needs as well as considering the development, and community dynamics. Most employees who are repositioning (change) role, do not accept and willing to carry out the task in a new place with good, when in fact employees who undergo repositioning (change) role was in the position of human resource development of employees, because in the new place they expected to be able to imitate the way innovative thinking, creative, and how to work well, so that in turn they are able to work more productively.

The results of this study extend the results of previous studies as was done Amelia Carr *et al.*, (2012), that the company's environmental strategy of repositioning its essence requires scale sweeping changes in the entire operations of the company, since the implementation of the repositioning it must keep abreast of market needs and the ability of the industry itself, Thereby repositioning the role of HR is not only useful to know the changing environment and the company's ability, but also how companies can build the trust of the public and customers, in turn can differentiate human resources and maintain their skills in a new position or unit.

5. The Influence of Employee Competence Through Employee Performance

The results of this study demonstrate that competence (ability) employees is measured by four dimensions: competence technical, managerial, interpersonal, intellectual and required employee in performing their duties and functions, including working on a variety of technical tasks with different occupations. This was in line with the opinion of Robbins (2004) that the competence analogy with the ability that an individual's capacity to perform various tasks in a job.

The results of this study support and extend the results of previous studies conducted Talukder (2011) and Masruhi (2010) that the organization was good and professional, employee / employees have the competency standards in order to realize the vision, mission, and goals of the organization.

Noting the results of the study and refer to the results of previous studies concluded that good organization and professional, HR employee in it has a certain competency standards so mapu realize the vision, mission, and goals of the organization. Competency standards, a statement regarding the implementation of tasks in the workplace depicted in the form of results (output) from the competence of the employees concerned. Therefore, employees who have the appropriate competency standards set will be able to improve performance in pelaksanaan tasks, which they are responsible.

CONCLUSION AND SUGGESTION

CONCLUSION

1. Implementation of training a significant effect on employee competencies, means more training implementation by involving employees in the Social Service of East Java province, the better and the high competence of the employees concerned in the process of implementation of tasks and jobs which it is responsible,
2. The repositioning of the role of HR significant effect on employee competencies, meaning that policy implementation repositioning the role of appropriate human resources and in accordance with the needs of the organization and dynamics of the community, the higher the competence of the employees concerned in the process of implementation of tasks and jobs which it is responsible.
3. The implementation of education and training have a significant effect on employee performance, meaning that the more the implementation of training that included employees in the Social Service of East Java province, the higher the performance of employees concerned in completing the tasks and jobs which it is responsible.
4. Repositioning the role of HR significant effect on the performance of employees, which means that the proper implementation of the policy of repositioning the role of HR, the higher the performance of employees in completing the tasks and jobs which it is responsible.
5. Employee competency significantly influence employee performance, which means that the better or higher the level of competency of the staff of the Social Service of East Java province, the better or higher performance of employees concerned in completing the work and the work which it is responsible.

SUGGESTION

1. East Java Provincial Social Service needs to increase the volume implementation of social work training in the hope the number of employees who have competence increases, so that the implementation of programs / activities in order to better handling of POM and professional.
2. In order for Social Service of East Java province in implementing the policy of repositioning (changing) role of HR employees, implementation programmatically, sustainable and conducted in a timely manner that is in accordance with the dynamics of society and the needs of the organization.
3. Technical Implementation Unit Development of Social Welfare Workers (UPT PTKS) Malang, as a technical agency that has tupoksi implementation of the training, you should have a data base of employee training and sorting these candidates are structured so that the results are in accordance with the needs of the Social Service of East Java Province.

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TRAINING AND WORK ENVIRONMENT FACTORS AS TOOLS FOR MANAGERIAL EFFECTIVENESS: A CASE STUDY OF PHARMACEUTICAL COMPANIES IN LUCKNOW

ANA RIZVI
RESEARCH SCHOLAR
BBD UNIVERSITY
LUCKNOW

Dr. SURENDRA KUMAR
PROFESSOR
BBD UNIVERSITY
LUCKNOW

ABSTRACT

A Manager looks at the personal growth as a motivator for employees, it changes their outlook towards their work, in more than one way, he helps them become more capable and that makes them see the meaningful purpose in coming to work and doing what they do. The most effective means for achieving this is providing training to the employees for the skills required at workplace. Trainings are provided with a view that the employees will be able to transfer the skills learnt to their workplace. Due to the heavy time and financial investments involved in training it is essential to ponder upon the effectiveness of training and consider the impact of work environment factors in training transfer. Through this paper it is an endeavour to bring to the fore the changes in training transfer of Medical Representatives of Pharmaceutical companies in Lucknow considering the various work environment factors affecting their training.

KEYWORDS

training, work environment, managerial effectiveness, workplace.

JEL CODE

M12

INTRODUCTION

Managerial effectiveness refers to performing managerial activities effectively. According to Mumford, "Managerial effectiveness denotes the extent to which managers actually achieve, in terms of results, what they are supposed to achieve." This translates to doing the right thing at the right time. A manager should be intelligent, imaginative and knowledgeable but only effectiveness can translate these into results and make a manager successful. Effective management starts from a personal level and moves to the personnel level. Such managers become role models in their organisation and play a vital role in improving organisational effectiveness. It is a common belief that effectiveness is an inherent quality of executives and cannot be learnt but in reality if this were the case, many organisations would not be able to see successful managers. Thus, managers can also be trained to be effective. Effective managers know the important role knowledge and people play in making an organisation successful.

IMPORTANCE OF THE STUDY

According to Campbell, "Effective manager is said to be an optimizer in utilizing all the available and potential resources". The manager of a company by and large is responsible for the success of any organization. Depending on the kind of organization a manager is involved with different kinds of skills he needs to possess. Due to the various changes taking place in organizations in terms of distribution, size and decentralization, the managers need to be aware and educated in order to be able to handle the competition and situations arising due to it.

An effective Manager looks at the personal growth as a motivator for employees, it changes their outlook towards their work, in more than one way, he helps them become more capable and that makes them see the meaningful purpose in coming to work and doing what they do. The most effective means for achieving this is providing training to the employees for the skills required at workplace. Trainings are provided with a view that the employees will be able to transfer the skills learnt to their workplace. Trainings cannot be carried out in vacuum as every organisation has certain work environment factors that have an impact on training.

LITERATURE REVIEW

In this process around 30 journals related to managerial effectiveness, training, training transfer and work environment were reviewed.

Drucker (1974) highlighted the importance of managerial effectiveness very aptly and said, "Even the most efficient businesses cannot survive, let alone succeed, if it is efficient in doing the wrong things, that is, if it lacks effectiveness". Effectiveness is the foundation of success. Efficiency is a minimum condition for survival after success has been achieved.

Burgoyne (1976) was of the view that there is a need to clearly outline functions of a manager before managerial effectiveness could be defined. A manager's major objective is to achieve organizational goals. In other words, there is a strong emphasis on performance. Typically, managerial performance has been discussed in terms of efficiency and effectiveness. Efficiency is a concept based on the physical and engineering sciences and concerns the relationship between „inputs“ and outputs“. In the organizations, the inputs are the human, physical, and financial resources available to the manager. Efficient managers achieve high levels of output (goal accomplishment) with a given base of input. When managers are able to minimize the cost of the resources used to attain goals, and still attain the goals, they are functioning efficiently. Effectiveness is the degree to which the goals of an organization are met. In essence, effective managers have selected the correct approaches, and therefore, have achieved their goals. It is necessary that a manager needs to be both effective and efficient in his job.

Mohan (1985) opined that numerous researchers have investigated the concept of managerial effectiveness over the years. The dictionary definition of effectiveness is in terms of results or consequences, bringing about effects in relation to purpose and giving validity to particular activities.

Training also can be defined as a planned learning experience for the acquisition of new knowledge, attitudes or skills (David, 1997, Campbell; 1970; Goldstein, 1980).

Transfer of training is the application of learned knowledge, skills and attitudes to the job and subsequent maintenance over time (Cheng & Ho 2001) for the purposes of improving the job performance (Velada & Caetano 2007).

Baldwin and Ford (1988) identified three categories of influences on training transfer;

- (a) individual characteristics,
- (b) training design factors and
- (c) organisational factors

OBJECTIVES OF STUDY

1. To study the work environment factors affecting training transfer and maintenance
2. To find which work environment factors impact training transfer and maintenance of medical representatives working in pharmaceutical companies in Lucknow the most
3. To find out which work environment factors impact the training maintenance of medical representatives working in pharmaceutical companies in Lucknow the most

METHODOLOGY

- **Source of the data:** The study is based on primary and secondary data. The main source of primary data is the medical representatives working in the pharmaceutical companies in Lucknow. The data was collected by administering a structured questionnaire. Secondary data was collected through journals, magazines, company reports etc.
- **Sample design:** Random sampling technique was adopted to select the samples from the study organizations
- **Sample size:** The sample size consists of 203 participants. Having work experience in the field ranging from 0 to 5 years and who have undergone different trainings in their respective organisations.
- **Method of scoring:** Five point Likert rating scale was used in the questionnaire where in the following numbers represent the respective descriptions. 5. strongly disagree 4. disagree 3. neutral 2. agree 1. strongly agree
- **Method of data analysis:** The impact of the work environment factors such as: Employee characteristics, academic qualification, supervisor support and peer support were rated by the participants using the survey instrument and the scores were entered into a regression model to study their impact on training transfer rated by the respondents in the same survey.

These scores were then entered into a hierarchical regression model in order to study the impact of these work environment factors on changes they can bring about in training transfer.

DATA ANALYSIS

Using training transfer as dependent variable and the work environment factors (Employee characteristics, academic qualification, supervisor support and peer support) as predictors.

TABLE 1: HIERARCHICAL REGRESSION MODEL ON TRAINING TRANSFER

	R Square	R square change	Beta Weight
<u>Step 1</u> Employee Characteristics	0.014	0.014	0.119
<u>Step 2</u> Employee Characteristics Academic qualification Supervisor support	0.020	0.005	0.118 -0.033 -0.067
<u>Step 3</u> Employee Characteristics Academic qualification Supervisor support Peer support	0.041	0.021	0.117 -0.018 -0.038 -0.148

- Variance inflation factor (VIF) values for all predictors were well below a cut-off value of 10, indicating no violation of the multi -co linearity assumption (Pallant, 2005).
- In the first step employee characteristics was entered into the model to explain training transfer can explain the r square change was 1.4 % in training transfer
- In the second step when we add academic qualification and supervisory support as predictors for training transfer together the three are able to explain 2 % variance
- In the third step when we enter peer support to the model the predictors explain 4.1 % variance in the training transfer.
- The beta weight (standardised regression coefficient) for employee characteristics in the first step was 0.119.
- The beta weight (standardised regression coefficient) in the second step on adding academic qualifications and supervisory support is changed to 0.118, -0.033 and -0.067 respectively
- The beta weight (standardised regression coefficient) in the third step upon adding peer support was 0.117,-0.018,-0.038 and -0.148 for all the independent variables respectively

RESULT

From this hierarchical regression model find that employee characteristics explain the major part of variability in training transfer alone and also have a positive influence over it. As we added the predictors the r change in the second step was only 0.5 % while beta weights for all other predictors was negative meaning that as there is an increase in these predictors there will be a decrease in training transfer. Thus, employee characteristics are the most important variable to predict training transfer.

CONCLUSION

For improving managerial effectiveness in pharmaceutical companies in Lucknow in terms of the trainings provided to the Medical Representatives in this sector it is important that we keep in mind the employee individual characteristics before designing and imparting trainings as it is the most significant factor when training transfer is concerned. Also we can conclude that the employee qualification is helping them maintain the training imparted so the trainings need to be designed according to the select group’s qualification. This is due to the fact that the single most important factor for the training maintenance is the academic qualification of the employees.

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PROMOTING TOURISM DESTINATION & ELEVATING TOURIST INFLOW WITH SPECIAL REFERENCE TO UTTARAKHAND

SHIKHA CHANDNA
RESEARCH SCHOLAR
JAIPUR NATIONAL UNIVERSITY
JAIPUR

Dr. J. K. TANDON
PROFESSOR
JAIPUR NATIONAL UNIVERSITY
JAIPUR

ABSTRACT

The tourism industry is composed of those sectors of the economy, which provides services such as accommodation, food and beverages, transportation and recreation, as well as the associated distribution and sales services. Tourism is main source for earning foreign exchange, not only to the developing countries but also to many developed countries in the world. Tourism generates employment opportunities, income and also increases the standard of living. Unfortunately, the boundless generosity bestowed by nature upon this state (Uttarakhand) did not receive the desired human touch and attention it desires to make tourists paradise. The main aim of this paper is to find out the problems faced by the tourists in Uttarakhand and to suggest measures to increase the inflow of foreign and domestic tourists in the state.

KEYWORDS

tourism, foreign exchange, employment opportunities, tourist inflow.

JEL CODES

Z30, Z32.

INTRODUCTION

In the recent world, Tourism and the tourism industry have experienced immense growth, increased diversity, and become one of the fastest growing economic sectors in the world. For countries around the globe it has become an industry which has contributed enormously by creating jobs and is also an important source of income generation. Now a day's tourism is budding service industry in India because 20% of revenue generated from movement of domestic tourist who visit spiritual places. More than 70% of domestic tourist choose spiritual places as a holiday destination every year (Cox & Kings 2008-09). Tourism is considered as one of the largest economic activities in the world, and perhaps the largest in the services sector. It is also one of the fastest growing sectors of the world economy.

The present study is about holiday destination with special focus on Uttarakhand. Uttarakhand was carved out of the State of Uttar Pradesh on 9th November 2000 and was the 27th State of India. It is strategically located at the foothills of the Himalayan range. Forming the northern part of the country, it shares its boundary with China, Tibet in the north, Himachal Pradesh in the west and northwest, Gangetic plains of Uttar Pradesh in the south and Nepal in the east. The State of Uttarakhand is a rich repository of natural resources with plenty of water resources, glaciers, and dense forests. Uttarakhand holds immense importance as a religious place and experiences vast inflow of domestic as well as international tourists. Badrinath, Kedarnath, Gangotri, Yamunotri and Haridwar attract regular religious tourists which significantly add to the State economy. The State is divided into two regions i.e. Garhwal and Kumaon and comprises 13 Districts out of which four Districts are in the plains and the other nine are in the hills. Tourism sector is the major contributor to the economy of Uttarakhand, with Raj-era hill stations at Mussorie, Almora, Ranikhet and Nainital being some of the most frequented destinations.

Uttarakhand has often been described as Dev Bhumi which means the "Land of the Gods" in the various religious texts. For most of the tourists the name Uttarakhand is often synonym for tourism as the state has many destinations that have the potential to attract visitors. Uttarakhand as a tourism destination has the unique character of offering something to every tourists for any age group which includes pilgrimage, adventures, trekking, recreation, meditation, leisure to name a few. However, its potential has not been tapped sufficiently. There is a huge infrastructural gap and lack of well-coordinated efforts between public and private players in marketing Uttarakhand as a favorite holiday destination.

OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

1. To ascertain the initiatives taken by the government.
2. To find out the problems faced by the tourists in Uttarakhand.
3. To suggest measures to increase the footfall of foreign and domestic tourists in the state.

RESEARCH METHODOLOGY

The figures in this research paper are mainly based on secondary data collected from the publications and various other means of the Ministry of Tourism, Government of India, Uttarakhand Tourism Development Board, Government of Uttarakhand, United Nations World Trade Organization reports and various other research reports, papers and books. In addition to this, numerous recommendations and suggestions have been proposed in this research paper for the various stakeholders working in the travel and tourism sector in the state of Uttarakhand so that they can identify the factors responsible in developing the tourism sector in the country.

UTTARAKHAND TOURISM

Tourism is a prominent universal recreation movement. Worldwide tourism is striking new achievements year after year. In spite of the confronting circumstances, worldwide tourism is a real paramount exercise because of the fact that it provides roughly five percent of the world's GDP and six percent of the comprehensive exports and engages one out of twelve people in the developed and the developing economics. Over the last few years the state of Uttarakhand has been one of the rapidly flourishing tourism zones in India. If the direction of inbound tourism is noticed it can be observed that in spite of its various tourism destinations Uttarakhand is still not a preferred tourism destination for Foreign Tourist Arrivals (FTAs) and Domestic Tourist Arrivals (DTAs). Additionally in the line-up of top ten tourism sites and states Uttarakhand does not stand anywhere and not even one percent of domestic or foreign tourist visit the state. Even though Uttarakhand

is such a tourism station, which has rare, diversified and ample tourist allures but still it has not been able to fascinate FTAs and DTAs. Even the flow of DTAs is very less the national average of the country.

Uttarakhand as a state has numerous destinations, which are still not, received the attention of the domestic tourists or the foreign tourists in any aspect of tourism industry. The primary reason behind is the lack of the effort on the part of the various stakeholders related to the travel and tourism industry to promote the various destinations of the state to the tourists.

The state of Uttarakhand does not have much in terms of monuments but still there are a number of natural sites can be converted into spots form the tourism point of view but as of now no concrete steps has been carried out in this direction. The state has not made much of efforts to make it's monuments a priority for the tourists.

STEPS TAKEN TO PROMOTE TOURISM IN UTTARAKHAND

After the creation of the state in the year 2000 the government initiated a number of plans to formulate and promote the various tourist destinations that were spread all over the state. The government is mainly focusing on developing the infrastructure and encouraging private and foreign investment in this sector. The various initiatives taken by the government are:

- The government has started single window system to boost capital in the travel and tourism sector of the state.
- Formulation of policies for conservation of heritage, eco-system and culture at various destinations so that the tourist footfall increase in these stations.
- Improvement and expansion of infrastructure to satisfy the requirements of the visitors.
- Initiated various schemes to draw more visitors especially to those destinations in which the tourist inflow is less when compared to popular destinations.
- Tie up of IRCTC with UTDB for promotion of tourism especially projecting the state as a yoga destination.

HOW TO INCREASE TOURISM IN UTTARAKHAND

Below steps can be taken by the concerned authorities to step up tourism in Uttarakhand:

- The government should act in a proactive manner in regard for the promotion of the various destinations as a tourist brand in various states of the country as well as in overseas locations.
- The accommodation services should be enhanced with better facilities and at moderate prices.
- Tourism must get awareness of potential tourist spot by the help of proper advertisement.
- The sanitation facilities should be provided at tourist stations.
- The banking facilities especially ATMs should be increased in and around the tourist destinations of the state.
- The government should initiate plans for the sustainable tourism development of the state.
- There must be Strict conservation laws that protect and promote ecotourism and other developments, notably also the establishment of facilities that would help to protect the environment such as refuse collection and disposal
- The various stakeholders should bring in effective mechanize for making sure that the safety of the tourists is not at risk.

CONCLUSION

The State of Uttarakhand is a rich repository of natural resources with plenty of water resources, glaciers and dense forests. Uttarakhand - the land of gods, the home of Himalayas and truly a paradise on earth, allures everyone from everywhere. The fresh air, the pure water, the chilling snow, the adverting mountains, the scenic beauty, the small villages, the simpler people and a tougher lifestyle is what that distinguishes Uttarakhand from rest of the world.

The endeavours of the different governmental agencies as well as the private players have been there in increasing the tourist footfall to the various destinations of the state. But there is still tremendous amount of sphere to for increasing the visitors flow to the state. Today tourists across the world are not only attracted by natural beauty but they need a whole lot of facilities for visiting a particular destination. In order to improve the ranking and image of the state great number of efforts should be made in specific directions. In this manner, Uttarakhand will be in a position to use its natural, cultural and heritage resources and this will increase the domestic and foreign tourists to the state.

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INFLUENCE OF DEMOGRAPHIC CHARACTERISTICS IN PREFERRING ONLINE SHOPPING PORTALS

M.RAMYA
Ph. D. RESEARCH SCHOLAR
MADURAI KAMARAJ UNIVERSITY
PALKALAI NAGAR

Dr. I. MOHAMED SHAW ALEM
RETD. HEAD
DEPARTMENT OF COMMERCE
THE MADURA COLLEGE
MADURAI

ABSTRACT

The online shopping trends around the world spread fast. Most of the companies are running their portals to sell their products /services online. Internet users who are the potential online customers are expected to reach 600 million by 2020. Increased proliferation of smartphones, lower cost of connectivity and improved quality and expanded reach in lower cities and rural areas due to improved network infrastructure would boost online shopping in the days to come. The preference of famous websites like Amazon.in, Flipkart.com, Snapdeal.com, E-bay.in, Myntra.com and others are though based on the qualities of websites, the demographic characteristics of online shoppers have also played a significant influence in selecting particular shopping portals. The present study has made an attempt aiming to understand the influence of demographic characteristics of online shoppers in their preference of websites.

KEYWORDS

online shopping portals, demographic variables.

JEL CODE

J11.

INTRODUCTION

The online shopping trends around the world spread fast. Most of the companies are running their portals to sell their products /services online. Internet users who are the potential online customers are expected to reach 600 million by 2020. Increased proliferation of smartphones, lower cost of connectivity and improved quality and expanded reach in lower cities and rural areas due to improved network infrastructure would boost online shopping in the days to come. The growth of online shopping is though driven more by qualities of websites, the characteristics of demographic variables play a crucial role in attracting of consumers also have a strong influence in their preference. It is, therefore worth investigating that what are the popular online portals are preferred by online customers and the influence of their demographic characteristics behind such preference. This information would rightly help the e-marketers to improve the ability of their e-shopping sites in attracting, adding and retaining online customers to their fold.

REVIEW OF LITERATURE

Dahiya and Richa (2012) found in his study that online shopping was significantly influenced by demographic characteristics of customers; notable among them were age, gender, marital status, family size and income. According to Wu (2003) consumer characteristics and consumer life styles have significant relationship with the preference of online portals. Cheung et.al (2003) found that five main factors influenced the consumer online purchasing, they were, consumer's individual characteristics, the medium's characteristics, product characteristics, environmental factors and merchant characteristics. They finally indicated the strong influence of consumer characteristics in selecting websites.

According to a survey the top ten online portals in India are Amazon.in, Flipkart.com, Snapdeal.com, Paytm.com, Ebay.in, Jabong.com, Myntra.com, Shopclues.com, Pepperfry.com and Homeshop18.com. Portals like Zovi.com, Infibeam.com, Frist cry.com, Shopping India times.com, Lenskart.com, Croma.com, Americanswan.com and Zoomin.com are also making their presence.

PROBLEM STATEMENT

Most of the studies in the field of online shopping focused on the behavior of the online customers from a broader perspective giving little consideration to the shopping portals, which are the 'Gateways' through which online shopping was conducted. They are being prelude to the shopping process and influencing even the onlookers to engage online purchase. Hence, the preference of popular website portals and the influence of demographic characteristics of shoppers behind the preference of specific shopping portals is worth investigating.

OBJECTIVES OF THE STUDY

1. To find the demographic characteristics of online shoppers.
2. To know the top ten Online shopping portals preferred by online shoppers.
3. To analyze the influence of demographic characteristics of online shoppers in their preference of major shopping portals.
4. To offer suggestions based on the findings of the study.

SCOPE OF THE STUDY

This study helps to understand the impact of demographic variables of online shoppers on selecting their website portals for shopping.

METHODOLOGY

It is an empirical study based on both primary and secondary data. By following purposive sampling technique, 700 online customers were chosen and contacted. Responses worthy of consideration received from 537 respondents, who formed the sample size for the study. Responses were obtained on 20 statements expressing the preference of shopping portals by following 5-point Likert type scaling procedure. A well-structured and pretested interview schedule was used to collect primary data. Statistical tools like percentage analysis, weighted average score and chi-square test were used for analyzing the data. The study was conducted in the Madurai district of Tamil Nadu state.

RESULTS AND INTERPRETATION

The results of data analysis are presented in following tables with interpretation.

TABLE 1: DISTRIBUTION OF RESPONDENTS BASED ON THEIR DEMOGRAPHIC VARIABLES

S.No	Demographic variables	Category	Number	Percentage
1.	Age	Up to 25	274	51
		Above 25	263	49
			537	100
2	Gender	Male	356	66
		Female	181	44
			537	100
3	Education	Schooling	111	21
		Degree /diploma	219	41
		Professional	207	38
			537	100
4	Marital status	Married	204	38
		Unmarried	333	42
			537	100
5	Occupation	Students	98	18
		Housewives	302	56
		Employed	137	26
			537	100
6	Family income (monthly)	Up to Rs 1lakh	203	38
		Between Rs1lakh and Rs2lakh	270	50
		Above Rs 2 lakh	64	12
			537	100

Source: primary data

Table-1 reveals that a majority of online respondents belonging to the age category of 'upto 25 (51%),gender category of 'male'(66%),education category of 'degree/Diploma'(41%) marital status category of 'unmarried'(42%), occupation category of 'house wives' (56%) and family income category of 'between Rs 1lakh and Rs 2 lakh'(50%) are dominating the sample.

The top 10 online shopping portals preferred by respondents given in Table-2

TABLE 2: TOP TEN ONLINE SHOPPING PORTALS PREFERRED BY RESPONDENTS (Weighted Average Method)

Portal	1	2	3	4	5	6	7	8	9	10	Tot-al	Total score	WAM score	Rank
Amazon.in	203	123	60	65	30	25	10	09	08	04	537	4514	8.41	1
Flipkart.com	189	120	54	59	24	20	20	19	18	14	537	4246	7.91	2
Snapdeal.com	175	110	44	49	19	30	39	24	28	19	537	3992	7.43	3
Myntra.com	257	100	74	46	31	09	08	07	03	02	537	3676	6.85	4
E bay.in	130	80	34	40	43	50	59	44	37	20	537	3542	6.60	5
Jabong.in	227	102	75	50	31	14	12	11	10	05	537	3500	6.52	6
Shopclues.com	90	67	20	25	23	40	81	64	77	50	537	2716	5.06	7
Paytm mal.com	75	52	15	21	20	60	91	69	80	54	537	2690	5.01	8
Pepperyfry.com	50	34	14	19	23	65	96	89	85	62	537	2417	4.50	9
Homeshop18.com	27	20	10	10	20	78	111	106	90	65	537	2117	3.94	10

Source: Computed data

Table-2 shows the overall preference of shopping websites, amongst the first, second and third ranks are occupied by Amazon.in, Flipkart.com and Snapdeal.com respectively. Other seven websites are also ranked based on their respective weighted average score.The influence of demographic variables of shoppers on the preference of major shopping portals is analyzed with a help of chi-square test and results are furnished in the following tables. For the purpose of analysis, the websites ranked from fourth to tenth were clubbed together under the heading 'others'.

Null hypotheses framed for the study are:

- NH1- Age of online shoppers does not influence the preference of online shopping portals.
- NH2- Gender of online shoppers does not influence the preference of online shopping portals.
- NH3- Educational level of online shoppers does not influence the preference of online shopping portal.
- NH4- Martial status of online shoppers does not influence the preference of online shopping portals.
- NH5- Occupation of online shoppers does not influence the preference of online shopping portals.
- NH6- Family Income of online shoppers does not influence the preference of online shopping portals.

TABLE 3: RESULT OF CHI-SQUARE ON DEMOGRAPHIC VARIABLES

S.No	Demographic variables	Shopping Portals							
		Amazon.in		Flipkart.com		Snapdeal.com		Others	
		'P' value	NH A/R	'P' value	NH A/R	'P' value	NH A/R	'P' value	NH A/R
1	Age	0.001	R	0.028	R	0.037	R	0.669	A
2	Gender	0.000	R	0.000	R	0.000	R	0.000	R
3	Education	0.001	R	0.000	R	0.029	R	0.682	A
4	Marital status	0.084	R	0.021	R	0.000	R	0.117	A
5	Occupation	0.000	R	0.065	A	0.091	A	0.001	R
6	Family income	0.001	R	0.009	R	0.000	R	0.030	R

Source: computed data NH- Null Hypothesis, A/R- Accepted or Rejected

It is inferred from the result of above analyses that-

- In respect of Amazon.com, except marital status, the null hypotheses for the remaining demographic variables are rejected.
- In respect of Flipkart.com and Snapdeal.com except occupation, the null hypotheses for other demographic variables are rejected.
- In respect of 'other' portals, the null hypotheses for variables namely gender, occupation, and family income are rejected.

It may be finally concluded that with the exception of variables like marital status and occupation, all other demographic variables have strong influence on the preference of major three shopping portals ie Amazon.in, Flipkart.com and Snapdeal.com. In respect of preference of all other portals, the influences of these variables are complex.

SUGGESTIONS AND CONCLUSION

As the result of the study having clearly indicated the influence of age, gender, education, and family income of online shoppers while preferring the online portals, it is suggested that while designing portals, features which are likely to influence these group of customers have to be incorporated. Also, it has to be ensured that the strategies adopted have to be changed from time to time when targeting different categories of these groups based on their specific requirements like attractive graphics, looks, ease of navigation, improve downloading speed, attractive promotional offers etc. The growing potential of online shopping in India though offers a great business oppournity in 'business to consumer' (B2C) segment, it still remains a big challenge too. The retail giants who are the major beneficiaries of these online portals have moral as well as business responsibility in their overall creation and sustainability.

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TRIBAL DEVELOPMENTAL PROGRAMMES AND ITS IMPACT WITH SPECIAL REFERENCE TO PRIMITIVE TRIBALS IN THE NILGIRIS DISTRICT

Dr. HEMASRIKUMAR
ASSOCIATE PROFESSOR & HEAD
DEPARTMENT OF ECONOMICS
PROVIDENCE COLLEGE FOR WOMEN
COONOOR

G. NITHYA
Ph. D. RESEARCH SCHOLAR
DEPARTMENT OF ECONOMICS
PROVIDENCE COLLEGE FOR WOMEN
COONOOR

ABSTRACT

In India, Tribal constitute 8.61% of the total population numbering 104.28 million (2011 Census) and cover about 15% of the country's area. Nilgiri district had the highest percentage of (3.16%) scheduled tribe population in Tamil Nadu. About 50% of the tribal population is concentrated in Gudalur taluk, the remaining 50% of the tribal population is distributed in the other three taluks. Toda, Kota, Irula, Kurumba, Kattunayakan and Paniya were the six primitive tribal groups found in Nilgiris. Development of an economy is positively related to the tribals - their social, cultural and the economic development. Development of an economy links its past heritage, with the present. The developmental programmes are for promoting health, education, economic development, employment, agriculture and horticulture. The tribal women participated in the developmental programmes as per required for their livelihood security. This chapter discuss about the tribal development Programmes and its impact in the Nilgiris District.

KEYWORDS

Nilgiris district, tribal developmental programmes.

JEL CODE

O10

I. INTRODUCTION

The tribal population is identified as the aboriginal inhabitants of our country. For centuries, they have been living a simple life based on the natural environment and have developed cultural patterns congenial to their physical and social environment. The tribals constitute a significant portion of Indian population. Development of an economy is positively related to the tribals - their social, cultural and the economic development. Development of an economy links its past heritage, with the present. The Indian subcontinent has the second largest tribal population in the world. Many of the tribal communities have been living in this country even since what we call the Pre-Aryan period. We come across the names and descriptions of various tribal communities in the ancient Indian literature, which includes the "Vedas" the "Ramayana" and the "Mahabharata".

The original tribes in India have been divided and sub-divided into large number of sub-tribes. They are mutually exclusive, each having the endogenous and exogenous clan with their own named and culture, customs, locational practice and lifestyle. Like other societies, tribal society is also not static, rather is quite dynamic, but the rate of change in tribal society is very slow. That is why they have been backward and poor in comparison to other people. Since they have been materially backward and economically poor, attempts have been made by the Government to develop them. Today the Government of all places of the world is paying special attention towards the development of the tribal, i.e., one finds the existence of induced or planned change in tribal society. Thus, the present study provides a clear picture on the tribal developmental programmes and its impact on the primitive tribals in the Nilgiris district

II. OBJECTIVES OF THE STUDY

1. To find out the Socio-Economic condition of the sample respondent
2. To study the Major Impact of Developmental programmes in the Nilgiris District
3. To analysis the satisfactory level of the developmental Programmes among the respondent.
4. To draw conclusions and to suggest some policy measures to improve the developmental programmes

III. METHODOLOGY

Research methodology is the way to systematically solve the research problems. It may be understood as a science of studying how research is done systematically. It explains various steps that are adopted by a researcher in conducting the research problem along with the logic behind them. This study focused on "Tribal Developmental Programmes and its Impact with special reference to Primitive Tribals in the Nilgiris district". In accordance with the objectives of the study. The Nilgiris district of Tamil Nadu was purposively selected because it is one of the districts in Tamil Nadu where the percentage of tribal population is higher and there are 6 particularly Vulnerable Tribal Groups (PTGs) viz., Toda, Kota, Kurumbas, Irular, Paniyan and Kattunayakan lives in the Nilgiris district. Also, the familiarity of the researcher to the culture and local dialect of the district was considered. Primary data is used and convenience sampling method is used to collect data from the respondent from each Tribal group.

IV. RESULT AND DISCUSSION

The following schedule depicts the number of Tribal population in different blocks of the district:

TABLE 1: DISTRIBUTION OF ST POPULATION IN THE DISTRICT

S. No	Block	Percentage
1	Pandalur	32.08
2	Kotagiri	24.10
3	Gudalur	14.33
4	Kundah	13.16
5	Udhagamandalam	9.27
6	Coonoor	6.96
Total		100

Source: Tribal Education Status Documentation (2010-11)

Table 1 reveals that out of the total tribal population in the Nilgiris district of Tamil Nadu, about 32 percent of the tribal population residing in Pandalur taluk of the district. The next highest number of tribes living in Kotagiri taluk with 24 percent. The lowest number of tribes found in Coonoor taluk of the district. The reason behind the increase in tribes population in Pandalur and Gudalur taluk of the Nilgiris district is that most of the people are employed in tea estates. As tea estates are found more in those areas, people who got employment in those places got settled their itself.

CHART 1

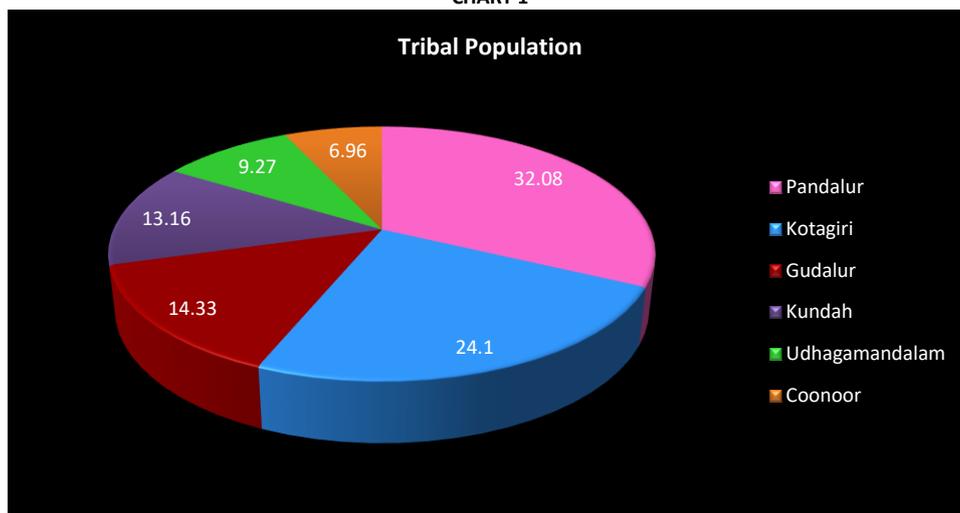


TABLE 2: NUMBER OF RESPONDENTS SELECTED FROM THE PRIMITIVE TRIBALS

Tribal Groups	Frequency	Percent
kattunaiyakars	10	16.7
Paniyas	10	16.7
Irulas	10	16.7
Kurumpas	10	16.7
Todas	10	16.7
Kotas	10	16.7
Total	60	100.0

Source: Computed value

Table 2 reveals the number of respondents selected from Tribal group. There are six Primitive tribal groups who live in Nilgiris District. From each group ten samples were selected covering the percentage of 16.7 percent from each group. Totally sixty samples were selected for the study.

TABLE 3: AGE WISE CLASSIFICATION OF THE RESPONDENTS

Age	Frequency	Percent
18-25	2	3.3
26-35	22	36.7
36-45	33	55.0
46 & and above	3	5.0
Total	60	100.0

Source: Computed value

Table 3 shows the age wise classification of the respondents where 55 percent of them belong to the age category of 36-45. 36.7 percent belong to the age group of 26-35, 5 percent belong to the age group of 46 and above and only 3.3 percent belong to the age group of 18-25.

TABLE 4: EDUCATIONAL STATUS OF THE RESPONDENTS

Education	Frequency	Percent
Illiterate	32	53.3
Primary	22	36.7
Middle school	3	5.0
High school	2	3.3
Higher secondary	1	1.7
Total	60	100.0

Source: Computed value

The table 4 shows the level of education of the surveyed respondents where 36.7 per cent of them are educated up to primary level. 3 percent and 2 percent belong to middle school and high school and 1 percent were under higher secondary level. Therefore 32 percent were illiterate among the tribal respondents

TABLE 5: OCCUPATIONAL STATUS OF THE RESPONDENTS

Occupation	Frequency	Percent
Rearing buffaloes near settlement and sale of milk	2	3.3
Making Shawls & Selling in the market	4	6.7
Cultivation in their own land	3	5.0
Forest foods/honey collection	6	10.0
Agricultural Labourers (not in their own land)	23	38.3
Coolie	22	36.7
Total	60	100.0

Source: Computed value

Table 5 examines the occupational status of the respondent. From the result we can identify the 38.3 percent of the respondent works as an agricultural labourers, 36.7 percent works Coolies, 10 percent collects forest foods or do honey collection, only 5 percent do cultivation in their own land and 3.3 percent of the respondent rear buffaloes near settlement and sale of milk.

CHART 2

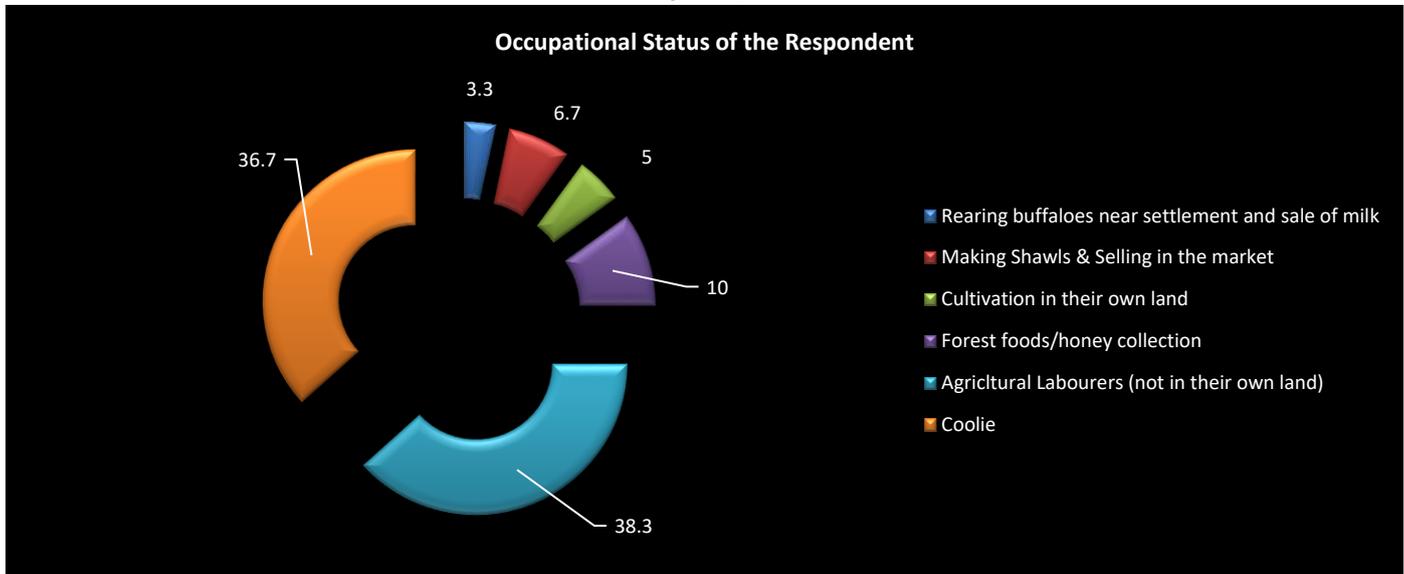


TABLE 6: RELATIONSHIP BETWEEN INCOME AND OCCUPATIONAL LEVEL OF THE RESPONDENTS

	Income of the respondent per month				Total
	less than 5,000	5000-10,000	10,000-15,000	15,000-20,000	
Rearing buffaloes near settlement and sale of milk	0	2	0	0	2
Making Shawls & Selling in the market	0	4	0	0	4
Cultivation in their own land	0	0	2	1	3
Forest foods/honey collection	2	4	0	0	6
Agricultural Labourers (not in their own land)	22	1	0	0	23
Coolie	22	0	0	0	22
Total	46	11	2	1	60

CHI SQUARE ANALYSIS					
		Value	Asymp. Std. Error ^a	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	.714	.034	7.766	.000
Ordinal by Ordinal	Spearman Correlation	.731	.056	8.161	.000

Source: Computed value

Null Hypothesis: There is no significant association between total expenditure on tribal group of the respondents

Alternative hypothesis: there is significant association between income and occupational level of the respondent

In order to study whether there is any association between two attributes namely Income and occupation of the respondents chi-square analysis is used. The significant value is .000 indicates that there is association between Income and occupation of the respondent. It is concluded that the total income of the respondent is dependent on the occupation level; of the tribal community. So null hypothesis is rejected

TABLE 7: IMPORTANT TRIBAL DEVELOPMENT PROGRAMMES FOR THE TRIBES IN NILGIRIS DISTRICT

Development Programmes	Frequency	Percent
Hill Area Development Programme (HADP)	22	36.7
Western Ghat Development Programme (WGDP)	9	15.0
Large-Scale Agricultural Multipurpose Societies (Lamp)	7	11.7
Indira Awas Yojana (IAY)	6	10.0
Educational development	3	5.0
Tamil Nadu Housing and Development Corporation (THADCO)	2	3.3
Swarna Jayanthi Gram Swazrogar Yojana (SGSY)	11	18.3
Total	60	100.0

Source: Computed value

Table 7 shows the important tribal development programmes which benefit the tribes in Nilgiris District. From the developmental programme, majority of the respondent 36.7 percent benefitted from Hill Area Development Programme (HADP), 18.3 percent benefitted from Swarna Jayanthi Gram Swazrogar Yojana (SGSY), 15 percent Western Ghat Development Programme (WGDP), 11.7 percent benefitted Large- Scale Agricultural Multipurpose Societies (LAMP), 10 percent from Indira Awas Yojana (IAY), 5 percent gets educational benefits and only 3.3 percent benefitted from Swarna Jayanthi Gram Swazrogar Yojana (SGSY).

TABLE 8: SATISFACTION LEVEL OF THE DEVELOPMENT PROGRAMMES

Development programmes	Satisfaction-Development Programmes					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	
HADP	12	8	2	0	0	22
WGDP	0	4	4	1	0	9
LAMP	0	4	0	1	2	7
IAY	1	3	2	0	0	6
EDS	0	3	0	0	0	3
THADCO	0	1	1	0	0	2
SGSY	0	1	4	5	1	11
Total	13	24	13	7	3	60

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.511	20	.049
Likelihood Ratio	34.638	20	.022
Linear-by-Linear Association	8.044	1	.005

Source: Computed value

Null Hypothesis: There is no significant association between development Programme and the Satisfaction level of the Programme of the tribal group.

Alternative hypothesis: There is no significant association between development Programme and the Satisfaction level of the Programme of the tribal group

In order to study whether there is any association between two attributes namely between development Programme and the Satisfaction level of the Programme chi-square analysis is used. The significant value is .049 indicates that there is association development Programme and the Satisfaction level of the Programme. It is concluded that the most respondent of the tribal group are highly satisfied with Hill Area Development Programme compared to other Programmes. So null hypothesis is rejected.

TABLE 9: RELATIONSHIP BETWEEN THE DEVELOPMENT PROGRAMMES AND THE SATISFACTION LEVEL OF THE RESPONDENT

Correlation Analysis					
		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	.369	.126	3.026	.004
Ordinal by Ordinal	Spearman Correlation	.416	.115	3.488	.001

Null Hypothesis: There is no significant relationship between the development programmes and the satisfaction level of the respondent

Alternative hypothesis: There is significant relationship between the development programmes and the satisfaction level of the respondent

In order to study whether there is relationship between the development programmes and the satisfaction level of the respondent, correlation analysis is used. The significant value is .004 indicates that there is relation between development programmes and the satisfaction level of the respondent. So null hypothesis is rejected and alternative hypothesis is accepted. Todas and Kotas are satisfied with their developmental programmes compared to other tribes.

SUGGESTIONS

1. The proper utilization of physical and financial components of a governmental programme largely depends on the awareness of the beneficiaries. As the awareness level of sample Scheduled Tribe respondents is poor, it is essential to enhance the knowledge and awareness levels by awareness camps in tribal habitations.
2. The cumbersome process in government offices for finalization of the list of beneficiaries is to be reduced to encourage the needy to enroll their names in the governmental programmes.
3. The real development of a beneficiary could be expected only when the government provides adequate financial assistance. The government authorities shall prepare proper estimates to provide financial assistance. This may hamper the number of beneficiaries but it helps certain number of households to come out of the clutches of poverty.
4. To enhance agricultural wages in tribal areas, the tribal development programmes should have wider scope to involve larger portion of population to take part. This automatically increases the demand for agriculture labour, which in turn increases agricultural wages.
5. More than one-fourth of the sample reported that the tribal developmental programmes not increased employment opportunities. This is due to smaller scope of the governmental programmes. So, to boost the employment opportunities the scope and application of the developmental programmes is to be increased.
6. It should be made obligatory for every tribal household to send their 5-14 year age group children to schools before being enrolled as a beneficiary in any government developmental programmes. This will enhance the educational levels of tribals.

CONCLUSION

The study reveals that a number of development efforts have been made by both the central government and state government during last 5-6 decades for improving the socio-economic conditions of the tribal people. However, the issue of tribal development is still alive. It clearly indicates that we have achieved too less in this regard. There is need to further strengthen and consolidate the efforts aimed at bringing the tribals at par with mainstream of the society.

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SCALE DEVELOPMENT TO MEASURE SOCIO-ECONOMIC STATUS KHADI AND VILLAGE INDUSTRIES IN CHHATTISGARH STATE

SATISH KUMAR JAIN
ASST. PROFESSOR
PT. RAVI SHANKAR SHUKLA UNIVERSITY
RAIPUR

Dr. GAJANAND KATAHARE
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
SURANA COLLEGE
DURG

ABSTRACT

The objective of this study was to identify the predictors of physical performance and socio-economic development on the basis of which the scale is developed in order to measure the socio-economic status as well as to know the impact of performance on social economic development. This exploratory study was conducted wrt to Khadi and Village Industries in Chhattisgarh State. The predictors of physical performance identified were production, sales and employment and predictors for economic development identified on the basis of Human Development Index (2010) were Life Expectancy, Education and Standard of Living.

KEYWORDS

Chhattisgarh, khadi and village industries, human development index, economic development, socio-economic development.

JEL CODE

L69

INTRODUCTION

Economic Development and Economic Growth are two different concepts, though both indicate the prosperity of a region/community/country in different perspectives. Economic Development is a measure of the welfare of humans in a society i.e. a notion of measure/measures of human welfare. It is a multi-dimensional process, which involves transformation in structures, attitudes and institutions as well as the acceleration of economic growth, reduction of inequality and the eradication of absolute poverty. It is policy intervention with aims of development of Human capital, Literacy ratio, Infrastructure, Health & general welfare of the citizens. It is Quantitative and Qualitative changes in the economy, promoting the standard of living and Economic health. Human Development Index is one of the most accurate method for measuring it, which takes into, account the literacy rates & life expectancy.

Growth represents a horizontal quantitative expansion of existing capacities and activities in society; whereas development involves a qualitative enhancement in the structural capabilities of society, an increasing capacity for organization, coordination, and complexity. Growth may be regarded primarily as an economic concept, but development in any field belongs to the wider realm of society as a whole. Growth generates more of the same on a larger scale. Development generates something new and better that was not possible earlier. Development relates to enhancement of social productivity through strategies such as investments in human capital by education and training, enhancement of social capital and organizational capabilities — with regard to governance, production, commerce, research, social welfare, etc. — technological advancement, greater access to information, and networking between individuals and institutions. Improvements in food security, life expectancy, education, and the like represent not only real tangible benefits, but also investments in future generations that cannot be quantified in terms of present income. Although growth of per capita GDP was relatively modest, the overall improvements in quality of life and national capacity were many times greater; but they were not reflected by existing measures, because none of these parameters adequately lend themselves to either precise definition or quantification. They can only be assessed on a combination of quantitative and qualitative dimensions, both tangible (economic) and intangible (Social). Hence, economic development can be assessed by the combination of these two parameters, together form socio-economic development.

Economic Development is understood in terms of the following;

- 1) Social development: Process of growth and development of the capacities of the people and the improvement of society in which they live in order to obtain a better life for all measured in terms of life expectancy, literacy rate etc.
- 2) Economic development: discussed in terms of economic growth of the people living measured in terms of GDP, GNP etc.

SOCIO-ECONOMIC DEVELOPMENT

Development is defined as a state in which things are improving. But it is defined in different ways in various contexts, social, political, biological, science and technology, language and literature. In the socio-economic context, development means the improvement of people's lifestyles through improved education, incomes, skills development and employment. It is the process of economic and social transformation based on cultural and environmental factors.

Socio-economic development, therefore, is the process of social and economic development in a society. It is measured with indicators, such as gross domestic product (GDP), life expectancy, literacy and levels of employment. For better understanding of socioeconomic development, social development and economic development is explained separately. Social development is a process, which results in the transformation of social institutions in a manner which improves the capacity of the society to fulfill its aspirations. It implies a qualitative change in the way the society shapes itself and carries out its activities, such as through more progressive attitudes and behaviour by the population, the adoption of more effective processes or more advanced technology.

Socio-economic development, thus, is a process of improvement in a variety of ways. It has to influence all aspects of human life in a country. Its major indicator, the GDP is a specific measure of economic welfare that does not take into account important aspects such as leisure time, environmental quality, freedom, social justice, or gender equality. Another indicator, the per capita income also does not indicate the level of income equality among people. These indicators do not ensure that the benefits of development have been equally distributed and have reached particularly to the disadvantaged groups of society. Which is why, a new concept of human development is being used. It is focused on the overall quality of life that people enjoy in a country, the opportunities they have and the freedoms they enjoy.

INDICATORS OF SOCIO-ECONOMIC DEVELOPMENT

For long time, the general notion about development was accumulation of wealth or economic assets. But human development focuses on expanding and widening of people's choices as well as raising the levels of wellbeing. It covers almost all aspects of human life and people's choices like economic, social, political, cultural, educational, physical, biological, mental and emotional. Income is only one of the many components of development. Human development places people at the

centre of development and emphasizes that the purpose of development is to enlarge all human choices, and not just income. It regards economic growth as essential but emphasizes the need to pay attention to its quality and distribution.

If the socio-economic development of a country is modelled along human development framework, it can provide better understanding of development and its impact on the quality of life of the people. The Human Development Index (HDI) developed as a means of measuring human development. The basic use of HDI is to measure a country's level of development. It is a summary composite index that measures a country's average achievements in three basic aspects of human development: health, knowledge, and a decent standard of living.

A measure of human development, which is a composite of the key indices of health, education and income was developed. The specific indicators utilised in the construction of this composite measure are life expectancy at birth as an indicator of health; literacy and mean years of schooling (or, as an alternative, the combined enrolment ratio) as a measure of education; and per capita GDP (adjusted for purchasing power parity) as an indicator of material well-being. The Human Development Index was developed in 1990 by a group of economists including Dr. Mahbub ul Haq and Professor Amartya Sen. It has been used since then by United Nations Development Programme (UNDP) in its annual Human Development Report. The Human Development Index is a composite measure of health, education and income that was introduced in the first Human Development Report in 1990 as an alternative to purely economic assessments of national progress, such as GDP growth (Human Development Report, 2010).

MEASUREMENT OF HUMAN DEVELOPMENT INDEX

The HDI consists of three equally weighted components:

- 1) A long and healthy life (Health)
- 2) Knowledge (Education)
- 3) A decent standard of living (Wealth)

Each component of the HDI is measured in the following way:

- 1) Health: Measured by life expectancy at birth.
- 2) Education: Measured as a combination of adult literacy (with two-thirds weight) and gross enrollment (with one-third weight).
- 3) Wealth: Measured by GDP per capita.

CALCULATION OF DIMENSION INDEX

The three-dimension index for HDI is calculated with the help of actual, minimum and maximum values of the particular dimension for which the index is to be determined. Actual values are collected through survey and minimum and maximum value has been determined by the human development report, (2010).

$$\text{Dimension Index} = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

So far, these dimensions of development have not been studied systematically for Chhattisgarh, and for Khadi and Village Industries in particular. The UNDP, in its Human Development Report (2010), began using a new method of calculating the HDI. The three dimensions are explained below.

- 1) **Life Expectancy:** Life expectancy is a statistical measure of how long a person or organism may live, based on the year of their birth, their current age and other demographic factors including gender. The World Health Organization defines life expectancy as "Life expectancy at birth indicates the number of years a newborn infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life". Life expectancy is a statistical measure of how long a person or organism may live, based on the year of their birth, their current age and other demographic factors including gender. At a given age, life expectancy is the average number of years that is likely to be lived by a group of individuals (of age x) exposed to the same mortality conditions until they die.

To convert life expectancy values to a life expectancy index number, first identify a reasonable minimum and maximum for each of these values. According to Union ministry of health and family welfare life expectancy in India has gone up by five years, from 62.3 years for males and 63.9 years for females in 2001-2005 to 67.3 years and 69.6 years for male and female respectively in 2011-2015. The United Nations uses 25 as the minimum and 85 as the maximum. According to Dean Koontz (2005), in India, the life expectancy at birth component of the HDI is calculated using a minimum value of 25 years and maximum value of 85 years. According to Human Development Index Report (2010), the minimum and maximum values have been decreased to 20 and 83.2 respectively. Then the life expectancy value (LEV) is converted to a life expectancy index (LEI) using the equation:

$$\text{Life Expectancy Index (LEI)} = \text{LEV} - 20 / (83.2 - 20)$$

- 2) **Literacy Rate:** The literacy rate i.e. education index (EI) is calculate on the basis of two index as explained below.

- a. **Mean Years of Schooling Index (MYSI):** It is calculated with the help of Mean years of schooling (MYS), which is, average number of years of education received by people ages 25 and older. It is calculated with the help of following equation given below:

$$\text{Mean Years of Schooling Index (MYSI)} = \text{MYS} - 0 / 13.2 - 0$$

- b. **Expected Years of Schooling Index (EYSI):** It is calculated on the basis of expected years of schooling (EYS), which is, number of years of schooling that a child of school entrance age can expect to receive if prevailing patterns of age-specific enrolment rates persist throughout the child's life. It is calculated with the help of following equation given below:

$$\text{Expected Years of Schooling Index (EYSI)} = \text{EYS} - 0 / 20.6 - 0$$

Hence the formula for calculating education index is:

$$\text{Education Index} = (\text{MYSI} \times \text{EYSI})^{1/2} - 0 / 0.951 - 0$$

- 3) **GNI Per Capita (GNIpc):** GNI per capita or Gross domestic product is the indicator most commonly used to compare income levels.

For the final conversion to an index value, convert the gross domestic product per capita in US\$ (GDP) to an index value. This is done a bit differently than the previous conversions. Here base-ten logarithms are used so that the effect of a larger GDP value is diminished. (Natural logs may be used as well.) The minimum and maximum values used by the United Nations for the GDP are 163 and 108,211, respectively, and the equation to calculate the GDP index value (GDPI) from the GDP is given below:

$$\text{Income Index} = \text{Log (GNIpc)} - \text{Log (\$163)} / \text{Log (\$108,211)} - \text{Log (\$163)}$$

The threshold values to calculate the three index of HDI are mentioned in the table:

THRESHOLD VALUES FOR CALCULATING THE HDI

Indicator	Minimum value	Maximum value
Life Expectancy (LEV)	20 years	83.2 years
Mean years of schooling (MYS)	0	13.2
Expected years of schooling (EYS)	0	20.6
GNI per capita (GNIpc)	163 (PPP US\$)	108211 (PPP US\$)

CALCULATING THE HUMAN DEVELOPMENT INDEX

Four values are required to calculate the human development index. One value is life expectancy at birth. Two other values are related to education. The first is the adult literacy rate—that is, the percentage of adults in the country who are literate. The other measure of education is the combined primary, secondary, and tertiary (that is, post-secondary) education enrollment as a percentage. This is the percentage of all people in the appropriate age groups for primary, secondary, and post-secondary school who are actually enrolled in school. The final value that goes into computing HDI is the Gross Income per capita of an individual. Finally, to obtain the HDI, the sum of the mean or average of the three index values: the LEI, the EI, is divide by 3.

Hence, HDI can be calculated through:

Human Development Index (HDI) = (Life Expectancy Index X Education Index X Income Index) 1/3

New Human Development Index is geometric mean of Life Expectancy Index (LEI), Education Index (EI) and Income Index (II). The HDI attempts to rank the economic development on a scale of 0 (lowest human development) to 1 (highest human development) based on three goals or end products of development. low human development (0.0 to 0.50), medium human development (0.51 to 0.79), and high human development (0.80 to 1.0). The HDI for India is 0.519, which gives the country a rank of 119 (Human Development Index Report, 2010).

PHYSICAL PERFORMANCE OF KHADI AND VILLAGE INDUSTRIES

The physical performance can be explained on the basis of three parameters i.e. production, sales and employment in the Khadi and Village Industries as mentioned in various reports and also by various researches in their studies.

- **Production:** There are nine cotton yarn knitting centers established by Khadi and Village Industries, where 630 rural women are being given regular work of spinning spinning from Amber Charkha in which 240 artisans are engaged in weavers work. The sales of garments produced by these centers are sold through departmental 3 operated sale stores.
- **Sales:** The products produced by the institutions are either sold by them directly, through retailers, wholesalers, or indirectly, through "Khadi Bhandars" (Khadi sales outlets owned by the government).
- **Employment:** Khadi and Village industries are encouraged in rural India due to immense employment potential. Generally, it is observed that the real India lives in rural India as they preserve the heritage and culture of India, but unfortunately many of them are illiterates and unemployed. Farmer’s artisans and craftsman contribute significantly to the rural economy, but many of them are poor. Reviving and establishing Khadi and village industries help them to get the sustainable employment. The Khadi and Village Industries Commission is implementing major employment generation schemes in the country. One such scheme is Prime Minister’s Employment Generation Programme (PMEGP) scheme, which is a major tool to generate employment opportunities through setting up of micro enterprises in the country.

ASSESSMENT OF PHYSICAL PERFORMANCE

The physical performance of khadi and villages industries of Chhattisgarh was assessed by calculating the Compound Annual Growth Rate (CAGR) of three parameters of physical performance i.e. production, sales and employment. The assessment year of last five years i.e. from 2009-10 to 2013-14. Compound annual growth rate or CAGR, as it is more lovingly known as, is simply the rate at which something grows over a period of years taking into account the effect of compounding.

The formula to calculate CAGR is given below:

CAGR = (Ending value / Beginning value)(1/n) - 1

where n is the number of years

Hence, the CAGR of production, sales and employment will help to know the growth rate of three parameters, which will in turn highlight the performance of khadi and village industries of Chhattisgarh.

RESEARCH OBJECTIVES

The following objectives have been formulated for the purpose of the study:

1. To identify the predictors of physical performance of Khadi and Village Industries Board of the Chhattisgarh State.
2. To identify the predictors of Economic Development of the Chhattisgarh State through Khadi and Village Industries.
3. To generate a conceptual model comprising of independent variable i.e. physical performance and dependent variable i.e. economic development.

RESEARCH VARIABLES

Contribution of Khadi and Village Industries in the Economic Development of the Chhattisgarh State can be explained by Physical Performance of Khadi and Village Industries and its impact on economic development of its beneficiaries. On the basis of MSME Annual Report (2013-14), three indicators of physical performance identified were production, sales and employment as mentioned in table 1. Economic development can be assessed through three indicators of human development index i.e. life expectancy, education and gross per capita income (GDP) identified from Human Development Report (2010) as mentioned in table 2. Three indicators of physical performance have been identified through literature review as shown in the table 2.

TABLE 1: INDICATORS OF PHYSICAL PERFORMANCE		
Indicators	Source	Dependent Variable
Production	MSME Annual Report, 2013-14	Physical Performance
Sales		
Employment		

Source: MSME Annual Report, 2013-14

Whereas, three indicators of human development index were identified to assess the economic development as shown in table 3.

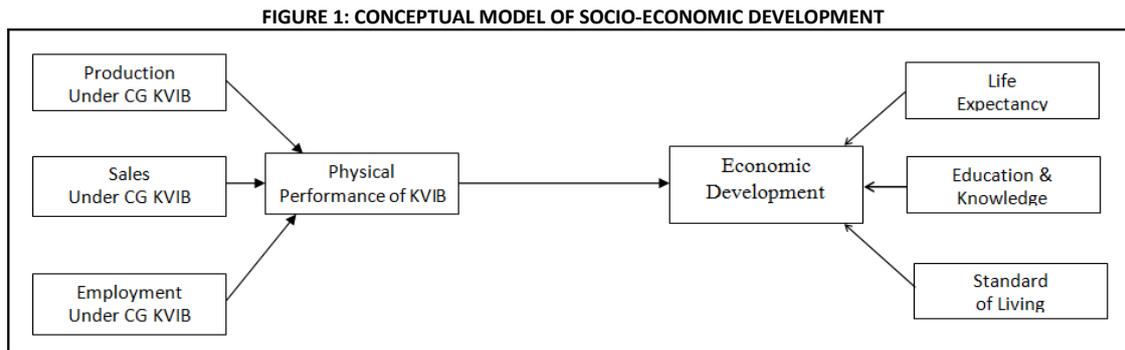
TABLE 2: INDICATORS OF ECONOMIC DEVELOPMENT			
Antecedent	Indicators	Source	Dependent Variable
Life Expectancy Index (LEI)	Human Development Index (HDI)	Human Development Report, 2010	Economic Development
Education Index (EI)			
Income Index (GDPI)			

The independent variable and dependent variable of the study are physical performance and economic development respectively which will help to determine the impact of physical performance of khadi and village industries on the economic development of the Chattiaqrh state wrt to the beneficiaries of khadi and village industries as mentioned in table 3.

TABLE 3: INDEPENDENT AND DEPENDENT VARIABLE		
Independent Variables	Source	Dependent Variable
Physical Performance	Dollar, Hallward-Driemeier and Mengistae (2005)	Economic Development

RESEARCH MODEL

The following research model is proposed indicating the independent and dependent variables along with their indicators as shown in following figure:



Source: Authors

RESEARCH INSTRUMENT

The following instruments were formulated for collection of data to calculate the human development index for khadi and village industries of Chhattisgarh.

TABLE 4: RESEARCH INSTRUMENT

Independent Variable	Indicators	Antecedent	Scale	Source
Life Expectancy	Life Expectancy Index (LEI)	Life Expectancy Value (LEV)	The Average life of people (in years)	Human Development Report, 2010
Education and Knowledge	Education Index (EI)	Mean years of schooling (MYSI)	Average number of years of education received by people ages 25 and older	
		Expected years of schooling Index (EYSI)	Expected years of schooling (EYSV)	
Standard of Living	Income Index (GDPI)	GNI per capita (GNIPC)	Monthly per capita income from all sources	

For the purpose to collect the primary data from the respondents, a schedule is developed comprising of questions pertaining to each index as mentioned in Human Development Index to calculate the socio economic status as mentioned in table 5.

TABLE 5: SCHEDULE TO CALCULATE THE SOCIO ECONOMIC STATUS

Q1. What is the Average life (in years) of people in your community? 1. >50000 7 2. 20000-49999 6 3. 10000-19999 5 4. 5000-9999 4 5. 2500-4999 3 6. 1000-2499 2 7. <1000 1	Q2. What is the Average number of years of education received by people ages 25 and older? 1. >50000 7 2. 20000-49999 6 3. 10000-19999 5 4. 5000-9999 4 5. 2500-4999 3 6. 1000-2499 2 7. <1000 1
Q3. What is the Number of years of schooling that a child of school entrance age can expect to receive? 1. >50000 7 2. 20000-49999 6 3. 10000-19999 5 4. 5000-9999 4 5. 2500-4999 3 6. 1000-2499 2 7. <1000 1	Q4. Monthly per capita income from all sources (total monthly income /no. of family members) 1. >50000 7 2. 20000-49999 6 3. 10000-19999 5 4. 5000-9999 4 5. 2500-4999 3 6. 1000-2499 2 7. <1000 1

CONCLUSION

The khadi and village industries in Chhattisgarh have grown substantially in terms of production, sales and employment and have considerably contributed in the economic development of Chhattisgarh. The Chhattisgarh Khadi and Village Industries Board is playing a vital role in generating employment for rural poor, unemployed youth and down-trodden artisans of the state by providing financial and technical assistance for setting up of micro and small industrial production units. The growth rates of khadi and village industries sector in terms of production, employment and sales are substantial. The development of khadi and village industries sector has acquired even more relevance today on account of : (i) growing population pressure in rural areas; (ii) rapid expansion of the labour force especially among the marginal farmers and landless agriculture labors; (iii) inadequate opportunities for non-agricultural work; (iv) limitation of the organized sector in absorbing the labour force; (v) need and the capacity for creating employment opportunities near the place of residence so as to avoid migration from rural to urban areas. It is for these reasons the governments support is considered essential for the continuous progress of the khadi and village industries sector. Finally, the study concludes with the observation that Khadi and Village Industry is playing a pivotal role in Chhattisgarh's economic development. Thus, khadi and village industries is the best way to fight the evil of unemployment and to stop the migration of labour from rural to urban areas.

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DIMENSIONS OF EMPLOYEE TURNOVER FACTORS IN SOFTWARE COMPANIES IN INDIA

SUNANTHA KUMAR
RESEARCH SCHOLAR
D B JAIN COLLEGE
CHENNAI

ABSTRACT

The information technology is the booming industries in India. One of the most common and hectic problem faced by the industry is high rate of employee turnover. The organizations productivity, achieving the goals and objectives and fulfilling the client totally depends on the employees of the organization. When the employee turnover rate is high which eventually leads to the collapse of the organization. The study was conducted among the IT companies in India, to identify the factors influencing the voluntary turnover in the organization through primary data and tools used percentage analysis and exploratory factor analysis.

KEYWORDS

employee turnover factors, software companies.

JEL CODE

M15

INTRODUCTION

The information technology (IT) industry has become one of the most robust industries in the world. Ever since its inception, the IT industry has been in news for various reasons, largely because of the revenues it has been generating and the direct and indirect employment it has created for millions of people. Because of huge profits and lucrative market size, lot of small and big players have entered into this market, and therefore a major chunk of youngsters are taking their careers into IT sector. Employee turnover is defined as the influx and exit of the individuals into and out of the working force of an organization over a specified period of time. The heavy rate of turnover is a great handicap for employees and any industry alike, for it implies a reduction in skill and efficiency on the part of the worker and reduced output for the industry.

REVIEW OF LITERATURE

Turnover intentions are divided into two categories: voluntary turnover and involuntary turnover (**Albattat and Som, 2013**) Voluntary turnover intention is the decision of an employee to leave the organization. Involuntary turnover intention, on the other hand, is the departure of an employee initiated by the employer. Both the impact of the personnel's voluntarily turnover and personnel's involuntarily turnover to organization is enormous. Leave to job effects directly customers' perception of service quality degradation, the reduction of employees' job satisfaction and morale, increased of staff training costs and personal improvement. The reasons of employee turnover can generally be divided into three categories as work-related factors (e.g. job satisfaction, wage, performance, organizational commitment), individual factors (e.g. age, education, gender, tenure) and external factors (e.g. unemployment rate, perceptions of employment, presence of trade union).

K Ragevendra Rao (2004) - The paper aimed at the different dimensions of rewarding the employees working for different type of organization. Rewarding the right people at the right time in the right way enhances their contribution to the organization in terms of productivity organization should identify the sensible performance method to measure the employee performance. Various standards are followed for the reward and compensation in various organizations to reduce turnover of the organization.

In today's fast paced business environment, employees strive constantly to achieve business goals with the timeframe. Open mindedness and transparent work culture play a vital role in employee retention. (**Swati Minz, 2011**)

In the opinion of the **Brijesh Kishore Goswani an Sushmitajha (2012)** the issues governing employee turnover and the challenges involved in retention of employees are major concern for the IT industry. The compelling fact that in context of knowledge driven economy is the people who emerge as key competitive differentiators and retaining the talent is a matter of grave concern and assumes greater significance too. Their insights into various issues regarding the employees have been provided. Acquiring skilled workforce is not just enough in today's changing economy. Instead, a lot needs to be done to retain them. It also finds that losing knowledgeable and trained employees can cause serious damage to a company's progress and its performance in the market. It also finds that the employee dreams, hopes, ambitions, creativity and innovations are the greatest assets of the organization. If the assets are not recognized the organization cannot touch the domestic and global markets.

Kamalabhan, Sree Rekha (2012) has carried out a study on the antecedents of employee turnover in ITES sector with an intention to examine the influence of intervening variables such as alternative job availability and organizational commitment on turnover intention. The findings suggest that organizations need to focus on how to foster organizational commitment in order to enhance job satisfaction, reduce job stress and provide support that will facilitate employee retention.

Daissy Ofosuhene Kwenin (2013) has revealed that the issue of employee retention has generated growing interest for human resource practitioners and researchers because of the effects it has on the development and accomplishment of organization's goals and objectives.

According to **Mita Mehta et al (2014)** Employee commitment and retention has become an important strategic aspect for the organization. It is not only important to have the best and the most talented employees but it is equally necessary to be able to retain them for long term benefits to both the organization and its people. study examines the following factors: career development opportunities, effective talent management strategies, recruitment, investment in training and development, compensation and benefits, work life balance, culture of the organization, leadership, communication, image of the company, autonomy and empowerment, personal causes, role of HR head and supervisors, work related policies and flexi time, performance appraisals and career growth

STATEMENT OF THE PROBLEM

Ever since its inception, the IT industry has been in news for various reasons, largely because of the revenues it has been generating and the direct and indirect employment it has created for millions of people. Because of huge profits and lucrative market size, lot of small and big players have entered into this market, and therefore a major chunk of youngsters are taking their careers into IT sector. Along with the major players in IT sector like Infosys, TCS, Wipro, CTS there is a colossal number of medium and small scale IT industries in India. When there are so many IT industries, employees have an option of switching over their jobs very frequently. Employees are considering good working condition, challenging projects, perks and a decent salary package and also expecting support for their higher studies from their employees. The moment they feel they are being underutilized, they start searching for a new job, and most often they get the job of their choice. In such a scenario, organizations face a lot of trouble, as a high turnover rate may lead to disruption in productivity. To avoid such situations, organizations have to adapt retention strategies to make employees stay for sufficient period in which the employee is able to contribute and perform. An important concern here is which strategy or strategies should be adapted, which works well with all the employees.

OBJECTIVES OF THE STUDY

The objective of the study is to find out the causes of employee turnover in the organization and the various ways and means to be followed to retain employees in the organization. The following objectives are framed.

1. To analyze the impact of demographic factors on employee turnover intention.
2. To identify the financial and non-financial factors influencing voluntary turnover of employees in IT industry.

RESEARCH METHODOLOGY

The study is exploratory in nature. The primary data is collected from the employees, HR managers, and senior leaders in the IT companies in Chennai with the help of a structured Questionnaire. Simple Random sampling technique is used for collecting the primary data. The size of the sample is 457. The data is collected from September 2014 to May 2017

TOOLS USED FOR THE STUDY

1. Percentage Analysis for determining the classification of demographic Profile
2. Exploratory Factor analysis is employed to reduce the variables for better understanding and further analysis.

ANALYSIS AND FINDINGS

DEMOGRAPHIC PROFILE

TABLE 1

Particulars	Number of Respondent	Percentage
Age		
20 years to 35 years	406	88.8
36 Years to 50 Years	49	10.7
51 Years to 60 Years	2	0.4
Total	457	100.0
Gender		
Male	276	60.4
Female	181	39.6
Total	457	100.0
Marital Status		
Single	276	60.4
Married	181	39.6
Total	457	100.0
Experience		
Up to 3 years	356	77.89
4 years to 5 years	71	15.53
Above 5 years	30	6.58
Total	457	100.0

Out of 457 respondents, 88.8% of the employees are in the age group below 35 years. 66.4% of the respondents are male and remaining 39.60 % of respondent are female. 66.4% of the respondent are unmarried and remaining 39.60 % of respondent are married. 4.4% of the respondents are top level employees, 77.89% of respondents have up to 3 years of work experience, 15.53 have above 4-5 years of experience 6.38% have above 5 years of experience.

DIMENSIONS OF FINANCIAL FACTORS

Eight variables of financial factors are studied and the responses are analysed by using 'Extraction Method'. The cronbach alpha came as 0.72 as shown in table 2, indicates that the instrument was considered reliable for the study. High values (close to 1.0) generally indicate that a factor analysis may be useful with the data. If the value is less than 0.50, the results of the factor analysis probably will not be very useful. The KMO value for the instrument was 0.672, which is acceptable as a middling value.

TABLE 2: RELIABILITY STATICS AND KMO TEST FOR NON FINANCIAL FACTORS

Reliability Statistics	
Chronbach's Alpha	0.72
No of items	8
KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.672
Bartlett's Test of Sphericity	835.085
Approx. Chi-Square	28
Df	0.000
Sig	

Since the factors of attrition were large in number and were inter-related, factor analysis was done to extract and club the factors responsible for attrition. Principal component analysis was the method of extraction. Varimax was the rotation method. As per the Kaiser criterion, only factors with eigen values greater than 1 were retained 3 factors in the initial solution have eigen values greater than 1. Together, they account for almost 64.101% of the variability in the original variables. The items falling under each of these factors were then dealt with quite judiciously. A few changes were done, to club items of the same nature together. After much of thoughtful permutations and combinations, 3 factors were finally extracted.

TABLE 3: TABLE OF EIGEN VALUE OF FINANCIAL FACTORS

Variable	Communalities	Factor	Eigen Value	% of variance	Cumulative %
Compensation	.819	1	2.814	35.178	35.178
Bonus	.736	2	1.304	16.295	51.473
Mediclaime	.744	3	1.010	12.628	64.101
LTA & Vacation Pays	.766				
Perks	.685				
Shift allowance	.752				
Reimbursement	.336				
Interest Free loan	.291				

The factors extracted for further study are shown in Table no – 3. These 3 factors that were ultimately extracted included factors have loadings more than 0.5 and have been referred to as dimensions of turnover in the further analysis. The table is followed by the explanation of all these three dimensions.

TABLE 4: FACTORS OF TURNOVER EXTRACTED FROM FACTOR ANALYSIS

Factor Item	Factor Loading	Factor Name
LTA	.864	Factor 1: Perquisites factor
Perks	.819	
Reimbursement	.517	
Mediclaime	.832	Factor 2: Allowances Factor
Shift allowance	.834	
Compensation	.893	Factor 3: Compensation and benefits Factor
Bonus	.774	

PERQUISITE FACTOR

The first factor comprises of Leave travel Allowance and Vacation pay with the factor loading of 0.864, Perks (0.819) and reimbursement (0.517). This factor is termed as Perquisites Factor. Perks or Perquisites refer to a privilege, benefit or a facility that an employee enjoys in addition to the regular salary. Usually, perks are attached to the position of the individual in the company and typically, higher the designation, greater are the perquisites offered. Some of the Perquisites in Software companies are Provision for medical facilities, Employee stock options, Company provided car, Counseling services, Legal services, Travel allowances, Club membership, Relocation expenses, Credit cards provided by the company, Medical expense reimbursement, No and low interest loans, Special dining privileges, recreational activities, food and coffee, and flexible work schedules, Company shares, Reimbursement to children’s tuition fees, Spouse travel, Special living accommodations away from home and so on.

ALLOWANCES FACTOR

The second factor which influences the turnover intention is Allowances factor. It constitutes of Mediclaim facilities and Shift allowance with the factor loadings of 0.832 and 0.834 respectively. An allowance is the financial benefit given to the employee by the employer over and above the regular salary. These benefits are provided to cover expenses which may be incurred to facilitate the discharge of service for example Dearness Allowance, Shift allowance Conveyance Allowance, Overtime allowance, meal allowance, servant allowance etc.

EMPLOYEE COMPENSATION AND BENEFITS FACTOR

The third factor is Compensation and Benefits Factor consists of Compensation (.893) and Bonus (.774). Compensation and Benefits include guaranteed pay, variable pay like bonus and incentives, paid time off, company car and employee stock insurance.

ANALYZING THE DIMENSIONS OF NON FINANCIAL FACTORS

Twenty-five variables of non-financial factors are studied and the responses are analysed by using ‘Extraction Method’. KMO value was greater than 0.6 can be considered as adequate (Kaiser and Rice, 1974).

From the Table 3 it can be seen that KMO value was acceptable, as its value found to be 0.868, which is indicative of a data set considered to be highly desirable for factor analysis (Kim and Mueller, 1978).

RELIABILITY STATICS AND KMO TEST FOR NON FINANCIAL FACTORS

TABLE 5

Reliability Statistics	
Chronbach's Alpha	0.890
No of items	25
KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.868
Bartlett's Test of Sphericity	4283.586
Approx. Chi-Square	300
Df	0.000
Sig	

The twenty five factor solution accounted for 55.272 percent of the variance. Total variance explained (55.272 percent) by these five components exceeds the 60 percent threshold commonly used in social sciences to establish satisfaction with the solution (Hair et al., 1995).

TABLE 6: TABLE OF EIGEN VALUE OF NON FINANCIAL FACTORS

Variable	Communalities	Factor	Eigen Value	% of variance	Cumulative %
Attraction towards higher position	.823	1	7.497	29.987	29.987
Invited by peer group	.747	2	2.033	8.132	38.119
Low Job satisfaction	.722	3	1.600	6.400	44.519
Organisation culture	.548	4	1.365	5.459	49.978
Shift timings	.348	5	1.323	5.294	55.272
Bored of routine work	.540				
Absenteeism	.713				
Health issues and stress	.597				
Lack of Welfare facilities	.401				
Rowing nature of the employee	.532				
Lack of promotion	.495				
No Sufficient training	.543				
Workplace harassment	.486				
Involving decision making	.531				
Poor Employer- employee relationship	.483				
Difficult in balancing Work life	.559				
Work overload	.622				
Lack of Career advancement	.580				
Role ambiguity	.447				
Leadership skill	.605				
location	.543				
Onsite opportunities	.436				
Employment security	.552				
Management attitude	.534				
Domestic and family problems	.428				

Rotated Component Matrix shows the loading of each variable on each of the extracted factors. The objective of this matrix is to find variable, which have high loading on one factor, but low loading on other factors. The factors extracted for further study are shown in Table 7. From 23 factors, these 5 factors that were

ultimately extracted included factors have loadings more than 0.5 and have been referred to as dimensions of attrition in the further analysis. The table is followed by the explanation of all these eight dimensions.

FACTORS OF TURNOVER EXTRACTED FROM FACTOR ANALYSIS

TABLE 7

Factor Item	Factor Loading	Percentage of Variance	Factor Name
Organisation culture	.506	29.987	Factor 1:Nature of Job Factor
Sufficient training	.546		
Employer-employee relationship	.622		
Role ambiguity	.597		
Involving decision making	.669		
Flexibility	.696		
Leadership skill	.724		
Onsite opportunities	.577		
Employment security	.568	8.132	Factor 2: Stress related Factor
Health issues and stress	.634		
Work overload	.733		
Location	.678		
Management attitude	.651	6.400	Factor 3:Personal improvement factor
Promotion	.641		
Welfare facilities	.513		
Workplace Harassment	.518		
Rowing nature of employees	.578		
Career advancement	.636		
Domestic and family problems	.507	5.459	Factor 4 : Seeking opportunities factor
Invited by peer group	.837		
Attraction towards higher position	.901	5.294	Factor 5: Employment Satisfaction Factor
Job satisfaction	.804		
Absenteeism	.785		

FACTOR 1: NATURE OF JOB FACTOR

The first dimension constitutes of the variables such as Organisation Culture (.506), Sufficient training (.546), Employer-employee relationship(.622), Role ambiguity (.597), Involving decision making (.669), Flexibility (.696) Leadership skill (.724), Onsite opportunities(.577) and Employment security (.568) which is considered as Nature of Job factor. This Factor contributes 29.987% of Variance. Employees search to find job with several challenges, they are liable for fulfilling their duties and have enough power to do this task. If employees are satisfied of their job and organization that offers service, the person observes great respect for organization. It is obvious that absence of aforesaid properties makes person dissatisfied and decreased loyalty of person toward organization.

FACTOR 2: STRESS RELATED FACTOR

The second dimension constitutes of variables such as Health issues and stress (.634), Work overload (.733), Location (.678) and Management attitude (.651).This factor is known as Stress Related factor. Stress is the psychological and physical state that results when the resources of the individual are not sufficient to cope with the demands and pressures of the situation. The potential source of stress may be due to Personal and organisational reasons The employee works in an organisation and retain himself there only when he is satisfied with his health, location, work pressure and supportive relationship with management.

FACTOR 3: PERSONAL IMPROVEMENT FACTOR

The third factor comprises of variables such as Promotion (.641), Welfare facilities.(.513), Workplace harassment (.518), Rowing nature of employees(.578), Career advancement (.636) and Domestic and Family problems (.507).This factor is termed as Personality improvement factor. Working in democratic environment with wide prospect for personal improvement is always viewed by the employees.

FACTOR 4: SEEKING OPPORTUNITIES FACTOR

The fourth factor includes Invited by peer group (.837) and Attraction towards higher position (.901).This factor is termed as seeking opportunities factor.

FACTOR 5: EMPLOYMENT SATISFACTION FACTOR

The fifth factor constitutes of Job satisfaction (.804) and Absenteeism (.785). This is the factor termed as Employment Satisfaction Factor.

FINDINGS OF THE STUDY

1. The demographic profile reveals 88.8% of the employees are in the age group below 35 years. 66.4% of the respondents are male and remaining 39.60 % of respondent are female. 66.4% of the respondent are unmarried and remaining 39.60 % of respondent are married. 77.89% of respondents have up to 3 years of work experience, 15.53 have above 4-5 years of experience and 6.38% have above 5 years of experience.
2. Perquisite Factor, Allowance Factor and Employee Compensation and benefit factor are the three important financial dimensions for employee turnover
3. Nature of Job Factor, Stress related factor, Personal improvement factor, Seeking opportunities factor, Employment Satisfaction Factor are the five important non- financial dimensions for employee turnover

CONCLUSION

Employee turnover as an organizational phenomenon: There are always numerous reasons available to the employees who have made up their minds to quit their jobs. They range from the lack of job clarity and growth prospects to the perceived equity of rewards being low, from the lack of communication among employees to a low compensation package. The length of the gestation period in some industries can create restlessness amongst the employees who want to make it big in no time. The business implication of these results is increased costs in many respects.The Organizational strategy of sustainability and retention policies is being created by the organization to improve employee retention and boost employee satisfaction.

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A COMPARATIVE ANALYSIS OF TRADING IN EXCHANGE TRADED FUNDS OF THE SAME FUND HOUSES

AMRUTHA SANTHOSH

M. Phil. SCHOLAR

DEPARTMENT OF COMMERCE & MANAGEMENT

AMRITA SCHOOL OF ARTS & SCIENCES

KOCHI

ABSTRACT

An Exchange Traded Fund is similar to an Index Mutual Fund. Both strive to replicate the performance of the benchmark index. The only difference is that the Exchange Traded Funds are not interested to outperform the indices. Four categories of such funds are available in India. But for the study Equity and Gold Exchange Traded Funds launched by the same Fund Houses are only considered. Equity funds include the funds with index as underlying assets. The study attempts to compare the performance of these two funds from 2011-17. The sample size is limited to 12; 6 Equity Exchange Traded Funds, and 6 Gold Exchange Traded Funds. This can be helpful for the investors in making wise investments.

KEYWORDS

exchange traded funds, gold exchange traded funds, index, investments.

JEL CODE

G11

1. INTRODUCTION

A country consists of poor and rich. Development of these two categories is very much essential for the development of a country, especially India. The development should be balanced. Stock market is a component of a financial system it facilitates the transfer of financial surplus from surplus areas to the deficit areas. This can ultimately lead to balanced regional development. For this purpose, adequate investments should be made. However, some are hesitant to make investments fearing about the loss of money or assets. Proper measures or schemes favourable to them should be introduced. Investors should be convinced about the importance of these schemes. Proper regulations and liberal working environments should also be arranged by the statutory authorities. Mutual fund is a type of scheme, which is launched for the upliftment of the poor. These funds mobilize and pool the savings of many poor people and make investments in government securities or other corporate societies. They are providing interests, dividends, capital gains etc to the people. Mutual fund schemes can be classified into various categories.

An Index Fund is a type of mutual fund, which aims to replicate or outperform the performance of the benchmark index. An Exchange Traded Fund is similar to an Index Fund. Both are having same aim. The difference is that the former does not attempt to outperform the benchmark index. It can be bought and sold like stocks on a stock exchange. They are having much acceptance worldwide compared to the previous years. It is mainly classified into Equity and Gold in India. Equity Exchange Traded Fund tries to track the performance of its underlying index and Gold Exchange Traded Funds attempts to track the performance of physical gold. These schemes are having less expense ratios, transaction costs etc. They provide more diversification and liquidity. Equity Exchange Traded Funds are cheaper for first time investors. The Gold Exchange Traded Funds help the investors to make investments in gold without actually owing them and can't be stolen or destroyed.

These Exchange Traded Funds are introduced and carried out by big companies or firms, commonly referred to as fund houses. Many fund houses and Exchange Traded Schemes are there in our native country. Some fund houses will be interested in dealing with Equity and Gold Exchange Traded Funds separately, but nowadays a few fund houses are launching these two schemes simultaneously. It is not feasible to include all the schemes for the current study. So the present study deals with the schemes launched by top performing fund houses (for the past 6 years; 2011-17) of India like Birla Sun Life, Kotak, Reliance, Invesco India Asset, Quantum and ICICI Prudential. The Exchange Traded Funds in India are performing poor compared to foreign funds because of the development status of India. But scholars are of the opinion that such funds are having large potential. So it is urgent to look for efficient and effective investors for the same.

2. MORE ABOUT EXCHANGE TRADED FUNDS (ETFs)

Exchange Traded Funds are one of the latest financial products available in the modern era. It had taken a huge time for the evolution. Since the plain vanilla ETFs were developed, they have evolved over time. The initial ETFs held a basket of securities that replicated the component securities of broad-based stockmarket indexes, such as the S&P 500.⁴ With the passage of time more and more ETFs are coming forward. As predicted by Goldman Sachs, the Global Investment Bank, by 2035 India would be the third largest economy of the world just after US and China. It will grow to 60% of size of the US economy⁵. Most of the press coverage has correctly noted the major advantages of ETFs—low—costs, intraday trading and high tax efficiency with no material premiums or discounts to the funds' intraday net asset value. However, there is a fair degree of misunderstanding about how ETFs work, what sectors of the market are good candidates for ETFs and what sectors are not, why the expense ratios tend to be low, and how most of the funds manage to avoid significant capital gains distribution⁶. As more and more funds are coming forward the risk, complexity and competition also increased which creates a burden on the investors. So the former should follow proper strategies and strict adherence to SEBI guidelines. Crisis experience has shown that as the financial intermediation chain lengthens, it becomes complicated to assess the risks of financial products due to a lack of transparency as to how risks are managed at different levels of the intermediation chain. Exchange-traded funds, which have become popular among investors seeking exposure to a diversified portfolio of assets, share this characteristic, especially when their returns are replicated using derivative products. As the volume of such products grows, such replication strategies can lead to a build-up of systemic risks in the financial system.⁷ Using an economical scanning it is spotted that the schemes of the fund houses Birla, HDFC, ICICI, Invesco, Kotak, Quantum, Reliance, SBI and UTI are showing better performances Kotak Nifty ETF and Quantum Nifty ETFs seem to be doing quite well in terms of providing good annualized returns among the ETFs under study⁸

⁴ Aggarwal, R., & Schofield, L. (2012). The growth of global ETFs and regulatory challenges.

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⁷ Ramaswamy, S. (2011). Market structures and systemic risks of exchange-traded funds.

⁸ MAHAJAN, P., & SAXENA, S. (2014). Performance Comparison of Index Funds and ETFs in India. *The Indian Journal of Commerce*, 67(3), 21.

TABLE 1: LIST OF GOLD ETFs TRADED AT NATIONAL STOCK EXCHANGE

Issuer	Name	Symbol
Axis Mutual Fund	Axis Gold ETF	AXISGOLD
Birla Sun Life Mutual Fund	Birla Sun Life Gold ETF	BSLGOLDETF
Canara Robeco MF	Canara Robeco Gold ETF	CANGOLD
Goldman Sachs Asset Management	Goldman Sachs Gold Exchange Traded Scheme	GOLDBEES
HDFC Mutual Fund	HDFC Gold Exchange Traded Fund	HDFCFMGETF
ICICI Prudential Mutual Fund	ICICI Prudential Gold Exchange Traded Fund	IPGETF
IDBI AMC	IDBI Gold ETF	IDBIGOLD
Kotak Mutual Fund	Kotak Gold Exchange Traded Fund	KOTAKGOLD
Quantum Mutual Fund	Quantum Gold Fund (an ETF)	QGOLDHALF
Reliance Mutual Fund	Reliance Gold Exchange Traded Fund	RELGOLD
Religare Mutual Fund	Religare Gold Exchange Traded Fund	RELIGAREGO
SBI Mutual Fund	SBI Gold Exchange Traded Scheme	SBIGETS
UTI Mutual Fund	UTI GOLD Exchange Traded Fund	GOLDSHARE

Source: Secondary data

TABLE 2: LIST OF EQUITY ETFs TRADED AT NATIONAL STOCK EXCHANGE

Issuer Name	Name	Symbol	Underlying
Edelweiss AMC	Edelweiss Exchange Traded Scheme - Nifty	NIFTYEES	Nifty 50 Index
Goldman Sachs Asset Management	GS Nifty BeES	NIFTYBEEES	Nifty 50 Index
ICICI Prudential AMC	ICICI Prudential Nifty ETF	INIFTY	Nifty 50 Index
Kotak AMC	Kotak Nifty ETF	KOTAKNIFTY	Nifty 50 Index
Motilal Oswal AMC	MOST Shares M50	M50	Nifty 50 Index
Quantum AMC	Quantum Index Fund - Growth	QNIFTY	Nifty 50 Index
Reliance AMC	R*Shares Nifty ETF	RELNIFTY	Nifty 50 Index
Religare AMC	Religare Invesco Nifty ETF	RELGRNIFTY	Nifty 50 Index
SBI AMC	SBI ETF Nifty	SETFNIFTY	Nifty 50 Index
UTI AMC	UTI Nifty ETF	UTINIFETF	Nifty 50 Index
Birla Sun Life AMC	Birla Sun Life Nifty ETF	BSLNIFTY	Nifty 50 Index
ICICI Prudential AMC	ICICI Prudential CNX 100 ETF	ICNX100	Nifty 100
Reliance AMC	R*Shares CNX 100 ETF	RELCNX100	Nifty 100
Goldman Sachs Asset Management	GS Bank BeES	BANKBEEES	Nifty Bank
Kotak AMC	Kotak Banking ETF	KOTAKBKETF	Nifty Bank
Reliance AMC	R*Shares Banking ETF	RELBANK	Nifty Bank
SBI AMC	SBI ETF Banking	SETFBANK	Nifty Bank
Goldman Sachs Asset Management	CPSE ETF	CPSEETF	Nifty CPSE Index
Reliance AMC	R*Shares Dividend Opportunities ETF	RELDIVOPP	Nifty Dividend Opportunities 50
Reliance AMC	R*Shares Consumption ETF	RELCONS	Nifty India Consumption
Goldman Sachs Asset Management	GS Infra BeES	INFRABEEES	Nifty Infrastructure
Motilal Oswal AMC	MOST Shares M100	M100	Nifty Midcap 100
Goldman Sachs Asset Management	GS Junior BeES	JUNIORBEEES	Nifty Next 50
SBI AMC	SBI ETF Nifty Junior	SETFNIFJR	Nifty Next 50
Goldman Sachs Asset Management	GS PSU Bank BeES	PSUBNBEEES	Nifty PSU BANK
Kotak AMC	Kotak PSU Bank ETF	KOTAKPSUBK	Nifty PSU BANK
Goldman Sachs Asset Management	GS Shariah BeES	SHARIABEEES	Nifty50 Shariah Index
Reliance AMC	R*Shares NV 20 ETF	RELVN20	Nifty50 Value 20 Index
ICICI Prudential AMC	ICICI SENSEX Prudential Exchange Traded Fund	ISENSEX	S&P BSE Sensex
UTI AMC	UTI Sensex ETF	UTISENSEIF	S&P BSE Sensex

Source: Secondary data

3. STATEMENT OF THE PROBLEM

With the passage of time the concept of Exchange Traded Funds are becoming more complex. Many Fund Houses are coming forward claiming that their funds are the best. Some Fund Houses are launching two different categories of the funds namely Equity Exchange Traded Funds and Gold Exchange Traded Funds. It is not feasible to make investments in all these funds Investors should be very keen in selecting the proper one. They are interested to look at the current performance of the same before moving forward. The current study can aid them in this regard.

4. OBJECTIVES

1. To compare the performance of Equity Exchange Traded Funds and Gold Exchange Traded Funds launched by the same Fund Houses.
2. To study the risk associated with the funds.
3. To identify the best fund(s) in terms of risks and returns.

5. RESEARCH HYPOTHESIS

1st set of hypothesis:

H₀: There is no difference between the performance of Exchange Traded Funds launched by the same Fund Houses.

H₁: There is difference between the performance of Exchange Traded Funds launched by the same Fund Houses.

2nd set of hypothesis:

H₀: There is no difference between the returns generated by the funds

H₁: There is a difference between the returns generated by the funds

3rd set of hypothesis:

H₀: There is no difference between the risks associated with the funds

H₁: There is a difference between the risks associated with the funds

Final set:

H₀: All the funds are having equal ranks.

H₁: All the funds aren't having equal ranks.

6. RESEARCH METHODOLOGY

The research design used here is purely descriptive. The data entirely relies upon secondary data collected from websites textbooks and online journals. Exchange Traded Funds traded in Indian Stock Exchanges constitute the sampling population. Descriptive Statistics and Independent T Test are used. PSP Software is also made use of. Samples are collected by following the simple random sampling technique.

7. SCOPE OF THE STUDY

Birla Sun Life Nifty Exchange Traded Fund, Kotak PSU Bank ETF, Quantum Index Fund, ICICI SENSEX Prudential ETF, R*Shares Banking ETF and Invesco India INVESCO Nifty ETF represents EQUITY Exchange Traded Funds. Gold Exchange Traded Funds; Birla Sun Life Nifty Exchange Traded Fund, Kotak Gold Exchange Traded Fund, Reliance Gold Exchange Traded Fund Invesco India Gold Exchange Traded Fund, Quantum Gold Fund and ICICI Prudential Gold Exchange Traded Fund are included here. These Exchange Traded Funds are introduced by the fund houses namely Birla Sun Life, Kotak, Reliance, Invesco India, Quantum and ICICI.

8. DATA ANALYSIS AND INTERPRETATIONS

The part is divided into three sections

1. Performance evaluation of exchange traded funds and gold exchange traded funds of the same fund houses. This is done using an z(t) test
2. Overall Risk returns comparison of all the funds computed using Anova
3. Selection of the best fund. This is done after looking into 1 and 2 points.

8.1. Performance evaluation

TABLE 3: BIRLA SUN LIFE

ETFs	Mean	Std. Deviation	P Value	
			Levene's Test Equality of Variances	Equality of Means
Nifty ETF	10	14	0.539	0.529
Life Gold ETF	5	13		

Source: Secondary Data

Interpretation

H₀: There is no difference between the performance of Exchange Traded Funds of Birla Sun Life.

H₁: There is difference between the performance of Exchange Traded Funds of Birla Sun Life.

At the 5 percent level of significance, it is seen that the p value corresponding to Levine's Test for Equality of Variances is 0.539. It is greater than 0.05. So equal variances are assumed. It is true there is no such difference between the standard deviations of both the funds. P value corresponding to t-test for Equality of Means is 0.529. It is greater than 0.05. So null hypothesis can be accepted. There is no difference between the performance Exchange Traded Funds of Birla Sun Life. However it is also noted that more returns can be generated when more risks are taken. Risk taking ones can select Nifty ETF others can option for Gold ETF. Birla Sun Life Nifty ETFs persuade people to make investments whenever they are optimistic or when are having enough money with them, while investments are made in the other when the gold market is deteriorating.

TABLE 4: ICICI PRUDENTIAL

ETFs	Mean	Std. Deviation	P Value	
			Levene's Test Equality of Variances	Equality of Means
SENSEX Prudential ETF	5	2	0.053	0.839
Prudential Gold ETF	6	14		

Source: Secondary Data

Interpretation

H₀: There is no difference between the performance of Exchange Traded Funds of ICICI Prudential.

H₁: There is difference between the performance of Exchange Traded Funds of ICICI Prudential.

At 5 percent level of significance, it is seen that the p value corresponding to Levine's Test for Equality of Variances is 0.053. It is equal to 0.05 (approximately). So equal variances are not assumed. This is further substantiated by the standard deviations. P value corresponding to t-test for Equality of Means is 0.839. It is greater than 0.05. So null hypothesis can be accepted. There is no difference between the performance of Equity and Gold Exchange Traded Funds of ICICI Prudential. More risks imply more return and vice versa. In that sense the former is better. The ability of the investors to devise proper hedging strategies to gain more returns made its status better and the inability lead to the poor performance of Gold ETF.

TABLE 5: KOTAK

ETFs	Mean	Std. Deviation	P Value	
			Levene's Test Equality of Variances	Equality of Means
PSU Bank ETF	-3	26	0.146	0.525
Gold ETF	6	16		

Source: Secondary Data

Interpretation

H₀: There is no difference between the performance of Exchange Traded Funds of Kotak.

H₁: There is difference between the performance of Exchange Traded Funds of Kotak.

At 5 percent level of significance, it is seen that the p value corresponding to Levine's Test for Equality of Variances is 0.146. It is greater than 0.05. So equal variances are assumed. P value corresponding to t-test for Equality of Means is 0.525. It is greater than 0.05. So null hypothesis can be accepted. There is no much difference between the performance Exchange Traded Funds of Kotak. The returns of PSU Bank ETF are negative, this is because of the effect of demonetization

in India and the reason for more returns of Gold ETF is because of making proper investment when the gold prices are rocketing. Demonetization affected PSU Bank funds of Kotak very badly.

TABLE 6: QUANTUM

ETFs	Mean	Std. Deviation	P Value	
			Levene's Test Equality of Variances	Equality of Means
Index Fund	9	16	0.778	0.642
Gold Fund	5	16		

Source: Secondary Data

Interpretation

H₀: There is no difference between the performance of Exchange Traded Funds of Quantum.

H₁: There is difference between the performance of Exchange Traded Funds Quantum.

At 5 percent level of significance, it is seen that the p value corresponding to Levene's Test for Equality of Variances is .778. It is greater than 0.05. So equal variances are assumed. P value corresponding to t-test for Equality of Means is .642. It is greater than 0.05. So null hypothesis can be accepted. There is no difference between the performance of Equity and Gold Exchange Traded Funds of Quantum. Quantum Index fund is a fund which possess 100 % dedication towards investors, investor protection and experienced managers. Demonetization is a boon as well as a curse. In terms of gold funds of quantum it is curse. The anxiety, pressure etc. on the minds of customers about cash (shortage/ability) resulted in less return. The risk of both the funds is 16.

TABLE 7: RELIANCE

ETFs	Mean	Std. Deviation	P Value	
			Levene's Test Equality of Variances	Equality of Means
Banking ETF	11	21	.503	.503
Gold ETF	7	16		

Source: Secondary Data

Interpretation

H₀: There is no difference between the performance of Equity and Gold Exchange Traded Funds of Reliance.

H₁: There is difference between the performance of Exchange Traded Funds of Reliance.

At 5 percent level of significance, it is seen that the p value corresponding to Levene's Test for Equality of Variances is 0.503. It is greater than 0.05. So equal variances are assumed. P value corresponding to t-test for Equality of Means is 0.503. It is greater than 0.05. So null hypothesis can be accepted. There is no difference between the performance of Equity and Gold Exchange Traded Funds of Reliance. There is no much difference between the returns and standard deviations. Both the funds are equally good. Those who aren't risk averse can choose Banking ETF. The positive effects of demonetization is reflected here. Apart from the latter e marketing strategies and other investment promotional strategies (in terms of ETF) can also be regarded as other causes for the remarkable performance of the fund house.

TABLE 8: INVESCO INDIA

ETFs	Mean	Std. Deviation	P value	
			Levene's Test Equality of Variances	Equality of Means
Invesco India Nifty ETF	14	19	.542	0.46
Invesco India Gold ETF	5	15		

Source: Secondary Data

Interpretation

H₀: There is no difference between the performance Exchange Traded Funds of Invesco India.

H₁: There is difference between the performance of Exchange Traded Funds of Invesco India

At 5 percent level of significance, it is seen that the p value corresponding to Levene's Test for Equality of Variances is 0.542. It is greater than 0.05. So equal variances are assumed. P value corresponding to t-test for Equality of Means is 0.460. It is greater than 0.05. So null hypothesis can be accepted. There is no difference between the performance Exchange Traded Funds of Invesco India. When risk increases returns also increase, when risk decreases, returns also decrease. The miraculous performance of Invesco India Nifty ETF may be because of sowing and reckoning and implementing only the positive aspects of demonetization.

8.2. Risk return comparison

TABLE 9: OVERALL RETURNS AND RISK PATTERN

	Sig.
Returns	0.525
Standard Deviations	0

Source: Secondary Data

Interpretation

H₀: There is no difference between the return and risk pattern generated by the funds

H₁: There is a difference between the return and risk pattern generated by the funds

By checking table 8.7 it is assumed that p value corresponding to returns, .525 is greater than level of significance (5 %). So the conclusion can be that in terms of returns alone all the funds are equally performing. This may because of the ability of the funds to track the movements of underlying asset. However, in terms of risks, the p value is less than 0.05, i.e. the funds are having different standard deviations. Different funds have different risk patterns. In terms of financial context, when risks are more profits are also more and vice versa. H₀ is rejected and H₁ is accepted. This fact pave way for the final outcome that there is a difference between the return and risk pattern generated by the funds. Demonetization and the anxiety, pressure created in the mindset of the mob may be the key reason for the same.

8.3. Selection of the best fund

TABLE 10: A FEW SELECTED FUNDS

Funds	Returns	Risks
Birla Sun Life Nifty ETF	10	14
Quantum Index Fund	9	16
Invesco India Nifty ETF	14	19
R*Shares Banking ETF	11	21

Source: Secondary Data

Interpretation

From the study, the top four funds founded out are shown in table 8.8. Standard deviations and returns are somewhat similar. So these four can be summarized as the best among others. The investments in gold exchange traded funds are not up to the level. Demonetization, frequent fluctuations in the gold prices etc. created havoc situations.

9. FINDINGS**1. To compare the performance of Equity Exchange Traded Funds and Gold Exchange Traded Funds launched by the same Fund Houses**

There is no much difference between the performance of Equity and Gold Exchange Traded Funds of Birla Sun Life., Kotak, Quantum and ICICI, Reliance and Religare. The reason for the same depends mainly upon fund managers and current Indian economy. Other reasons are quoted in the appropriate places. In terms of returns alone all the funds are equally performing. This may be because of the ability of the funds to track the movements of underlying asset. However, in terms of risks, the p value of the funds generated using the software is less than 0.05, so the conclusion is that the funds are having different standard deviation. Different funds have different risk patterns. In terms of financial context, when risks are more profits are also more and vice versa. This fact paved way for the final outcome that there is a difference between the return and risk pattern generated by the funds. Demonetization and the anxiety, pressure created in the mindset of the mob may be the key reason for the same.

2. To study the risk associated with the funds

The standard deviations of exchange traded funds and gold funds of the fund house are also approximately same, except ICICI. The underlying asset of ICICI Exchanged traded fund is S&P BS SENSEX. Because of demonetization, the value of the index increased hence the fund is having less standard deviation in comparison with its gold funds. The following indicates the riskier funds in order Kotak PSU Bank ETF, R*Shares Banking ETF, Invesco India Nifty ETF, Kotak Gold ETF, Quantum Index Fund, Quantum Gold Fund, Reliance Gold ETF, Invesco India Gold ETF, Birla Sun Life Nifty ETF, ICICI Prudential Gold ETF, Birla Sun Life Gold ETF and ICICI SENSEX Prudential ETF. The most risky fund is Kotak PSU Bank ETF and the least is ICICI SENSEX Prudential ETF

3. To identify the best fund(s) in terms of risks and returns

Birla Sun Life Nifty ETF, Quantum Index Fund, Invesco India Nifty ETF and R*Shares Banking ETF are the best funds identified after preparing the current study. Standard deviations and returns are somewhat similar

10. SUGGESTIONS

1. Adequate customization facilities should be launched. Special care and attention should be given to small scale sector.
2. More people especially poor and rural should be able aware about the importance of Exchange Traded Funds. They can seek the guidance of experienced and renowned individuals, textbooks, magazines etc.
3. Pros of implementing demonetization should be well communicated among the mob.
4. Regulatory authorities like Securities and Exchange Board of India should make more investor friendly norms.

11. CONCLUSION

Exchange Traded Funds are showing good performance. They generate maximum returns in comparison with the gold exchange traded funds. Equity Exchange Traded Funds aim to track the performance of benchmark index. The idea of the later is to replicate the performance of physical gold. These two schemes are very much essential for the small scale investors. They should act wisely before proceeding to reap the benefits in future. Stock market officials, brokers or other intermediaries and investors should be sincere while exercising their rights. They are not supposed to make use of any unethical practices. The present study highlights that there is no much difference between the performance of Exchange Traded Funds of the selected fund houses. The most risky fund is Kotak PSU Bank ETF and the least is ICICI SENSEX Prudential ETF. Birla Sun Life Nifty ETF, Quantum Index Fund, Invesco India Nifty ETF and R*Shares Banking ETF are the best funds. The study also identified the fact that demonetization is both a boon and a curse (mainly for gold funds). The present study can also pave way for future researches.

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