# INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT

IJRCM

IJRCM

# CONTENTS

# CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications;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

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

# GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1.      **COVERING LETTER FOR SUBMISSION:**

                                                                                                             **DATED: _____**


**THE EDITOR**

IJRCM


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

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


**DEAR SIR/MADAM**

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

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

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

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

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

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

NOTES:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. **MAIN TEXT**:

*THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE*:

**INTRODUCTION**

**REVIEW OF LITERATURE**

**NEED/IMPORTANCE OF THE STUDY**

**STATEMENT OF THE PROBLEM**

**OBJECTIVES**

**HYPOTHESIS (ES)**

**RESEARCH METHODOLOGY**

**RESULTS & DISCUSSION**

**FINDINGS**

**RECOMMENDATIONS/SUGGESTIONS**

**CONCLUSIONS**

**LIMITATIONS**

**SCOPE FOR FURTHER RESEARCH**

**REFERENCES**

**APPENDIX/ANNEXURE**

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

12.     **FIGURES & TABLES:** These should be simple, crystal **CLEAR**, **centered**, **separately numbered** & self-explained, and the **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. *It should be ensured that the tables/figures are referred to from the main text*.

13.     **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.

14.     **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.

15.     **REFERENCES:** The list of all references should be alphabetically arranged. ***The author (s) should mention only the actually utilised references in the preparation of manuscript*** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.

- Use (**ed.**) for one editor, and (**ed.s**) for multiple editors.

- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.

- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.

- The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.

- For titles in a language other than English, provide an English translation in parenthesis.

- *Headers, footers, endnotes and **footnotes** should **not be used** in the document*. However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**

**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.

- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

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

**JOURNAL AND OTHER ARTICLES**

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

**CONFERENCE PAPERS**

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

**UNPUBLISHED DISSERTATIONS**

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

**ONLINE RESOURCES**

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

**WEBSITES**

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

**INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT**

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

http://ijrcm.org.in/      viii

# ANALYSIS ON ANGER AND STRESS MANAGEMENT TO IMPLEMENT STRESS FREE WORK ENVIRONMENT IN ORGANIZATION FOR EFFECTIVE BUSINESS EXECUTION

*Dr. B. N. GUPTA*
*DIRECTOR*
*INSTITUTE OF MANAGEMENT AND SCIENCE*
*JALGAON*

*Md. SADIQUE SHAIKH*
*PROFESSOR*
*INSTITUTE OF MANAGEMENT & SCIENCE*
*SAKEGAON-BHUSAWAL*

## ABSTRACT
*Feeling angry is part of being human. It is a natural response to being attacked, insulted, deceived or frustrated. Sometimes excessive anger can also be a symptom of mental health problems. Anger can be useful but it can also be frightening. When something makes you angry adrenalin cause your body to prepare for fight or flight, giving you energy and making you feel tense and stress. Stress is a fact of everyday life. When people reach out for help, they are often dealing with circumstances, situations and stressors in their lives that leave them feeling emotionally and physically overwhelmed. Many people feel that they have very little resource or skills to deal with the high levels of stress they are experiencing. Many people have trouble managing their anger. This is for anyone who wants to learn how to deal with anger and stress in constructive and healthy way. Hence this piece of research some nuances and canon with deep research to tackle with anger and stress and manage them.*

## KEYWORDS
stressors, anger management, stress management, organizational behaviour.

## JEL CODES
M00, M1, M10.

## INTRODUCTION
**S**tress – the mere word can cause anyone to cringe and feel on-edge. Stress is how the body reacts to any kind of demand, threat or change being experienced. It is usually associated with a feeling of being overwhelmed. It is important to note that stress is not a "one size fits all" concept. What stresses one person out may not faze the next person based on the way in which they perceive the stressor. This is why it is important to understand the causes and effects of stress, as well as how to identify your own stressors and ways to properly manage your stress.

## OBJECTIVE OF THE STUDY
Our purpose for this study also stems from our research question, which is to have a clear understanding of the causes of anger and stress of human for effective anger and stress management implementation.

## RESEARCH QUESTION
What are the causes of stress at the work place and management mechanisms applied by both the employees and the management for effective anger and stress management implementation?

## RESEARCH PURPOSE
Our purpose for this study also stems from our research question, which is to have a clear understanding of the causes of anger and stress of human for effective anger and stress management implementation.

## EVOLUTIONARY PSYCHOLOGY
Do you believe that you can "read" someone's face? Can you tell if another person is displaying happiness or fear, anger or sadness? If you do believe you can interpret a face—do you think you learned to do this or that your ability is inborn? Charles Darwin believed that humans are biologically wired to interpret certain facial expressions—and that this ability evolved over time. Why would this happen? According to evolutionary researchers like Leda Cosmides and John Tooby, the development of facial recognition was adaptive. It enabled our ancestors to quickly interpret whether a person was a potential friend or foe. Such evolved abilities helped humans to solve problems, survive, and maximize their chances of reproduction. Psychologists like Jeff Cohn believe that the face is a rich source of information about human behavior.
Facial recognition is just one of a host of capabilities that evolutionary psychologists believe evolved. Other examples cited include visual capabilities such as analyzing color, language ability, and mating practices. Evolutionary psychologists view the brain as a computer, with neural circuits, designed by natural selection that helped to solve the problems faced by our ancestors. Researchers do recognize environmental influences, as well as biochemical and behavioral differences, between individuals. But they are more interested in learning about the common, universal neural circuits that are typical of our species, what type of information is processed by the circuits, and what the circuits were designed to accomplish.

## PSYCHOLOGICAL PERSPECTIVE
Central to the study of psychology is the question, "What makes people behave the way they do?" There are many possible ways of approaching this question, and no single one is complete. For example, severe depression can be caused by an inherited chemical imbalance, learned maladaptive thought patterns, or by experiencing tragedy or extreme stress. Similarly, the field of psychology is made up of differing perspectives, each addressing a different influence on behavior. Each perspective contributes a valuable piece to the "whole" of understanding human behavior. These perspectives are:
- **Biological:** the biological underpinnings of behavior, including genetics and evolution
- **Cognitive:** mental processes and abilities such as perception, memory, thinking, and language
- **Psychodynamic**: the role of unconscious processes in behavior, personality, and interpersonal relationships
- **Behavioral:** learning, previous experience, and overt behavior

- **Humanistic:** the uniqueness of human beings: human values and subjective experience
- **Sociocultural:** the social and cultural contexts of behavior

## POSITIVE PSYCHOLOGY

What causes some people to be happy, have an optimistic attitude about life, and find joy in their work? Can psychology contribute to a better understanding of what makes life worth living? Questions like these are now being raised by psychologists from a number of different research backgrounds. The common connection among the researchers is an interest in a new field of study—positive psychology. Perhaps, you're wondering—"Why has it taken psychologists this long to become interested in positive psychology?"

Dr. Martin E. P. Seligman, former President of the American Psychological Association and a leader in the development of positive psychology, notes that prior to World War II psychologists looked at factors that helped people lead productive and fulfilling lives. Researchers studied effective parenting strategies, marital happiness, and the lives of intellectually gifted individuals. But from the mid-1940s through the late 1990s psychological research changed course. The focus was more on the treatment of mental illness and the reduction in human suffering.

Seligman suggests that major funding agencies, such as the National Institute of Mental Health, were more likely to support psychological research on psychological disorders, than research on the development of positive mental health. Although much progress has been made in the understanding and treatment of mental illness, positive psychology is now exploring the flip side of the coin—what are the important variables contributing to happiness, and how can people make their lives better?

## THE BIOLOGY UNDERLYING BEHAVIOR

### NEURAL FUNCTIONING

The central nervous system (CNS) consists of the brain and spinal column. The brain is made of neurons—cells of the nervous system. The CNS makes it possible for us to sense, perceive, interpret, and respond. It also controls our moods, feelings, thoughts, and decisions. It could be argued that the CNS determines who we are. If you have had a grandparent with Alzheimer's disease or a friend with depression, you may be aware of how brain functioning can affect personality. Understanding the CNS and how it works has made possible huge advances in drug therapy for people with schizophrenia, mood disorders like depression, and anxiety disorders like panic disorder.

### SENSORY MOTOR NEURAL CIRCUIT

Opening a jar of pickles involves some very complicated motor and sensory coordination. The neural signals that initiate the motor event start in the motor area of the front lobes, the strip of tissue adjacent to the somatosensory area of the parietal lobe. The signals travel down through the spinal cord and reach the muscles in your arm and hand, triggering muscular contraction and appropriate movements. At the same time, the sensory information you are receiving from your hands and arms is traveling up the spinal cord toward the somatosensory area.

You use this information to adjust your motor control as you turn the lid on the jar. The neural coordination needed to perform this simple act is far more complicated than it seems and involves other brain areas in addition to the two shown in the animation. When you realize that you can be listening to music, planning your day, and scanning the horizon at the same time you are opening that jar, you begin to understand how powerful the human brain actually is.

### PARTS OF THE BRAIN

What exactly is the brain? The human brain weighs around three pounds and is made of approximately a billion neurons (cells of the nervous system). There are approximately a quadrillion synapses (connections) among those neurons.

What does the brain do? The brain forms the most important part of the central nervous system. It regulates our basic survival functions such as breathing and heart rate, hunger, and thirst; it controls our voluntary muscle movement, and when we sleep and wake. The brain is also responsible for our most characteristically human activities, such as learning, reasoning, and communicating.

Some of the most perplexing questions being asked by neuropsychologists include:

- How does the brain integrate information from across different regions?
- How does the brain create a seamless perception of reality (consciousness)?
- What kinds of brain functions are located specifically in one place? Which are distributed over larger areas?
- How do brain chemicals shape and determine personality?

## WHAT IS ANGER?

Feeling angry is part of being human. It is a natural response to being attacked, insulted, deceived or frustrated. Sometimes, excessive anger can also be a symptom of some mental health problems. Anger can be useful, but it can also be frightening. When something makes you angry, adrenalin causes your body to prepare for 'fight or flight', giving you energy and making you feel tense. Releasing this energy and tension is good for you, but it can be difficult to do so in ways that are constructive. In most situations, fighting back or running away ('fight or flight') isn't helpful and anger can often lead to responses that make things worse rather than better. Being angry isn't a problem in itself. It's how you deal with it.

## WHEN IS ANGER A PROBLEM?

Anger becomes a problem when it harms you or people around you. This can depend on whether you express your anger, and how you express it. Often if you feel angry, it's about something that is happening to you at the time. This is usually something that is over quickly, for example, sounding your horn if another driver causes you to break suddenly. Something happens that makes you angry, you express your anger and then move on. When you don't express your anger, or express it at inappropriate times or in unsafe ways, this is when it can damage your health and your relationships. This is especially so, if something has made you angry in the past and you didn't express your anger at the time – because you felt you couldn't or didn't want to – then that anger can get 'bottled up' or 'suppressed'. This can have negative consequences in the longer term – you may find that when something happens to annoy or upset you in the future, you feel extremely angry and respond more aggressively than is appropriate to the new situation.

Trying to suppress your anger may also lead to other types of behavior, such as responding in a 'passive aggressive' way e.g. being sarcastic or unhelpful, or refusing to speak to someone. Or you may find that you are getting angry too quickly or too often, sometimes over quite small things. You may feel you are unable to let go of your anger. If you can't express your anger in a safe or constructive way, this can be bad for your emotional, mental and physical health. It might lead to:

- depression or anxiety
- sleep problems
- alcohol or drug addictions
- eating disorders
- compulsive behavior e.g. excessive cleaning, overworking
- Self-harm.

It might also affect you're:

- digestion – contributing to the development of heartburn, ulcers,
- colitis, gastritis or irritable bowel syndrome
- heart and circulatory system
- blood pressure – driving it too high.

**INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT** 2

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

http://ijrcm.org.in/

## STRESS: WHAT IS IT?

Although we all talk about stress, it often isn't clear what stress is really about. Many people consider stress to be something that happens to them, an event such as an injury or a job loss. Others think that stress is what happens to our body, mind, and behavior in response to an event (E.g. heart pounding, anxiety, or nail biting). While stress does involve events and our response to then, these are not the most important factors. Our thoughts about the situations in which we find ourselves are the critical factor. When something happens to us, we automatically evaluate the situation mentally. We decide if it is threatening to us, how we need to deal with the situation, and what skills we can use. If we decide that the demands of the situation outweigh the skills we have, then we label the situation as "stressful" and react with the classic "stress response." If we decide that our coping skills outweigh the demands of the situation, then we don't see it as "stressful." Stress can come from any situation or thought that makes you feel frustrated, angry, or anxious. Everyone sees situations differently and has different coping skills. For this reason, no two people will respond exactly the same way to a given situation. Additionally, not all situations that are labeled "stressful" are negative. The birth of a child, being promoted at work or moving to a new home may not be perceived as threatening. However, we may feel that situations are "stressful" because we don't feel fully prepared to deal with them. Stress is a normal part of life. In small quantities, stress is good; it can motivate you and help you become more productive. However, too much stress, or a strong response to stress can be harmful. How we perceive a stress provoking event and how we react to it determines its impact on our health. We may be motivated and invigorated by the events in our lives, or we may see some as "stressful" and respond in a manner that may have a negative effect on our physical, mental, and social well-being. If we always respond in a negative way, our health and happiness may suffer. By understanding ourselves and our reaction to stress-provoking situations, we can learn to handle stress more effectively. In the most accurate meaning, stress management is not about learning how to avoid or escape the pressures and turbulence of modern living; it is about learning to appreciate how the body reacts to these pressures, and about learning how to develop skills which enhance the body's adjustment. To learn stress management is to learn about the mind-body connection and to the degree to which we can control our health in a positive sense.

## SOURCES OF STRESS

We can experience stress from four basic sources:

**The Environment** – the environment can bombard you with intense and competing demands to adjust. Examples of environmental stressors include weather, noise, crowding, pollution, traffic, unsafe and substandard housing, and crime.

**Social Stressors** – we can experience multiple stressors arising from the demands of the different social roles we occupy, such as parent, spouse, caregiver, and employee. Some examples of social stressors include deadlines, financial problems, job interviews, presentations, disagreements, demands for your time and attention, loss of a loved one, divorce, and co-parenting.

**Physiological** – Situations and circumstances affecting our body can be experienced as physiological stressors. Examples of physiological stressors include rapid growth of adolescence, menopause, illness, aging, giving birth, accidents, lack of exercise, poor nutrition, and sleep disturbances.

**Thoughts** – Your brain interprets and perceives situations as stressful, difficult, painful, or pleasant. Some situations in life are stress provoking, but it is our thoughts that determine whether they are a problem for us.

## TYPES OF STRESSORS

Situations that are considered stress provoking are known as stressors. Stress is not always a bad thing. Stress is simply the body's response to changes that create taxing demands. Many professionals suggest that there is a difference between what we perceive as positive stress, and distress, which refers to negative stress. In daily life, we often use the term "stress" to describe negative situations. This leads many people to believe that all stress is bad for you, which is not true.

### POSITIVE STRESS

It has the following characteristics:

➢ Motivates, focuses energy
➢ Is short-term
➢ Is perceived as within our coping abilities
➢ Feels exciting
➢ Improves performance

In contrast,

### NEGATIVE STRESS

It has the following characteristics:

➢ Causes anxiety or concern
➢ Can be short or long-term
➢ Is perceived as outside of our coping abilities
➢ Feels unpleasant
➢ Decreases performance
➢ Can lead to mental and physical problems

It is somewhat hard to categorize stressors into objective lists of those that cause positive stress and those that cause negative stress, because different people will have different perceptions and reactions to particular situations. However, by generalizing, we can compile a list of stressors that are typically experienced as negative or positive to most people, most of the time.

**Examples of negative personal stressors can include**

o   The death of a partner
o   Filing for divorce
o   Losing contact with loved ones
o   The death of a family member
o   Hospitalization (oneself or a family member)
o   Injury or illness (oneself or a family member)
o   Being abused or neglected
o   Separation from a spouse or committed relationship partner
o   Conflict in interpersonal relationships
o   Bankruptcy/money problems
o   Unemployment
o   Sleep problems
o   Children's problems at school
o   Legal problems
o   Inadequate or substandard housing
o   Excessive job demands
o   Job insecurity
o   Conflicts with team mates and supervisors
o   Lack of training necessary to do a job
o   Making presentations in front of colleagues or clients

o    Unproductive and time-consuming meetings
o    Commuting and travel schedules
▪    **Examples of positive personal stressors might include:**
o    Receiving a promotion at work
o    Starting a new job
o    Marriage or commitment ceremony
o    Buying a home
o    Having a child
o    Moving
o    Taking or planning a vacation
o    Holiday seasons
o    Retiring
o    Taking educational classes or learning a new hobby

## COGNITIVE ASPECTS OF STRESS AND ANXIETY

Anxiety is a feeling that we commonly experience when faced with stressful life events. Anxiety can be one of the most distressing emotions that people feel. It is sometimes called "fear or nervousness". Common reactions to anxiety include:

**Physical Symptoms**
1)    Sweaty palms
2)    Muscle tension
3)    Racing heart
4)    Flushed cheeks
5)    Light headedness

**Behaviors**
1)    Avoiding situations where experiencing anxiety might occur
2)    Leaving situations when feelings of anxiety begins to occur
3)    Trying to do things perfectly or trying to control events to prevent danger

**Moods**
1)    Nervous
2)    Irritable
3)    Anxious
**4)**    Panicky

**Thoughts**
1)    Overestimation of danger
2)    Underestimation of your ability to cope
3)    Underestimation of help available
4)    Worries and catastrophic thoughts

Stressors can contribute to our feelings of anxiety. Examples of stressors that contribute to feelings of anxiety might include trauma (being abused, being in an accident, war); illness or death, things we are taught ("snakes will bite you"); things we observe (an article in the newspaper about a plane crash); and experiences that seem too much to handle (giving a speech, job promotion or termination, having a baby). The thoughts that accompany anxiety involve the perception that we are in danger or that we are threatened or vulnerable in some way. A threat of danger can be physical, mental, or social. A physical threat occurs when you believe that you will be physically hurt (e.g., a snake bite, a heart attack, being hit). A social threat occurs when you believe you will be\ rejected, humiliated, embarrassed, or put down. A mental threat occurs when something makes you worry that you are going crazy or losing your mind. The perception of the threats varies from person to person. Some people, because of their life experiences, may feel threatened very easily and will often feel anxious. Other people may feel a greater sense of safety or security. Certain life experiences such as growing up in a chaotic home with volatile surroundings may lead a person to conclude that the world and other people are dangerous. The perception of danger and sense of vulnerability may have helped a person survive as a child. Being able to recognize danger and its early warning signs are critical to one's emotional and physical survival. Some may have developed a very fine ability to spot and respond to dangerous situations. As an adult, it may become important to evaluate whether or not its possible that one is over-responding to danger and threat. Perhaps the people in their adult life are not as threatening as the people in their childhood. One might consider whether or not their resources and abilities to cope as an adult open new and creative ways of responding to threat and anxiety.

## RESULTS AND DISCUSSIONS

**Q1: Is anger one of the natural mind conditions?**
a) Yes b) No c) sometime true d) depend on situation

**TABLE 1**

| a) Yes | b) No | c) sometime true | d) depend on situation |
|--------|-------|------------------|------------------------|
| 30 | 15 | 5 | 50 |

**CHART 1**
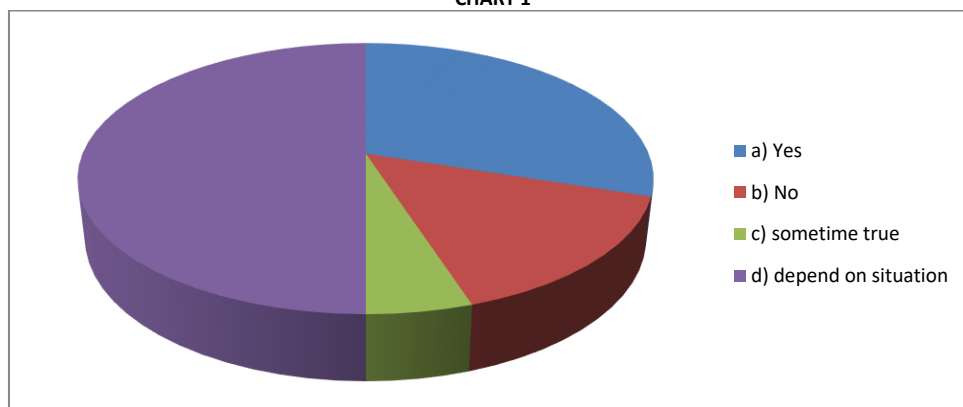
This is the first analysis I have done with ask question is anger is natural mind condition with giving options yes, no, sometime true and depend on situation. After the analysis I got information 30% tick to yes, 15% to No, only 5% to sometime and rest of the 50% agree with depend on situation option. Hence here is only the consideration between two.i.e. yes anger is natural condition of mind but more than of it condition depend on situation and reasons of anger to judge it weather its valid or invalid anger condition as shown in chart.

**Q2: According to you what is major cause of anger?**
a) Insult by other b) unsuccessful life c) Misbehave of other with you d) unmanaged family life

**TABLE 2**

| a) Insult by other | b) unsuccessful life | c) Misbehave of other with you | d) unmanaged family life |
|---|---|---|---|
| 15 | 40 | 15 | 30 |

In this analysis I tried to know the answer for the question what are the major causes of anger and to support responder I have given some causes in option like insult by other, unsuccessful life, misbehave of others with you and unmanaged family life. Where in result I got values for each option as 15%, 40%, 15% and 30% respectively. Hence with the reference of analyzed data its became clear of course insult by others and misbehave of others with are the causes but not genuine and generic cause and here is tradeoff between this two causes. But two major causes of anger with priority on the basis of result percentage are unsuccessful life and unmanaged family life and must need to direct and control properly to avoid anger.

**CHART 2**
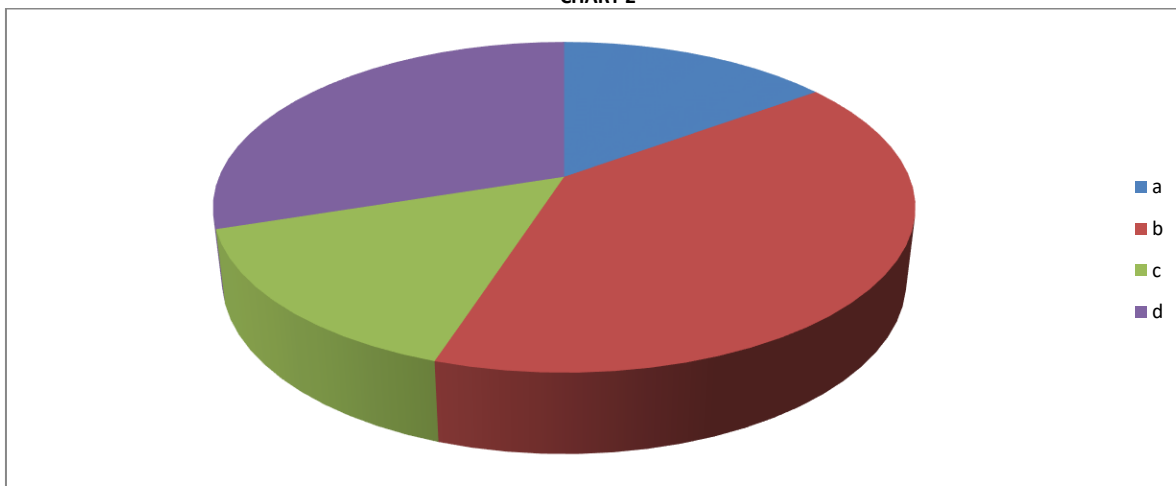


**Q3: People doing anger because they think**
a) Its symbol of superiority b) its generate their impression c) They want to rule & control others d) When others opinion not matched with the other e) they care and love you.

**TABLE 3**

| a | b | c | d | e |
|---|---|---|---|---|
| 12 | 15 | 5 | 43 | 25 |

**CHART 3**
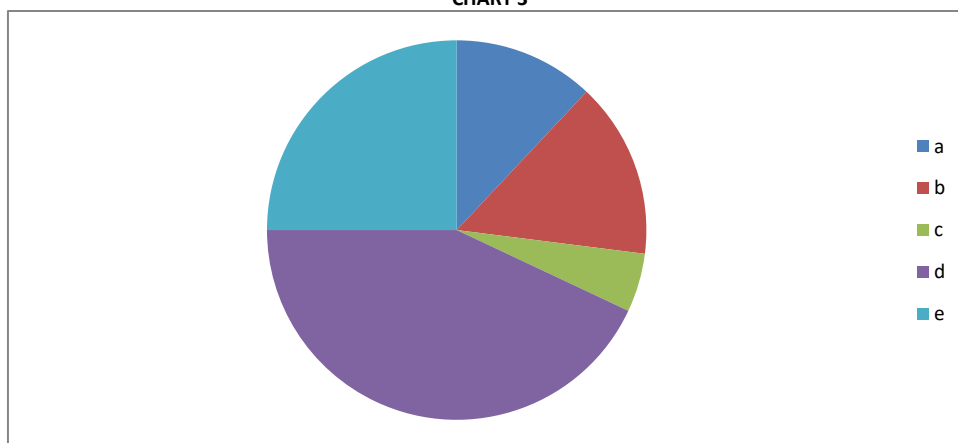


This is the third important analysis done by me to internal feeling state of people and to know their psychology why the react with anger with others. In this analysis I available option to collect data and generate information as its symbol of superiority, its generate their impression, they want to rule and control others, when opinions are not matched between two and they care and love you, and in result of analysis we received answer 12%, 15%, 5%, 43% and 25% respectively. From this analysis I got clear picture 43% when opinions are not match and with 25% they care and love you. Where one is negative anger or bad anger but second one is positive anger or good anger.

**Q4. Is there relation between anger and stress?**
a) yes b) no c) tradeoff

**TABLE 4**

| a | b | c |
|---|---|---|
| 60 | 5 | 35 |

This is the really most important analysis done by me. I asked question "is there relation between anger and stress" and I had provided options are Yes, No and Tradeoff where majority agree with Yes, there is strong relation between anger and stress and 60% result in this favor, where as second highest result is tradeoff.i.e. balance between anger and stress means "sometime stress is cause of anger and sometime anger is cause of stress" with 35% result in its favor and only 5% answered to No.

**CHART 4**
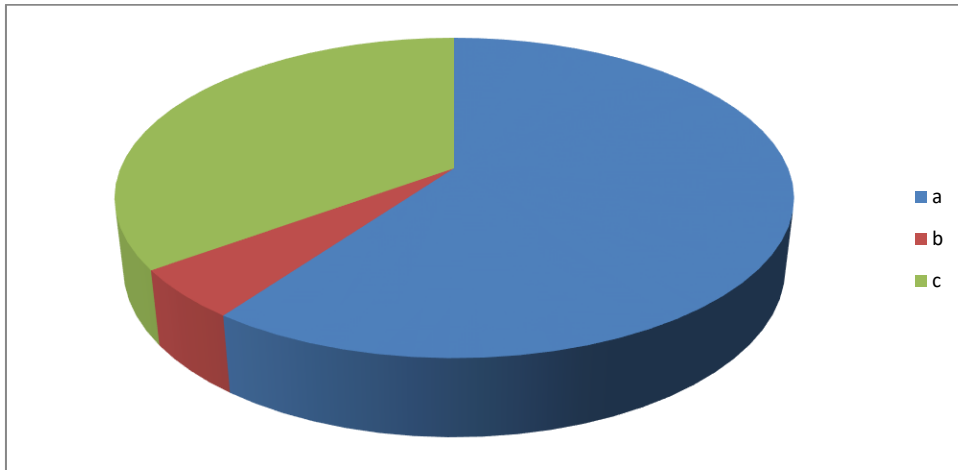


**Q5. What is stress? Is anger cause of it?**
a)  Anger is not compulsory cause
b)  Due to heavy workload pressure
c)  Due to difficulties to understand and learn something new
d)  When hide some problems, secrets, faults etc from close one

**TABLE 5**

| a | b | c | d |
|---|---|---|---|
| 30 | 15 | 10 | 45 |

a)  In this analysis we tried to identify the reasons of stress with giving emphasis on anger is major cause. Though it is very difficult know the correct reason because several kinds of stressors possible to generate stress condition like to manage money, life, others or whole world things. In this analysis I available four options as Anger is not compulsory cause Due to heavy workload pressure, Due to difficulties to understand and learn something new, and When hide some problems, secrets, faults etc from close one and I received after analysis in result 30%, 15%, 10% and 45%. I realized after this analysis maximum stress only generate apart from all stressors is When hide some problems, secrets, faults etc. from close one.

**CHART 5**
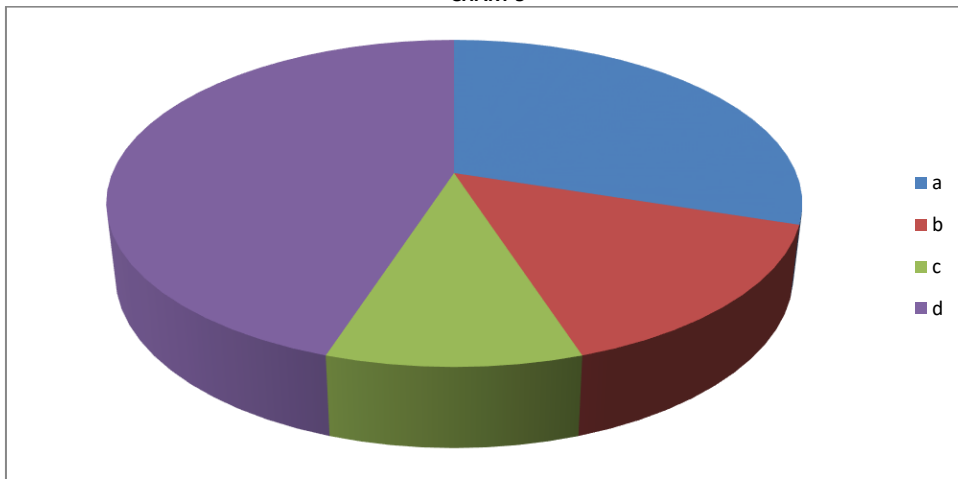


**Q6. With controlling anger can manage stress?**
a) Yes b) No c) sometime d) depend on context/situation

**TABLE 6**

| a | b | c | D |
|---|---|---|---|
| 50 | 10 | 15 | 25 |

**CHART 6**
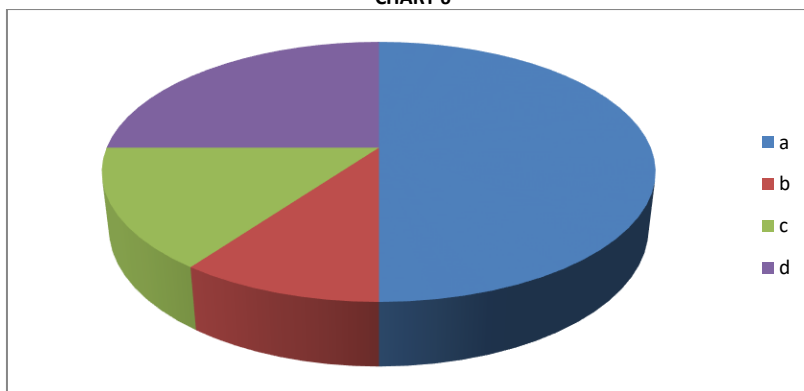
This is one of the important question to ask which I have covered in this analysis.i.e. with controlling anger can manage stress? And provided responders options are Yes, No, Sometime and depend on context. In this result analysis respond I got result which is completely opposite from my expectation. 10% respond to No, 15% respond to Sometime and 50% respond to Yes with only 25% respond to depend on context/situation, which I was think maximum response to provided option d)

**Q7. What relation leads to between anger and stress?**
a) Anger leads to stress b) stress leads to anger c) Depression leads to both anger and stress d)Low confidence, low motivation fear leads to anger and stress

**TABLE 7**

| a | b | c | D |
|---|---|---|---|
| 20 | 30 | 25 | 25 |

**CHART 7**
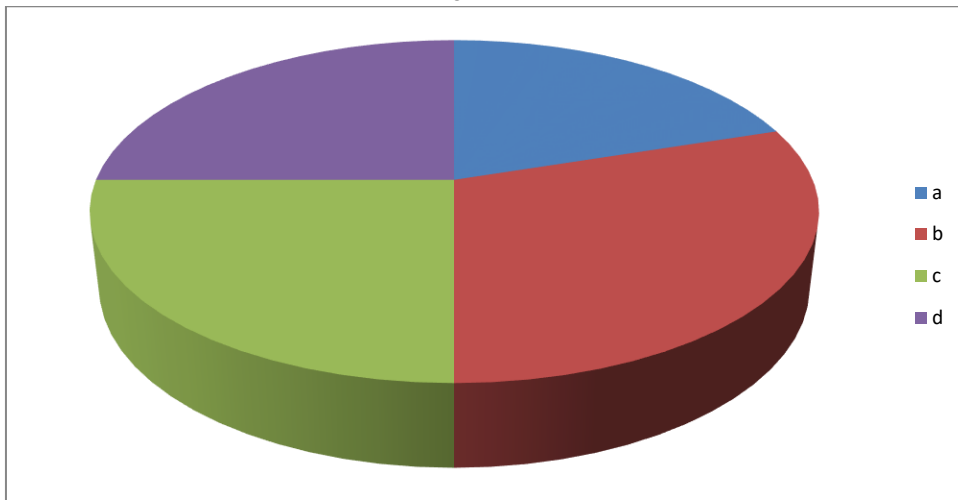


This is one of the directional analysis done by me i.e. what relation leads to between anger and stress? And available options are for this response and analysis anger leads to stress, stress leads to anger, depression leads to both stress and anger & Low confidence, low motivation fear leads to anger and stress and in respond I got 20%, 30%, 25% and 25% respectively and this result exactly matched. i.e. tradeoff between c & d 25%, where as 30% to b which is also considerable.

**Q8. How can control and manage anger?**
a) Counseling b) self confidence and control c) Yoga and self help books d) family gathering and trips

**TABLE 8**

| a | b | c | d |
|---|---|---|---|
| 20 | 40 | 20 | 20 |

This analysis I have done to take opinions of others about anger and stress as well as for anger and stress management. In this analysis I had generated all the options with my genuine observation and literature review as counseling, self confidence and controls, yoga and self help books and family gathering and trips. For options a, c and d I received same response i.e. 20%, 20% and 20% respectively means all are very useful for anger and stress control and manage, but most effective for anger and stress management is option b i.e. self confidence and control techniques with 40% response.

**CHART 8**
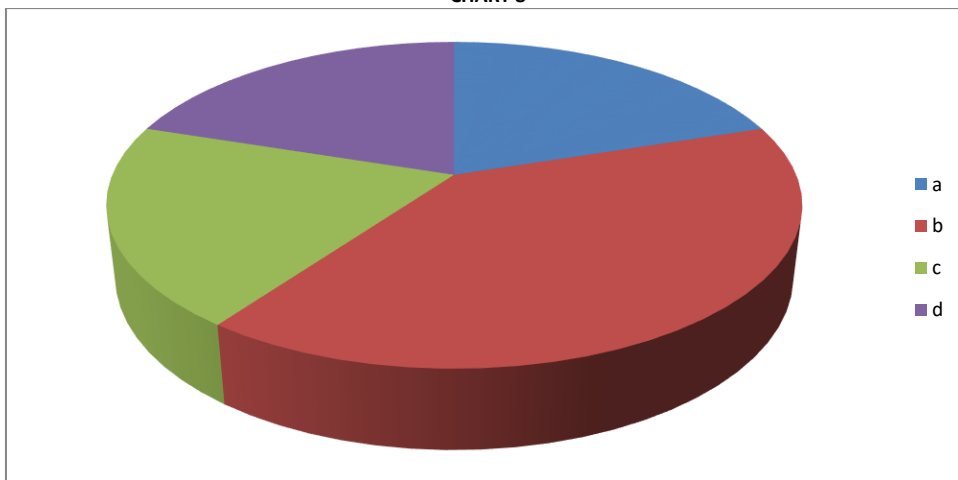


**Q9. Any Suggestion for effective anger management from below**
a)   Trust on each other and doubt clearance
b)   Faith, love, care and respect for each other
c)   Problem facing and solving with daring and confidence
d)   Use excellent books/ workbook on anger management

**TABLE 9**

| a | b | c | d |
|---|---|---|---|
| 10 | 15 | 50 | 25 |

**CHART 9**
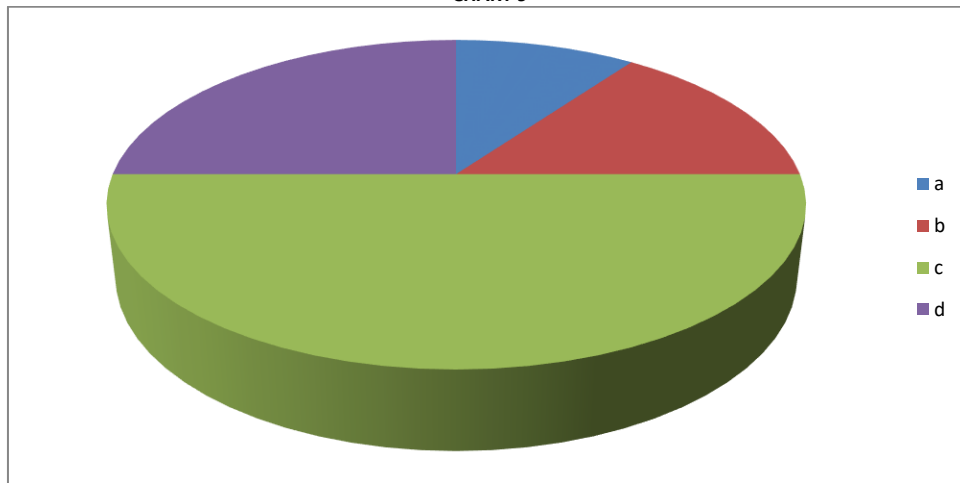


a)  This is my second last question in questionnaires to analysis and knows techniques of anger management for its implementation and I available four option are for this regard Trust on each other and doubt clearance, Faith, love, care and respect for each other, Problem facing and solving with daring and confidence and Use excellent books/ workbook on anger management. After this fact finding I obtained result as 10% respond to a, 15% respond to b and 25% respond to d, but most effective anger management technique found in respond is b with 50%.i.e. Problem facing and solving with daring and confidence.

**Q10. Any suggestion for effective stress management from below**
a)  Avoid all stressors and try to keep happy
b)  Get help and engage yourself in good things
c)  Share causes of stress with expert to find out solution
d)  Use excellent books/ workbook on stress management

**TABLE 10**

| a | b | c | d |
|---|---|---|---|
| 30 | 12 | 40 | 18 |

**CHART 10**
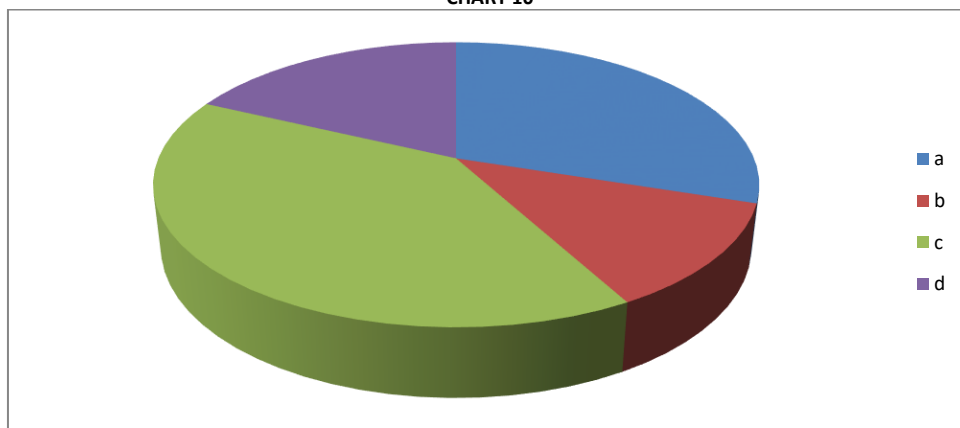


This is my last analysis to know what best option for stress management implementation is. To carried out this analysis I used to four options are as Avoid all stressors and try to keep happy, Get help and engage yourself in good things, Share causes of stress with expert to find out solution and Use excellent books/ workbook on stress management. We found in result people respond to 30% to a, 12% to b, 40% to c and 18% to d. hence from this analysis its became very clear for effective stress management implementation first choice is, Share causes of stress with expert to find out solution with 40% respond and second priority to, Avoid all stressors and try to keep happy with 30%.

## CONCLUSIONS

### CONCLUSION 1: CAUSES OF ANGER AND STRESS
We wanted to see the main causes of stress in human. So we found several reasons why employees feel stressed at the workplace, the reasons mainly were inability to manage time, work overload and noise as the main stressors at the workplace. But it is necessary to say that noise is subjective only to our study as we did our case study on a manufacturing company and the conclusion that noise is the main causes of stress in the workplace might not be valid beyond an industry that is of manufacturing. Work overload is also another main stressor because it puts the employee under pressure to perform too many tasks under limited time. As Human is big part of a manufacturing company we were able to conclude that in a manufacturing multinational company where the physical environment can be chaotic and noisy, this situation can be the cause of stress. The conclusion that can be reached from the theories in relation to our purpose is that the workplace causes of stress are work overload, poor working conditions such as overcrowded working conditions and noise. From our analysis we are also able to conclude that the environmental factors of stress are not salient in a multinational manufacturing company such as Human where the employees were focused on the internal factors of stress rather than the external. Stress factors are not always stable, consistent and similar to a group of occupations. It varies from environment to environment, work to work or situation to situation,

### CONCLUSION 2: STEPS TOWARDS ANGER AND STRESS MANAGEMENT
We also add to our findings regarding the employees stress coping styles and steps that employees at Human seek out to their close relatives, friends and families for support and consultation. Sharing of feelings and emotions contribute to relieve stress also provide them to enjoy from their professional life and personal life. Being able to share feelings with peers and families gives different perspective about the proper way to tackle a problem besides having a sense of companionship leads to comfortable workplace. Employees mostly use these tactics during the periods in which they feel stress. However stress reduction depends on how the employees manage their time effectively and also how the managers make the workplace stress free. We also conclude that stress is highly self-controllable and those employees have the ability to control their feelings and manage their stress and for the rest they can refer to the facilities that they are provided by the

management. Lastly we would like to conclude that sharing values concerning ambition level is vital in order to experience a reduced stress level. In some instances the employees stress level will be affected if they do not know anything about their fellows or close colleagues who works in a team. It makes them to be afraid if their ambition level doesn't match. Therefore it is vital to as much as possible to get to know each other's better and share values and ambition level; this will thus affect the stress level and can help in stress reduction.

**CONCLUSION 3: MANAGEMENT OF ANGER AND STRESS**

Lastly, we add to this conclusion our findings regarding the stress management of people we see that Human has provided a safe workplace for the employees. It obtained an international award because of having a safe workplace. Human has provided medical health center for the treatment of employees stress. Employees have freedom to meet the therapist and psychologist as a reason of improving their self-esteem and assertiveness. Human has also made free time activities and various sport facilities for the employees. We think that it is an effective way to support its employees in reducing their stress level.

We have also found out from the employees opinion who contributed to this study that stress at the workplace is manageable but a combination of both family and work stressors are highly negative. What we found from the employees open-ended questions is that sometimes stress at a certain extent affects positively to their work performance. It makes the employees to focus on time management and provide them to render their on job and off job activities adequately.

Employee's stress can be managed by proper time management, seeking help from Human Resource Management. Emotion focused strategies like leisure activities, companionship and exercise can also be used to relieve stress. Management of a company also plays an important

role in evaluating and managing the stress level of employees at the workplace and should use different methods to minimize the stress such as conducting training courses to assist the employee's skills, providing better working environment and making sure that the employees get proper guidance and consultation when it's needed.

## REFERENCES

1. Agrwal Sangeeta. (1996). Marketing Research: how to strategically use and implement the latest research techniques for successful marketing. Global Business Press.
2. Baron. Robert. A, Byrne. Donn. (1991). Social Psychology: Understanding Human Interaction. Allyn and Bacon Publishing.
3. Feldman. Robert. S. (2004).Understanding Psychology. Tata McGraw hill Publishing.
4. Gunderson, E. A., Gripshover, S. J., Romero, C., Dweck, C. S., Goldin-Meadow, S., Levine, S. C. (2013). Parent Praise to 1- to 3-Year-Olds Predicts Children's Motivational Frameworks 5 Years Later. Child Development, DOI: 10.1111/cdev.12064.
5. Jex.M. Steve. (2002).Organizational Psychology: A Scientist-Practitioner Approach. John Wiley & Sons Inc.
6. Johnson, S. (1995). The One Minute Mother (One Minute Series). William Morrow.
7. Kernberg, O. (l989). Narcissistic personality disorder in childhood. In Otto Kernberg, (Ed.), The Psychiatric Clinics of North America, Vol. l2, No. 3.
8. Kothari. C.V. (2008). Research Methodology. S.Chand Publishing.
9. Kotler Philip. (2010). Marketing Management. Prentice Hall Publishing.
10. Luthans. Fred. (2008). Organizational Behaviour. McGraw Hill Int. Publishing.
11. Matthew McKay (2000), The Anger Control Workbook. USA: New Harbinger Publications.
12. Robbins. Stephen. P. (2004).Organizational Behavior. Pearson Education Publishing.
13. Robert Nay (2004). Taking Charge of Anger. London: The Guilford Press.
14. Saxena Rajan. (2008).Marketing management. McGraw Hill Publishing.
15. Steven. L. McShane et.el. (2008). Organizational Behavior. McGraw Hill Publishing.

**INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT**    9

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

http://ijrcm.org.in/

# A STUDY ON PERFORMANCE ANALYSIS OF SELECT CEMENT INDUSTRIES IN TAMIL NADU

**Dr. A. ARUMUGAM**
**PRINCIPAL & HEAD**
**DEPARTMENT OF COMMERCE**
**JAIRAM ARTS & SCIENCE COLLEGE**
**SALEM**

**M. SASIKALA**
**ASST. PROFESSOR**
**DEPARTMENT OF COMMERCE**
**TRINITY COLLEGE FOR WOMEN**
**NAMAKKAL**

## ABSTRACT
*The economic development of a country is directly related to the growth of business. Business covers all economic activities, which are undertaken to earn a living. A country's economic and social development will be possible through industry, trade and related activities. The study of business is important to know the position of economic and social development. The study of present position will enable to know the good and weak points of the economy. A country may have sufficient natural resources but still it may have low level of economic development. This will be due to poor planning of the economy.*

## KEYWORDS
Cement industries, economic development, performance analysis.

## JEL CODE
L61

## INTRODUCTION
Cement industry in India is at a very critical juncture today. During the five year period of 2007-2012, the industry added around 150 million metric tons (MT) of capacity, taking the total capacity to over 300 mmt". However, demand has not been that strong during last couple of years due to general economic slowdown and lower infrastructures spending. In the short term, this is likely to continue as spending on infrastructure by Government will take some time to revive. Also, demand from real estate-industry's major user segment-is down due to lower affordability and higher home loan rates.

High taxation, rising raw material & transportation costs and higher fuel costs are some of the major challenges faced by the Indian cement industry. "The overall rate of tax on cement is around 30 per cent in India compared to 19 per cent in China and almost negligible in Thailand. Though, companies have tried to lessen transportation and fuel costs using various alternative and technologies, the same are still too high". Costs for cement companies will keep rising over the next few years as coal prices will firm up further and freight costs go up due to rising crude prices. New cement capacities may face the additional problem of not getting assured captive coal linkages.

Apart from these operating costs, the industry is facing challenge of foreign players who are ready to tap the Indian market and so are on acquisition spree. Though, consolidation in the industry is good in the long term as it will enhance competitiveness, efficiency and margins, it may also give them much of the untapped market and pricing power due to their size factor.

A slowdown in the real estate sector too is a challenge. If it persists for an extended period, it would impact the growth in consumption of cement. Most of the cement plants in India use latest technology, yet they are highly energy intensive in nature. Despite the fact that the technology used by Indian cement companies is among the best in the world, more innovation is required to ensure that cement plants are not only environment-friendly, but also low-cost in nature.

## OBJECTIVES OF THE STUDY
The present study aims to analyze the operating efficiency of select cement industries in Tamil Nadu. Hence, the following objectives have been framed by the researcher.
1. To study the operational efficiency of select cement industries in Tamil Nadu.
2. To measure the operating efficiency in terms of capacity utilization and consumption norms.
3. To analyze the trends in productivity growth of the selected cement companies
4. To summarise the findings and offer suggestions based on the analysis to improve the overall performance of the select cement industries in Tamil Nadu.

## HYPOTHESIS
1. There is no significant difference in the mean net sales among different cement companies during the study period.
2. There is no significant difference in the mean sales and total income, total expenses of selected cement companies during study period.
3. There is no significant difference in the mean sales and profit before depreciation and tax of selected cement companies during the study period.
4. There is no significant difference in the mean sales and reserves, networth, total debt, current liabilities of selected cement companies during study period.
5. There is no significant difference in the mean sales and cost elements of selected cement companies during study period.

## LIMITATIONS OF THE STUDY
The study is limited to five cement companies only
1. The data published by the industries were combined in total but not based on the unit wise. Hence, unit study was not made.
2. The results of the study may not be generalized for all the cement industries in India.

## REGRESSION ANALYSIS –1
## INDIA CEMENTS
Step wise multiple regression analysis of Y- sales turnover, and net sales, Total Income, Total Expenses; Operating profit, PBDIT, PBDT, PBT and NP. was performed with variables the following regression model is fitted for performance

Y          = bo + b1X1 + b2 X2 +b3 X3 + ..........

Where b1,b2,……. are partial regression coefficients; bo-constant the results are presented in the following table.

**TABLE 1: REGRESSION MODEL**

| MODEL SUMMARY | |
|---|---|
| Multiple R | 1.000[a] |
| R Square | 1.000 |
| Adjusted R Square | 1.000 |
| Std. Error of the Estimate | 277438.387 |

Source: Annual Reports (computed)

The above table 1 shows the value 1.000[a] given under the column R is multiple correlation coefficients. These **nine** variables are correlated significantly.

**TABLE 2**

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
| 1 | Regression | 1537569608469420 | 6 | 256261601411570 | 3329.281 | .000[b] |
| | Residual | 230916175579 | 3 | 76972058526 | - | - |
| | **Total** | 1537800524645000 | 9 | - | - | - |
| **Predictors: (Constant= $X_1$),$X_2$, $X_3$, $X_4$ $X_5$, $X_6$, $X_{7, and}$ $X_8$, $X_9$,** | | | | | | |

Source: Annual Reports of the Balance sheet

From the above table shows that The step wise multiple regression models indicated that out of the *nonperforming assets* explanatory variables, 9 Variables namely, $X_2$,$X_3$, $X_4$,..... and $X_9$ have *significantly* contributing to $X_1$. The analysis of variance of multiple regression models for $X_1$ indicates the overall significance of the model fitted. The coefficient of determination $R^2$ value showed that these variables put together explained the variations of Y to the extent of 1.000.

**TABLE 3: CO-EFFICIENT**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| (Constant) | 1813005 | 375201 | | 4.832 | .017 | 618946 | 3007064 |
| Total income | 1.075 | .030 | .976 | 35.356 | .000 | .979 | 1.172 |
| Operating profit | **1.762** | .242 | .418 | 7.277 | .005 | .991 | 2.533 |
| PBDIT | -1.791 | .402 | -.423 | -4.450 | .021 | -3.071 | -.510 |
| PBDT | .178 | .249 | .044 | .716 | .526 | -.614 | .970 |
| PBT | .003 | .005 | .005 | .489 | .658 | -.014 | .019 |
| NP | -.154 | .252 | -.029 | -.609 | .585 | -.957 | .650 |

Source: Annual Reports (computed)

5% level of significance

The above table 4.3 shows that coefficients; these values are needed to formulate regression equation. The value under column B against constant is the "a" value (Y-intercept) in the regression equation based on Profit and loss account variable of cement companies Ltd is sales turnover (1813005) and operating profit (1.762) define the slope of the regression lines and are the values of $b_3$ in the multiple regression equation.

Hence, the multiple regression equation is formulated as

Y= 1.075 +1.762-1.791+.178+.003--.154

**REGRESSION ANALYSIS –2**

**CHETTINAD CEMENTS**

Step wise multiple regression analysis of Y- sales turnover, and net sales, Total Income, Total Expenses; Operating profit, PBDIT, PBDT, PBT and NP. was performed with variables the following regression model is fitted for performance

Y = bo + b1X1 + b2 X2 +b3 X3 + ……….

Where b1,b2,……. are partial regression coefficients; bo-constant the results are presented in the following table

**TABLE 4: REGRESSION MODEL**

| MODEL SUMMARY | |
|---|---|
| R | .992[a] |
| R Square | .984 |
| Adjusted R Square | .951 |
| Std. Error of the Estimate | 1640150 |
| Change Statistics (R Square Change) | .984 |
| F Change | 30.25 |
| Sig. F Change (df1,6) (df2,3) | .009 |

Source: Annual Reports (computed)

The above table 4 shows that themodel summary[b], the value 992[a] given under the column R is multiple correlation coefficients. These **nine** variables are correlated significantly.

**TABLE 5**

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
| 1 | Regression | 488254713085159 | 6 | 81375785514193 | 30.250 | .009[b] |
| | Residual | 8070277390841 | 3 | 2690092463614 | | |
| | **Total** | 496324990476000 | 9 | | | |
| **Predictors: (Constant= $X_1$),$X_2$, $X_3$, $X_4$ $X_5$, $X_6$, $X_{7, and}$ $X_8$, $X_9$,** | | | | | | |

Source: Annual Reports

The above table 5 shows that, The step wise multiple regression models indicated that out of the *nonperforming assets* explanatory variables, 9 Variables namely, $X_2$,$X_3$, $X_4$,..... and $X_9$ have *significantly* contributing to $X_1$. The analysis of variance of multiple regression models for $X_1$ indicates the overall significance of the model fitted. The coefficient of determination $R^2$ value showed that these variables put together explained the variations of Y to the extent of.984.

**INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT**

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

http://ijrcm.org.in/     11

**TABLE 6: COEFFICIENT**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| (Constant) | -408590 | 2843615.97 | | -.144 | .895 | -9458245 | 8641064 |
| Total income | 1.391 | .719 | 1.034 | 1.935 | .148 | -.897 | 3.679 |
| Operating profit | 4.121 | 3.552 | 1.107 | 1.160 | .330 | -7.184 | 15.426 |
| PBDIT | -1.212 | 7.876 | -.334 | -.154 | .887 | -26.278 | 23.854 |
| PBDT | -2.192 | 7.071 | -.516 | -.310 | .777 | -24.696 | 20.311 |
| PBT | **9.910** | 17.355 | 1.119 | .571 | .608 | -45.321 | 65.141 |
| NP | -15.118 | 25.874 | -1.241 | -.584 | .600 | -97.462 | 67.226 |

Source: Annual Reports (computed)

5% level of significance

The above table shows that 4.41 coefficients; these values are needed to formulate regression equation. The value under column B against constant is the "a" value (Y-intercept) in the regression equation based on Profit and loss account variable of cement companies Ltd is sales turnover (-408590) and profit before profit (9.910) define the slope of the regression lines and are the values of $b_3$ in the multiple regression equation.        Hence,  the  multiple  regression  equation is formulated as

Y= 1.391+4.121-1.212-2.192+9.910-15.118

## CONCLUSION

On the basis of critical evaluation of operational efficiency of selected cement companies, it is observed that the operational efficiency of sample companies is generally not satisfactory. Higher cost of production, high demand, low productivity. The correlation and regression used for this study. In recent years, the government of India has given to both direct and indirect encouragement to the cement industry and boom them cement industry. There is no significant difference in the mean sales and cost elements of selected cement companies during study period A slowdown in the real estate sector too is a challenge. If it persists for an extended period, it would impact the growth in consumption of cement. Most of the cement plants in India use latest technology, yet they are highly energy intensive in nature. Despite the fact that the technology used by Indian cement companies is among the best in the world, more innovation is required to ensure that cement plants are not only environment-friendly, but also low-cost in nature.

## REFERENCES

1.    Agarwal NP.Analaysis of Fianancial Statements New Delhi, National Publishing House 13 the edition.
2.    Hingorirani N.Size of Cement Industry in India Arts Vijinam, vol 16,No.4 Dec 2013.
3.    Pasupathi K, A Study On Fianancial Performance of Select Steel Industry in India, Finance India, Vol IIVV, pp.71 -80.

# FINANCIAL PERFORMANCE OF SPINNING MILLS OF COIMBATORE CITY - A COMPARATIVE STUDY

**R. SINDHU**
**M.Phil. SCHOLAR**
**BHARATHIAR UNIVERSITY**
**COIMBATORE**

**Dr. M. SUMATHI**
**PROFESSOR & HEAD OF DEPARTMENT**
**SCHOOL OF COMMERCE**
**BHARATHIAR UNIVERSITY**
**COIMBATORE**

## ABSTRACT
*Financial Analysis is the process of identifying the financial strengths and weaknesses of the firm by properly establishing relationships between the items of the Balance Sheet and the Profit and Loss Account. The study was carried out for the period of three years (2014-16) to analyze the financial performance of the company and the 5 companies are Lakshmi Mills, Bannari Amman Spinning Mill, Sri Ramakrishna Spinning Mill, Kpr Spinning Mill and Super Spinning Mill are taken for study. The research design of the study is descriptive research design and secondary data was collected from the published websites of organization for the research. The tools used for analysis is comparative ratio analysis of the balance sheet. Suitable ratios were framed and calculated to know the financial perfor-mance of the company. The findings from the analysis were discussed in detail and suggestions for corrective actions like maintain good solvency in order to meet short term and long term obligations were given wherever applicable.*

## KEYWORDS
Coimbatore city, spinning mills, financial performance.

## JEL CODE
F65

## I. INTRODUCTION
The Indian textile industry has a significant presence in the economy as well as in the international textile economy. Its contribution to the Indian economy is manifested in terms of its contribution to the industrial production, employment generation and foreign exchange earnings. It contributes 20 percent of industrial production, 9 percent of excise collections, and 18 percent of employment in the industrial sector, nearly 20 percent to the countries total export earnings and 4 percent to the Gross Domestic Product. In human history, past and present can never ignore the importance of textile in a civilization decisively affecting its destinies, effectively changing its social scenario.

## II. OBJECTIVES
1. To analyze the overall financial performance of five selected companies of spinning industry in Coimbatore city
2. To study the liquidity, Leverage, profitability and turnover ratios position of five selected companies of spinning industry.
3. To compare last three years different ratio with each company.
4. To provide useful suggestions to improve the financial performance of the companies selected for the study.

## III. REVIEW OF LITERATURE
**Yimin Zhang and Tianmu Wang (2010)** have considered the cost structure, profitability and productivity of the Chinese textile industry and estimated the impacts of RMB appreciation on this industry for 1999–2006. It was found that the industry had suffered from very low profit margins and returns on capital. Because the input prices have been increasing, particularly since 2001, generating profits had become more difficult task for the industry Nevertheless, the industry achieved substantial productivity growth during the period examined. Although at an inadequate level, the profitability of the industry did show some signs of improvement. As long as this trend ranging continued, the industry could have obtained a decent level of profitability. Since 2005, the industry has faced a new challenge; the appreciation of the RMB. Based on 2006 data, it estimated the maximum rate of RMB appreciation
**Neha Mittal (2011)** has studied the determination of the capital structure choice of the selected Indian companies. The main objective was to investigate whether and to what extent the main structure theories could explain the capital structure choice of Indian firms. It has applied multiple regression models on the selected industries by taking data for the period 2001-2008. The study concluded that the main variables determining capital structure of industries in India were agency cost, assets structure, non-debt tax shield and size. The coefficients of these variables were significant at one per cent and five per cent levels.

## IV. SCOPE OF THE STUDY
This study "Financial Performance of spinning mills of Coimbatore city" is vital because just earning profit is not enough, a business should earn sufficient profit to cover its cost of capital and create surplus to grow. So finding the surplus profit is made essential. Study aim to analyze the liquidity, profitability, solvency position of the firm and efficiency which it converts its resources into service. Liquidity ratios like current Ratio, Quick Ratio etc are prepared to analyze the financial position of the firm. Profitability of the firm is found out using ratios like Gross profit ratio, Net profit ratio etc. Activity ratios for example Inventory Turnover Ratio, Debtors Turnover Ratio are used to find out the efficiency of the firm. The analysis of financial statements helped to judge the financial strength of the firm. This study further gives valuable suggestion to the union to increase its performance by making a comparison with a firm in the same industry. The study will help the union to learn whether the performance creates value to its investors

## V. LIMITATIONS OF THE STUDY
1. Financial Information collected for the study is secondary in nature. In such a case, it carries all the limitation inherent with secondary data and financial information.
2. The study is limited to accuracy of the statistical tools used.
3. Result of the study is limited to the selected companies.
4. Market capitalization details of company were not accessible for it to form basis for selecting the sample.

## VI. RESEARCH METHODOLOGY

**RESEARCH DESIGN**

A research design is the arrangement of condition for collection and analysis of data in a means that aims relevance to the research purpose with economy in procedure. In this study the descriptive research is followed

**PERIOD OF STUDY**

The period of study consist of three years from 2013-14 to 2015-16. This study is based on the Three years Annual report of the Lakshmi Mills, Bannari Amman spinning mills, Sri Ramakrishna spinning mills, KPR mills and Super Spinning Mills

**TOOLS USED FOR ANALYSIS**

Comparative ratio analysis

**ABBREVIATION**

| LM | : | **Lakshmi Mills** |
|---|---|---|
| BASM | : | **Bannari Amman Spinning Mill** |
| SRSM | : | **Sri Ramakrishna Spinning Mill** |
| KPRSM | : | **Kpr Spinning Mill** |
| SSM | : | **Super Spinning Mill** |

## VII. COMPARATIVE RATIO ANALYSIS

**1. COMPARATIVE CURRENT RATIO OF 5 COMPANY**

TABLE 1

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 1.57 | 0.63 | 1.07 | 0.77 | 0.57 |
| 2014-15 | 1.57 | 0.61 | 1.44 | 0.70 | 0.59 |
| 2015-16 | 1.51 | 0.53 | 1.18 | 0.75 | 0.62 |

**INTERPRETATION**

From the above table it is clear that the Lakshmi mills is high and other companies current ratio is low.

**2. COMPARATIVE QUICK RATIO OF 5 COMPANY**

TABLE 2

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 0.70 | 0.87 | 0.91 | 0.86 | 1.16 |
| 2014-15 | 0.77 | 0.82 | 0.91 | 0.79 | 1.05 |
| 2015-16 | 0.76 | 0.76 | 0.65 | 1.43 | 0.99 |

**INTERPRETATION**

The quick ratio of all companies shows fluctuating trend ranging.

**3. COMPARATIVE INTEREST COVERAGE RATIO OF 5 COMPANY**

TABLE 3

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 1.24 | 2.22 | -0.35 | 2.84 | 1.20 |
| 2014-15 | 1.56 | 1.50 | -0.89 | 3.66 | 0.34 |
| 2015-16 | 1.18 | 1.76 | -0.72 | 5.94 | -0.14 |

**INTERPRETATION**

Interest coverage ratio of KPRSM shows increasing trend rangings from 2.84 to 5.94 other companies' interest coverage ratio shows fluctuating trend ranging.

**4. COMPARATIVE DEBT TO EQUITY RATIO OF 5 COMPANY**

TABLE 4

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 1.72 | 1.57 | 2.28 | 1.08 | 1.80 |
| 2014-15 | 1.48 | 1.49 | 5.77 | 0.80 | 1.92 |
| 2015-16 | 1.59 | 1.53 | 6.36 | 0.74 | 1.77 |

**INTERPRETATION**

The debt –equity ratio of SRSM shows the increasing trend ranging from 2.28 to 6.36. KPRSM shows the decreasing trend ranging from 1.08 to 0.74. Other companies shows fluctuating trend ranging.

**5. COMPARATIVE GROSS PROFIT RATIO OF 5 COMPANY**

TABLE 5

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 4.17 | 11.84 | -16.75 | 11.19 | 4.52 |
| 2014-15 | 4.29 | 7.77 | -25.13 | 11.04 | 0.43 |
| 2015-16 | 3.82 | 8.19 | -18.18 | 12.25 | -1.45 |

**INTERPRETATION**

The gross profit ratio of SSM shows decreasing trend ranging from 4.52 to -1.45. Other companies shows fluctuating trend ranging.

**6. COMPARATIVE NET PROFIT RATIO OF 5 COMPANY**

TABLE 6

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 4.31 | 4.51 | -20.22 | 5.97 | 0.63 |
| 2014-15 | 1.93 | 1.88 | -10.11 | 6.76 | -2.63 |
| 2015-16 | 0.52 | 2.40 | -28.71 | 8.10 | -1.67 |

**INTERPRETATION**

Net profit ratio of KPRSM shows increasing trend ranging from 5.97 to 8.10.LM shows decreasing trend ranging from 4.31 to 0.52. BASM shows fluctuating trend ranging from 4.51 to 2.40. SRSM shows decreasing trend ranging from -20.22 to -28.71 and SSM shows decreasing trend ranging from 0.63 to -1.67.

**7. COMPARATIVE OPERATING PROFIT RATIO OF 5 COMPANY**

TABLE 7

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 6.51 | 16.84 | -10.84 | 17.80 | 7.42 |
| 2014-15 | 7.52 | 11.69 | -17.54 | 17.04 | 2.78 |
| 2015-16 | 7.30 | 11.93 | -13.87 | 18.12 | 1.40 |

**INTERPRETATION**

Operating profit ratio of SSM shows decreasing trend ranging from 7.42 to 1.40. Other companies shows fluctuation trend ranging.

**8. COMPARATIVE RETURN ON ASSETS RATIO OF 5 COMPANY**

TABLE 8

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 1899.79 | 154.16 | 22.62 | 212.18 | 13.33 |
| 2014-15 | 1938.45 | 161.41 | 16.89 | 246.85 | 11.04 |
| 2015-16 | 1942.69 | 171.23 | 9.38 | 290.37 | 9.98 |

**INTERPRETATION**

Return on asset ratio of LM shows increasing trend ranging from 1899.79 to 1942.69. BASM shows increasing trend ranging from 154.16 to 171.23. KPRSM shows increasing trend ranging from 212.18 to 290.37. SRSM shows decreasing trend ranging from 22.62 to 9.38. SSM shows decreasing trend ranging from 13.33 to 9.98.

**9. COMPARATIVE RETURN ON EQUITY RATIO OF 5 COMPANY**

TABLE 9

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 14.94 | 13.43 | -3.76 | 17.84 | 13.96 |
| 2014-15 | 17.99 | 8.56 | -10.89 | 18.39 | 4.38 |
| 2015-16 | 13.14 | 13.43 | -7.73 | 17.83 | -2.03 |

**INTERPRETATION**

Return on equity ratio of SSM shows decreasing trend ranging from 13.96 to -2.03. Other companies shows fluctuating trend ranging.

**10. COMPARATIVE INVENTORY TURNOVER RATIO OF 5 COMPANY**

TABLE 10

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 1.60 | 3.82 | 1.27 | 5.87 | 8.41 |
| 2014-15 | 1.71 | 4.43 | 0.73 | 4.99 | 11.07 |
| 2015-16 | 1.46 | 3.93 | 0.98 | 5.14 | 9.07 |

**INTERPRETATION**

Inventory turnover of 5 companies shows fluctuation trend ranging LM shows 1.60 to 1.46 BASM shows 3.82 to 3.93 SRSM shows 1.27 to 0.98 KPRSM shows 5.87 to 5.14 SSM shows 8.41 to9.07.

**11. COMPARATIVE DEBTORS TURNOVER RATIO OF 5 COMPANY**

TABLE 11

| YEAR | LM | BASM | SRSM | KPRSM | SSM |
|---|---|---|---|---|---|
| 2013-14 | 9.30 | 12.51 | 5.62 | 11.95 | 12.40 |
| 2014-15 | 10.04 | 9.64 | 10.85 | 9.87 | 10.86 |
| 2015-16 | 9.58 | 9.52 | 12.59 | 7.33 | 10.82 |

**INTERPRETATION**

Debtors turnover ratio for BASM shows decreasing trend ranging from 12.51 to 9.52. KPRSM shows decreasing trend ranging from 11.95 to 7.33 SSM shows decreasing trend ranging from 12.40 to 10.82. LM shows fluctuating trend ranging from 9.30 to 9.58. SRSM shows fluctuating trend ranging from 5.62 to 12.59.

## VIII. FINDINGS

1. It is clear that the current ratio of Lakshmi mills is high than all other companies.
2. The quick ratio of all companies shows fluctuating trend ranging.
3. Interest coverage ratio of KPRSM shows increasing trend ranging other companies interest coverage ratio shows fluctuating trend ranging
4. The debt –equity ratio of SRSM shows the increasing trend ranging KPRSM shows the decreasing trend ranging other companies shows fluctuating trend ranging.
5. The gross profit ratio of SSM shows decreasing trend ranging other companies shows fluctuating trend ranging
6. Net profit ratio of KPRSM shows increasing trend ranging.LM&SRSM&SSM shows decreasing trend ranging.BASM shows fluctuating trend ranging.
7. Operating profit ratio of SSM shows decreasing trend ranging other companies shows fluctuation trend ranging.
8. Return on asset ratio of LM& BASM &KPRSM shows increasing trend ranging.SRSM & SSM shows decreasing trend ranging.
9. Return on equity ratio of SSM shows decreasing trend ranging.other companies shows fluctuating trend ranging
10. Inventory turnover of 5 companies shows fluctuation trend ranging.
11. Debtors turnover ratio for BASM &KPRSM &SSM shows decreasing trend ranging.LM &SRSM shows fluctuating trend ranging.

## IX. SUGGESTIONS

- The textile mills can follow a fixed policy for debtors.
- It's better to take proper measure to maintain the earnings of the concern.
- The firm can try to improve their profitability through debt –equity financing.
- It's better for the companies to frame some important factors to be considered before adopting their investment and financing decision.
- Liquidity position should be revised by the companies to meet its financial requirements.

## X. CONCLUSION

The Indian textile industry has a significant presence in the economy as well as in the international. if the companies have a good financial policy it can be income generating industry. The more earnings in spinning mills create employment opportunities and may reduce unemployment.

## REFERENCES

**BOOKS**
1. Chandra Prasanna., "Financial Management", Tata McGraw Hill Publishing Company Ltd., Third Edition
2. Dr. Maheswari S. N, "Financial Management",7th Revised Edition, Sultan Chand & Son Publications) Ch.III, P.148.
3. Pandey.I.M, "Financial Management", Vikas Publishing House Pvt. Ltd.

**WEBSITES**
4. www.csimarket.com
5. www.financialdictionary .com
6. www.indiainfoline.com
7. www.spinningindustry.com

**INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT**

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

http://ijrcm.org.in/

16

# MARKET REACTION TO BUYBACK OF SHARES: NSE LISTED COMPANIES

*M. HARIKRISHNA*
*RESEARCH SCHOLAR*
*SRI VENKATESWARA UNIVERSITY*
*TIRUPATI*


*Dr. D. V. RAMANA*
*PROFESSOR*
*DEPARTMENT OF MANAGEMENT STUDIES*
*SRI VENKATESWARA UNIVERSITY*
*TIRUPATI*

## ABSTRACT
*This paper is an attempt to examine the market reaction to share buybacks of a sample of 66 buyback announcements made through open market offer for a period from April 2004 to March 2014. The companies chosen for analysis are listed only on the National Stock Exchange of India. The present study uses the market model to analyze the market reaction of buybacks in relation to share price. The net/overall effect is the sum of the all effects at different stages like before buyback price effect (BBB), during the buyback offer price effect (DBB) and the post-buyback price effect (ABB). The analysis has shown that the share price has risen in 62% of buyback cases in all scenarios. Thus, it could be stated that the full positive effect of share buyback on share price is realized before; during and after the buyback process.*

## KEYWORDS
NSE companies, buyback of shares, market reaction.

## JEL CODE
G19

## INTRODUCTION

S hare buyback (or stock repurchase) is the reacquisition by a company of its own stock. In simple words, Buyback can be considered as the reverse of issuing shares by a company as it offers to take back its shares owned by the investors at a specified price.

Buyback of equity shares is a capital restructuring process. It is a financial strategy that allows a company to buy back its equity shares and other securities. In a changing economic scenario corporate sector demands more freedom in restructuring debt-equity mix in times of favorable business environment.

Capital restructuring is a type of business operational strategy that is employed to make changes to the capital structure of a company, usually as a way to deal with shifts in the marketplace that have impacted the financial stability of the business. Just like renovating a house can make it more attractive, capital restructuring makes companies attractive to potential stakeholders, reduces costs, increases efficiency, increases EPS and gives better returns.

Financial restructuring is the reorganizing of a business' assets and liabilities. The process is often associated with corporate restructuring where an organization's overall structure and its processes are revamped. Financial restructuring involves either internal or external restructuring (i.e. Mergers and Acquisitions). In the internal restructuring an existing firm undergoes through a series of changes in terms of composition of assets and liabilities. Whereas in the external restructuring firm acquires another company or merges with another company to expand its presence.

Share buybacks became popular in the US in 1980's although the concept was introduced in 1960's. The system of buyback was considered to be one of the most liberal one as it allowed companies to repurchase shares by borrowing funds and it wasn't mandatory that repurchase has to be made only out of the undistributed profits or reserves. In UK share repurchases were introduced in 1980's and in other European countries shares repurchases became popular in mid 1990's as government had either prohibited buybacks or the tax laws were very stringent. The restrictions were gradually released in late 1990's. The period between 1995 to 2000 witnessed lot of share buybacks in European countries like Finland, Germany, France, Denmark and Sweden. Even in Asian countries share buybacks became popular in late 1990's (Japan-1995, Malaysia 1997 followed by Singapore and Hong Kong in 1998 and Taiwan in 2000).

In India till 1998 share buybacks were prohibited. Section 68, 69 and 70 of the Companies Act, 2013 and Rule 17 of Companies (Share Capital and Debentures) 2014 deal with buy back of Securities. The Act and the Rules both prescribe the permitted resources and the permitted methods for buy back of Securities. Both the Act and the Rules not only list out various criteria to be fulfilled for a buy back but also the rules to be followed for buy back. Section 69 deals the accounting treatment on account of Buy back of Securities and Section 70 gives the list of things that the Company should not have done in order to make them eligible to go for a buy back. The provisions regulating buyback of shares are contained in Section 77A, 77AA and 77B of the Companies Act, 1956. These were inserted by the Companies (Amendment) Act, 1999. The Securities and Exchange Board of India (SEBI) framed the SEBI(Buy-back of Securities) Regulations,1999 and the Department of Company Affairs framed the Private Limited Company and Unlisted Public company (Buy-back of Securities) rules,1999 pursuant to Section 77A(2)(f) and (g) respectively. The SEBI Buy Back of Securities (Amendment) Regulations, 2012 has introduced a few significant changes in buy-back guidelines regulating Indian companies contained in:

- Companies Act, 2013
- Companies (Share Capital and Debentures) Rules, 2014
- Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buy-back of Securities) (Amendment) Regulations, 2013

## LITERATURE REVIEW

Share buybacks have become a common phenomenon worldwide in recent years. Global increase in repurchase activity seems to be a result of deregulation, tax changes, shareholder value maximization as a growing corporate objectives and the growth of employee stock ownership plans. Financial literature shows too much return subsequent to stock buyback program in developed market. There are three methods of buyback of shares in India namely tender offer, open market buyback and targeted buyback in the U.S. market.

**Vermaelen (1981)** formalises the signaling theory of share repurchase to explain the stock price reactions associated with share repurchase. The information signaling theory has more predictive explanation for the post repurchase abnormal returns. Repurchase at a premium using tender offers signifies that the future prospects are more likely to improve. The author also reported that the quantum of premium offered to shareholders was positively associated with the percentage of outstanding shares bought back and the fraction of shares owned by managers. This may be taken as the signaling explanation.

**Asquith and Mullins (1986)** emphasized on proving the superiority of share repurchases over dividends in market signaling. The support provided by announcement of share repurchases to an otherwise falling stock is unquestionably better and for longer duration than dividends. Managers take interest in sending bigger signals through repurchases, as managerial incentives are related to stock performance. Hence, higher the managerial interest, bigger the signals being sent to shareholders.

**Inkberry et al., (1996)** made a comprehensive examination of US Open Market repurchase programs during the 1980s. In their study, they have found that the market's initial response to repurchase announcements is not complete in nature. They have actually reported abnormal performance of 2.9% over a four-year period following the announcement. For value stocks where a stronger case can be made for under valuation, the annual abnormal return was reported to be 6.4% over the same post announcement period.

**Stephens and Weisbach (1998)** assert that repurchase is negatively related to the prior stock price performance. In other words, undervalued shares perform better subsequent to a share repurchase announcements.

**Grullon and Michaely (2004)** took a sample of 4443 open market repurchase announcements falling between 1980 to 1997 in this regard. They reported the predictions of market experts and found expectations of incremental improvements in EPS following repurchase announcements.

Unlike US the rules for share buybacks in India are quite stringent. There were very fewer studies on buybacks when compared to developed countries due to the reason that until 1998 Share buybacks were prohibited in India.

**Mohanty (2002)** in the study of 12 buybacks in India found a 3.86 percent return on the announcement day to document the first evidence of positive signalling in Indian context. In a study of 25 buybacks between 1999 and 2001, **Mishra (2005)** found short term gain for the shareholders.

**Sunitha (2005)** examined market reaction to announcements of stock repurchases and dividends of 22 firms in the BSE 500 index during 2002-2004, and choice between the two-payout methods (i.e stocks repurchases and dividends) and found that stock repurchase programs recorded a high cumulative abnormal return of 3.2 percent within two days of the event, whereas dividend announcement recorded a high cumulative abnormal return of 2.1 percent within one day of the event. There was no significant difference in abnormal returns as result of various repurchase levels.

**Gupta (2006)** studied 46 buybacks between 1999 and 2005 and documented further evidence for the positive signalling by having observed a significant abnormal return of 1.66 percent.

**Hyderabad (2009)** showed a statistically significant average abnormal return of 2.76 percent on the announcement day for the 70 corporate buyback announcements made during the period 1999 to 2007 to support undervaluation hypothesis and documented non sustainability of abnormal returns in the post event period.

**Ishwar (2010)** studied 106 BSE listed companies, which announced buybacks during the period from 1999 to 2006 and found an average abnormal return of 2.23 percent, but that was not statistically significant on the event day to signal the under-pricing of securities. The author opined that the market has not found any news in the announcement as revealed by the continuing trend that started before the announcement and the market anticipate the information and incorporated into prices before the announcements.

**Dhatt (2010)** suggested a statistically significant abnormal return of 2.55 percent on the event day for 40 cases listed in BSE for a period between 2004 and 2009, thereby signalling undervaluation. All the above studies were taken up in different time horizon and except one study all the other supported the undervaluation assumption or positive information signaling.

**S.Narayan Rao (2010)** examined the effects of announcement of offer of open market buyback in India. The sample consists of 64 open market share buybacks offer during 2003-June 2010. The evidence suggested that significant sustainable increases in firm values occur around the announcement of buyback offer. The results support information signaling hypothesis of share buyback.

**Kaur Karamjeet and Singh Balwinder (2010)** in their paper analyzed the market reaction to the share buy-back announcements of companies listed on BSE for the year 1999-2004 by employing event study methodology with Sensex as the market index and found that market reacts positively to the buy-backs. Further, abnormal returns are tested for information signaling, free cash flow and leverage hypotheses. Results reveal that only leverage and under-valuation hypotheses were found valid whereas signaling and free cash flow hypotheses were rejected.

**Kaur Karamjeet (2012)** reported out that the impact of open market share buy-back announcements on share prices of BSE listed companies. A total of 172 events of share buy-backs through open market have been found during March 2001 to March 2012. About 55% of open market share buy-back events experience positive returns on the announcement day. Returns are positive even before the announcements Further, it is seen that post-announcement returns are very small, insignificant and mostly negative.

**Bunny Singh Bhatia (2013)** empirically examined the effect of share repurchases on stock price. They found out negative abnormal returns prior to the announcement of buy-back during 2011-2012 indicating undervaluation of shares and positive abnormal return post announcement, indicating signaling effect of share repurchases. Besides, a small company tends to have higher price reaction than larger companies due to higher information asymmetry faced by small companies. The results are similar to the study of open market repurchases in Developed countries.

**Harikrishna M (2014)** studied the effect of share buyback on stock price of Reliance industries. It was found out that RIL has underperformed the benchmark with poor returns prior to the announcement of buyback, indicating undervaluation of shares and positive abnormal return in the post announcement indicating signaling effect of share buyback during 2011-2013.

## OBJECTIVE OF THE STUDY
The objective of the study is to analyze the 'Market reaction to buyback of shares in NSE Listed Companies'.

## DATABASE & METHODOLOGY
Share buy-back announcements for the period from April 2004 to March 2014 in National Stock Exchange only were considered. For the study, NSE Top 500 listed companies with the market capitalization as on March 31, 2013, were considered for inclusion in the sample. The sample of 66 buyback announcements was framed for usage on the basis of aggregate buyback amount.

Everyday closing price of shares in NSE is taken for the study. The public announcement dates of share buybacks are available on www.sebi.gov.in. The study is based on secondary data which is collected from published Annual Report; Journals; and Magazines and from various websites - sebi.com, nse.com, etc. For the purpose of study, MEAN has been used to examine the market reaction to share buyback. An attempt is made to investigate the difference in market reaction to share buyback between pre-buyback, Announcement buyback, during buyback and post-buyback phases.

| | | |
|---|---|---|
| Before (Pre) buyback | – | BBB |
| After Announcement buyback | – | AaBB |
| During the buyback | – | DBB |
| After (Post) buyback | – | ABB |

The method of measuring the price effect of share buyback involves a comparison of the share price at three different points of time, as shown below:

**POINTS OF TIME DISTINGUISHED**

CHART 1

| | |
|---|---|
| **PRE-BUYBACK (BBB)**<br><br>Mean share price (3 months **before** the buyback offer opening date) | **ANNOUNCEMENT BUYBACK (AaBB)**<br><br>Closing share price on the buyback offer **announce-ment** date |
| **DURING BUYBACK (DBB)**<br><br>Mean share price (**Actual** period of buyback offer) | **POST-BUYBACK (ABB)**<br><br>Mean share price (3 months **after** the buyback offer clo-sure date) |
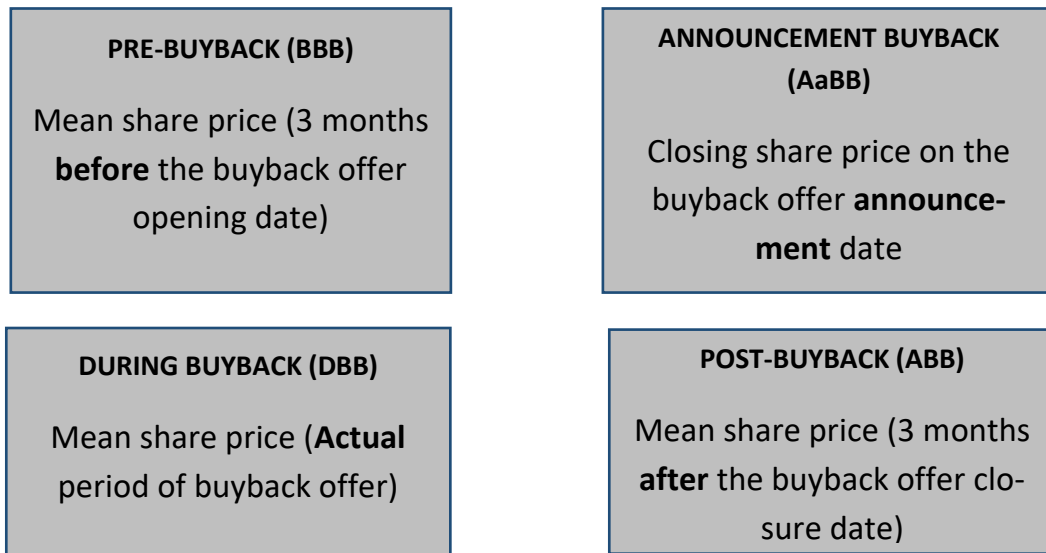
**ANALYSIS & FINDINGS**

Impact of share buy-backs on company's share price movements are a result of a bundle of factors such as company fundamentals, demand and supply of particular scrip and various corporate announcements and unpredictable global factors. The sensitive National Stock Exchange in India etc. reacts to these factors. Buy-back of shares an important event also affects the share price movements. The impact of share buy-back on company's share price movements is analyzed for four different stages i.e. pre-buy-back phase, announcement buyback, during buy-back and post buy- back phase.

**EFFECT OF SHARE BUYBACK ON SHARE PRICE**

TABLE 1

| Points of Time Distinguished | No. of Cases (%age) | | |
|---|---|---|---|
| | *Positive* | *Negative* | *Total* |
| AaBB Vs BBB Effect | 36 (54.5) | 30 (45.5) | **66 (100.0)** |
| BBB Vs DBB Effect | 41 (62.1) | 25 (37.9) | **66 (100.0)** |
| DBB Vs ABB Effect | 46 (69.7) | 20 (30.3) | **66 (100.0)** |
| BBB Vs ABB Effect | 40 (60.6) | 26 (39.4) | **66 (100.0)** |
| *Sum of Effect* | **61.7** | **38.3** | **100.0** |

*\*Figures in parentheses are percentages.*

**AaBB Vs. BBB Effect**

From the viewpoint of measuring the effect on share price, the greatest importance attaches to the net change between the (a) two months pre - buyback price (BBB) and (b) the price on announcement day of buyback (AaBB). As regards (a), the closing share price of two months before the announcement date of the offer. As regards (b), the closing share price on announcement date of the offer.

Data showed the magnitude and direction (upwards or downwards) of price movement due to the announcement effect. The price rise was in 55% cases and the share price dropped in 45% cases. It was noted that the effect on share price was positive and the increase was up to 10% in about 38% of the total number of cases analyzed. Another 11% of the cases showed increase more than 17%. However, there are also about 17% of the cases which showed a fall up to 10% in share price due to the buyback announcement and 29% of them showed a more than 10% decrease. Hence, it could be stated that there is a meager effect on share prices due to the announcement as 45% cases were showed negative impact as well.

**BBB Vs. DBB Effect**

From the viewpoint of measuring the effect on share price, the greatest importance attaches to the net change between the (a) pre - buyback price (BBB) and (b) the price of the period during buyback offer (DBB) (i.e. 'from start to finish' of the buyback process). As regards (a), the mean share price of three months before the opening date of the offer. As regards (b), the mean share price during the buyback period from the opening date of the offer till the closure date of the offer. The price rise was in 62% cases and the share price dropped in 38% cases. It was noted earlier that the effect on share price was positive and the increase was up to more than 10% in about 35% of the total number of cases analyzed. Another 27% of the cases showed increase up to 10%. However, about 24% of the cases showed a fall of more than 10% in share price after buyback announcement and 14% of them showed a fall up to 10%.

**DBB Vs. ABB Effect**

Regarding the actual post buyback effect, it needs to compare the share prices at the following two points of time: (a) the price during the period of the buyback offer (DBB) and (b) the price after 3 months from buyback closure date (ABB). As regards (a), the mean share price during the buyback which is the period from the opening date of the offer till the closure date of the offer. As regards (b), the mean share price of three months immediately after the closure date of the offer. The price rise was in 70% cases and the share price dropped in 30% cases.

It was noted earlier that the effect on share price was positive and the increase was more than 10% in about 45% of the total number of cases analyzed. Another 25% of the cases showed increase up to 10%. However, there are also about 20% of the cases which showed a fall of more than 10% in share price after buyback announcement and 10% of them showed a fall up to 10%.

**BBB Vs. ABB Effect**

From the viewpoint of measuring the effect on share price, the greatest importance attaches to the net change between the (a) pre - buyback price (BBB) and (b) the price after three months from buyback closure date (ABB). As regards (a), the mean share price of three months before the opening date of the offer. As regards (b), the mean share price of three months immediately after the closure date of the offer.

Data showed the magnitude and direction (upwards or downwards) of price movement after the buyback. The price rise was in 61% cases and the share price dropped in 39% cases. It was noted earlier that the effect on share price was positive and the increase was up to more than 10% in about 50% of the total number of cases analyzed. Another 11% of the cases showed increase up to 10%. However, about 26% of the cases showed a fall of more than 10% in share price after buyback announcement and 13% of them showed a fall up to 10%.

**Overall Effect**

The net/overall effect is the sum of the all effects like before buyback price effect (BBB), during the buyback offer price effect (DBB) and the after-buyback price effect (ABB). It is the change in share price measured from the pre-announcement date (three months before the buyback announcement) including up to the

closing day of the buyback offer and after three months from the closing day of the offer. The analysis has shown that measured in this way, the share price had a rise by more than 64% (40 cases) buyback cases in all scenarios. Thus, it may be said that the full positive effect of share buyback on share price is realized before; during and after the buyback process is completed.

**OVER-ALL EFFECT OF SHARE BUYBACK ON SHARE PRICE**

TABLE 2

| Points of Time Distinguished | No. of Cases (%) | | |
|---|---|---|---|
| | *Positive* | *Negative* | *Total* |
| BBB Vs DBB Effect | 41 (62.12%) | 25 (37.88%) | 66 (100.0%) |
| DBB Vs ABB Effect | 46 (69.70%) | 20 (30.30%) | 66 (100.0%) |
| BBB Vs ABB Effect | 40 (60.60%) | 26 (39.40%) | 66 (100.0%) |
| *Sum of Effect* | *64.14%* | *35.86%* | *100.00%* |

## CONCLUSION

The present paper investigated the impact of open market share buybacks on share prices of NSE listed Companies. It was found out that the shares are quite undervalued before the announcement of share buyback programs. Further, Positive mean of share prices after the share repurchase program completion indicate that market reacts positively to the news of share buybacks. It is necessary that market should have more reliability and confidence in the buyback programs of corporate. The results of share price movements has shown that buyback effect resulted in a rise in price three months before announcement date of the offer (pre buyback period) thereby, supporting management's contention of undervaluation of shares. Besides, an analysis of the mean share prices shows that there was an increase in the mean share prices after buyback as compared to the mean share prices for pre buyback period. However, the overall effect of buyback on the share prices is the algebraic sum of the pre buyback effect, announcement effect, during the buyback program effect and the post buyback effect. The analysis has shown that measured that the share price had risen more than 62% of buyback cases in all scenarios except in announcement effect i.e. 55% only. Thus, it may be said that the full positive effect of share buyback on share price is realized before; during and after the buyback process is completed. These results lead to acceptance of both undervaluation and signaling hypothesis. Share repurchase becomes stronger signaling tool.

## REFERENCES

1. A.K. Mishra (2005) "An Empirical Analysis of Share Buybacks in India", The ICFAI Journal of Applied Finance, Vol.8, No.11, pp. 5-24.
2. Amitabh Gupta (2006) "Share Price Behaviour around Buybacks in India", The ICFAI Journal of Applied Finance, Vol.12, No.12, pp. 26-40.
3. Asquith, Paul, and David W. Mullins, (1986), "Common Equity Transactions: Signaling with Dividends, Stock Repurchases and Equity Issues", Financial Management, Vol.15, No.3, pp. 27-44.
4. Brown J. S and Warner J. B., (1985), "Using daily stock returns the case of event studies", Journal of Financial Economics, Vol.14, pp. 3-31.
5. Bunny Singh Bhatia (2013) "Share Repurchases: Short Term Effect in India", International Journal of Applied Research and Studies (iJARS) ISSN: 2278-9480 Volume 2, Issue 12 (Dec - 2013).
6. Dhatt, G. K. (2010), "Impact of Buy-back announcements on Share Prices in India", The Indian Journal of Commerce, 63(3), 1-13.
7. Grullon, Gustavo, and Roni Michaely, (2004), "The Information Content of Share Repurchase Programs", The Journal of Finance, Vol.59, No.2, pp.651-680.
8. Harikrishna M (2014) "Market Reaction to "Share Buy-Back" of Reliance Industries Limited", International Journal of Emerging Trends in Science and Technology (IJETST) ISSN: 2348-9480 Volume 1, Issue 08 (Oct - 2014)
9. Hyderabad, R L (2009), "Market Reaction to Buy-back Announcement in India", ICFAI Journal of Applied Finance, 15(12), 53-77.
10. Ikenberry, D.L., Vermaelen, T., 1996. The option to repurchase stock. Financial Management 25, 9–24.
11. Ikenberry. D., Lakomishok. S and Vermaelen.T., (2000), "stock Repurchases in Canada: Performance and strategic Trading", The Journal of Finance, Vol, 55, No.5, pp. 2373-2397.
12. Isagawa. N., (2002), "open-market Repurchase Announcements and stock price Behavior in Inefficient Markets" Financial Management, Vol.31, No.3,pp. 5
13. Ishwar, P (2010), "Stock Price Responses to the Announcement of Buy-back of Shares in India", Indian Journal of Commerce and Management Studies, 1(1), 14-29.
14. Kaur, K (2012), "Open Market Share Buy-Backs In India" A Journal of Radix International Educational and Research Consortium
15. Kaur, K. and Singh B. (2003), "Buy-Back Announcements and Stock Price Behavior: An Empirical Study", Journal of Applied Finance, 9(5), 23-30, (August).
16. Raju L Hyderabad (2008), "Market Reaction to Buy-back Announcements in India", The IUP Journal of Applied Finance, Vol.15, No 12, 2009, pp. 54-78
17. S.Narayan Rao (2010), "Announcement Effect of Open Market Share Buy-backs in India: Part-1", Research Seminar presented at T A Pai Institute of Manipal-2010.
18. Schaub, Mark (2008) 'A note on the effects of debt buybacks in the MM world', Applied Financial Economics Letters, 4: 2, pp77- 79
19. Schaub, Mark (2009) 'Short-term wealth effects from debt buyback announcements', Applied Economics Letters, pp1-4
20. Skinner, D.J., 2008. The evolving relation between earnings, dividends, and stock repurchases. Journal of Financial Economics 87, 582–609.
21. Stephens, C.P., Weisbach, M.S., 1998. Actual share reacquisitions in open-market repurchase programs. The Journal of Finance 53, 313–333.
22. Thirumalvalavan, P and Sunitha, K. (2006). "Share Price Behaviour around Buy-back and Dividend Announcements in India," IICM 9th Capital Markets Conference Paper
23. Vermaelen, T., 1981. Common stock repurchases and market signalling: An empirical study. Journal of Financial Economics 9, 139 – 183.

**WEBSITES**

24. www.economictimes.com
25. www.indiainfoline.com
26. www.moneycontrol.com
27. www.timesofindia.com

**INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT** 20

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

http://ijrcm.org.in/

# A STUDY ON THE IMPACT OF TALENT MANAGEMENT STRATEGIES ON EMPLOYEES PERFORMANCE IN BANKS WITH SPECIAL REFERENCE TO THANJAVUR DISTRICT

*K. HEMALATHA*
*RESEARCH SCHOLAR*
*PG & RESEARCH DEPARTMENT OF BUSINESS ADMINISTRATION*
*RAJAH SERFOJI GOVERNMENT COLLEGE (AUTONOMOUS)*
*THANJAVUR*


*Dr. V.NAGAJOTHI*
*HEAD*
*PG & RESEARCH DEPARTMENT OF BUSINESS ADMINISTRATION*
*RAJAH SERFOJI GOVERNMENT COLLEGE (AUTONOMOUS)*
*THANJAVUR*

## ABSTRACT
*This paper focuses on highlighting the way in which the banks should embrace talent management to obtain and retain the best talent available for the success of their organization. A sample of 74 employees has been taken from the banks sector in Thanjauvr district. From the analysis, it was found that almost all of the respondents were satisfied with the result of the talent management program. The study further investigated that the employees agreed upon the fact that the talent management programmes help in creating a good work culture as well as enhance the values of employees, help the employees in identifying their strengths and weaknesses and consequently, help in decreasing the turnover rate of employees. The paper forms the foundation for further diligent research in the a real and identifies the missing links in researches which are crucial to pave way to the future of Talent Management Programmes and performance of Indian banking.*

## KEYWORDS
talent management, employee turnover, employee performance.

## JEL CODE
M12

## 1. INTRODUCTION
Talent generally refers to the capabilities, skills or the art possessed by a particular person in a particular field. In other words, it refers to those people who have high potential even though they might have scarce knowledge and skills or who can successfully bring out transformation an d change in the organizations with the motto of "keeping people who keep you in business" the terms "talent management", "talent strategy" "succession management" and "human resource planning" are often used interchangeably. Beyond the confusion in definitions, this is a concept of planning and managing the acquisition, selection and careers of employees. Generally, talent management is known as Human Capital Management (HCM), Human Resource Information systems (HRIS) or Human Resource Management Systems (HRMS). Organizations mainly focus on developing their talent by integrating the plans and process to teach and manage their employee's talent.

## 2. IMPORTANCE OF TALENT MANAGEMENT PROGRAMME IN ORGANISATIONS
Talent management brings together a number of important human resource and management initiatives. Organizations adopting a talent management approach focus on coordinating and integrating the following strategies: -
Recruitment - ensuring the right people are attracted and employed in the organizations. Retention – development and implementation practices that reward and support employees. Professional development – ensuring continuous informal and formal learning and development. Advanced leadership and development – specific development programs for existing and future leaders. Performance Management – specific process that nurture and support performance, including the older workforce and current/future skill shortages. Developing culture – developing a positive, progressive and high performance "way of operation". An important step is to identify staff/employees that are critical to the organization. They need not be necessarily the senior staff members. In general, talent management programs aim to accomplish the following: -

- To provide a holistic view of the individual: current and future.
- To help in identifying and preparing future leadership talent.
- To provide key resources with recognition and growth opportunities.
- To facilitate retention of high performers.
- To help identify and groom potential development plans.
- To complement the rewards system

In the recent scenario, the human resource department in addition to its conventional function of providing good human capital to an organization is also vested with the responsibility of managing talents.

## 3. REVIEW OF LITERATURE
One of the most common definitions although admittedly ponderous, is by Collings and Mellahi (2009), they define talent management as "activities and process that involve the systematic identification of key positions that differentially contribute to the organisations sustainable competitive advantage, the development of a talent pool of high potential and high perform ing incumbents to fill their roles, and the develop ment of a differentiated human resource architecture to facilitate filling these positions with competent incumbents, and to ensure their continued commitment to the organization."
Research shows that firms have some convergent, but also divergent, Talent Management practices (Stalhet, 2012). A performance driven vision of talent management is very common in talent management process. Early studies on managing people indicated the organisations need to pay greater attention to internal talent, since managerial talent is just as likely to be present in those employees working their way up through the ranks as in managers hired from outside the organisation (Miner, 1973); Ready and Conger (2009) explain that companies struggle to fill key strategic roles from within their organisations because of an insufficient pipeline of high-potential employees. Using the example of Procter & Gamble and HSBC, some authors argue that talent Management should support the CEO's : "during performance and creating an effective climate." Joyce and Slocums (2012) conducted a 200 firm study drawn from 40 industries over a 10 year time period. The firms understudy varied in size and were both U.S. based and global in scope. Their study examined that what managers can do to manage talent

taking account of the organisations particular strategic situation, in order to achieve the highest levels of performance. Joyce and Slocums (2012) findings show that executives are the key assets of organisations and that their work to build and sustain talent is critical. Specifically, talent management must be understood in the context of the firm's strategic capabilities. They identified four critical capabilities in strategy, structure, culture and execution. They argued that senior managers should manage talent in light of the strategic needs and opportunities of their firms, furthermore, an innovative structure will enable firms to operate effectively. Executing unique talent management process would enable the companies to gain a competitive edge, and allows them to meet or exceed their customers' expectations. Another key dimension of the talent management is how employees perceive management practices. Using psychological contract theory as a lens, Hoglund (2012) assessed "employee perceptions of the extent to which talent qualities are rewarded, and the effect of such perceptions on employee perceptions of the extent to which talent qualities are rewarded, and the effect of such perceptions on employee felt obligations to develop skills."Hoglund conducted on exploratory pre-study comprising 17 face to face interviews with heads of HR in Nordic multinational corporations (MNCs) (ten Finnish, two Swedish, and five Norwegian MNCs). The firms employed between 2500 and 60,000 employees. The data was collected by means of a web based survey, using a sample of managers and professionals who were alumni from a Finnish business school. Results showed that managers should honor the psychological contract with the employees so as not to breach their trust, fail to meet their expectation, and risk losing valuable workers. Building on this study, it was recommended that the researchers should examine how psychological contract differs among employees who know they are identified as talent, those who know that they have not been identified as talent; and those who do not know whether or not they are identified as talent.

## 4. OBJECTIVES AND SCOPE OF THE STUDY
The study has the following objectives:
1. To evaluate the different dimension of talent management in the banking industry in banking sector
2. To evaluate the overall scenario of talent management practices in the banking sector in banking sector
3. To examine the talent management programs in banking sector.

## 5. RESEARCH METHODOLOGY
The population for the study comprised of 74 employees working in banks in Thanjauvr. All of these employees were contacted to generate research information.
**DATA COLLECTION**
Convenient sampling technique has been used for data collection. The data was collected from employees working in banks in Thanjavur.

## 6. ANALYSIS AND INTERPRETATION
**Null Hypothesis:** There is no significant difference between male and female with respect to factor of Talent Management strategy of Bank employees.

**TABLE 1: t TEST FOR SIGNIFICANT DIFFERENCE BETWEEN MALE AND FEMALE WITH RESPECT TO FACTOR OF TALENT MANAGEMENT STRATEGY OF BANK EMPLOYEES**

| Factors of Talent Management strategy of Bank employees | Gender | | | | t value | P value |
| --- | --- | --- | --- | --- | --- | --- |
| | Male | | Female | | | |
| | Mean | SD | Mean | SD | | |
| Performance | 7.69 | 1.79 | 7.62 | 2.20 | 0.555 | 0.579 |
| Readiness | 10.58 | 2.07 | 10.38 | 3.35 | 1.236 | 0.217 |
| Willingness | 8.75 | 1.82 | 8.25 | 3.13 | 3.546 | <0.001** |
| Criticalness | 8.24 | 2.12 | 8.25 | 2.94 | 0.114 | 0.909 |
| Potential | 14.04 | 3.08 | 15.17 | 3.03 | 5.951 | <0.001** |
| **Overall Adoption of TMS** | 49.30 | 8.45 | 49.68 | 12.28 | 0.618 | 0.537 |
| Identifying Talent | 39.67 | 8.81 | 37.48 | 12.93 | 3.427 | 0.001** |
| Talent Competency Assessment | 26.45 | 5.80 | 24.93 | 6.95 | 3.986 | <0.001** |
| Talent Management Strategy | 39.16 | 11.70 | 38.23 | 13.93 | 1.202 | 0.230 |
| **Overall Assessment of TMS** | 105.28 | 20.93 | 100.64 | 31.15 | 3.040 | 0.002** |
| **Overall Impact of TMS** | 51.70 | 12.68 | 52.13 | 16.14 | 0.493 | 0.622 |
| Induction | 32.67 | 5.25 | 32.42 | 6.36 | 0.715 | 0.475 |
| Recruiting and Attracting | 21.60 | 5.45 | 20.28 | 8.30 | 3.268 | 0.001** |
| Compensation and Rewarding | 23.17 | 6.97 | 23.79 | 7.91 | 1.382 | 0.167 |
| Displays Talent Management | 15.68 | 4.70 | 17.89 | 5.16 | 7.362 | <0.001** |
| Develop Others | 23.80 | 6.64 | 25.89 | 6.85 | 5.010 | <0.001** |
| Establishes and Maintains Positive Relationship | 25.53 | 5.81 | 26.08 | 6.51 | 1.478 | 0.140 |
| Provides Meaningful and Challenging Works | 21.07 | 5.17 | 21.18 | 4.65 | 0.359 | 0.719 |
| Manages Work-Life Balance | 19.16 | 5.87 | 19.38 | 7.07 | 0.578 | 0.564 |
| Performance Management | 36.14 | 8.47 | 40.77 | 8.05 | 8.965 | <0.001** |
| Succession Planning | 19.72 | 5.20 | 21.42 | 6.65 | 4.831 | <0.001** |
| **Overall Performance through TMS** | 238.53 | 50.51 | 249.11 | 56.78 | 3.248 | 0.001** |

Notes
1. ** denotes significant at 1% level
2. * denotes significant at 5% level

Since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to willingness, potential, identifying talent, talent competency assessment, overall assessment of TMS, recruiting and attracting, displays talent management, develop others, performance management, succession planning and overall perfor-mance through TMS. Hence there is significant difference between male and female employees with regard to willingness, potential, identifying talent, talent competency assessment, overall assessment of TMS, recruiting and attracting, displays talent management, develop others, performance management, succession planning and overall performance through TMS. It is based on mean score, talent management strategy for male is better than female in most of the dimensions due to their ability to stretch and take more responsibilities in the organization.

There is no significant difference between male and female Bank employees with regard to performance, readiness, criticalness, overall adoption of TMS, talent management strategy, overall impact of TMS, induction, compensation and rewarding, establishes and maintains positive relationship, provides meaningful and challenging works and manages work-life balance, since P value is greater than 0.05. Hence, null hypothesis is accepted with regard to performance, readiness, criticalness, overall adoption of TMS, talent management strategy, overall impact of TMS, compensation and rewarding, establishes and maintains positive rela-tionship, provides meaningful and challenging works and manages work-life balance. Talent management is an espoused and enacted commitment to implement-ing an integrated, strategic and technology enabled approach to human resource management (HRM). This commitment stems in part from the widely shared belief that human resources are the organization's primary source of competitive advantage; an essential asset that is becoming in increasingly short supply. The

benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. These outcomes in turn have been associated with improved operational and financial performance. The external and internal drivers and restraints for talent management are many. Of particular importance is senior management understanding and commitment.

**Null Hypothesis:** There is no significant difference among Educational qualifications with respect to factor of Talent Management strategy of Bank employees.

**TABLE 2: ANOVA FOR SIGNIFICANT DIFFERENCE AMONG EDUCATIONAL QUALIFICATION WITH RESPECT TO FACTOR OF TALENT MANAGEMENT STRATEGY OF BANK EMPLOYEES**

| Factors of Talent Management strategy of Bank employees | Educational Qualification | | | F value | P value |
|---|---|---|---|---|---|
| | Professional | MBA | Others | | |
| Performance | $7.34^a$ (1.85) | $8.10^b$ (2.03) | $8.48^c$ (1.49) | 29.314 | <0.001** |
| Readiness | $10.18^a$ (2.44) | $10.84^b$ (2.83) | $11.86^c$ (1.05) | 22.126 | <0.001** |
| Willingness | $8.27^a$ (2.04) | $8.73^b$ (2.68) | $10.66^c$ (1.64) | 44.932 | <0.001** |
| Criticalness | $7.90^a$ (2.15) | $8.77^b$ (2.78) | $8.69^b$ (2.14) | 18.970 | <0.001** |
| Potential | $14.08^a$ (3.44) | $14.83^b$ (1.90) | $15.16^b$ (4.16) | 10.475 | <0.001** |
| Overall Adoption of TMS | $47.76^a$ (9.24) | $51.28^b$ (10.44) | $54.85^c$ (8.31) | 32.010 | <0.001** |
| Identifying Talent | $38.47^a$ (10.48) | $38.85^a$ (10.33) | $43.73^b$ (7.96) | 10.126 | <0.001** |
| Talent Competency Assessment | $25.66^a$ (6.51) | $25.69^a$ (5.89) | $29.84^b$ (3.41) | 18.434 | <0.001** |
| Talent Management Strategy | $38.83^a$ (12.80) | $37.65^a$ (11.47) | $44.71^b$ (12.36) | 11.550 | <0.001** |
| Overall Assessment of TMS | $102.95^a$ (25.24) | $102.19^a$ (23.54) | $118.28^b$ (21.27) | 16.397 | <0.001** |
| Overall Impact of TMS | $52.96^b$ (14.00) | $49.81^a$ (11.79) | $51.77^{ab}$ (19.64) | 6.626 | 0.001** |
| Induction | $33.49^b$ (4.96) | $30.13^a$ (6.02) | $36.41^c$ (4.55) | 74.913 | <0.001** |
| Recruiting and Attracting | $21.66^b$ (6.68) | $20.97^b$ (5.31) | $18.15^a$ (9.02) | 11.571 | <0.001** |
| Compensation and Rewarding | $24.29^b$ (7.66) | $21.96^a$ (6.16) | $22.10^a$ (7.65) | 14.680 | <0.001** |
| Displays Talent Management | $16.62^b$ (4.90) | $15.62^a$ (4.93) | $17.99^c$ (5.09) | 10.165 | <0.001** |
| Develop Others | $26.17^b$ (6.36) | $21.21^a$ (6.30) | $25.26^b$ (6.86) | 77.720 | <0.001** |
| Establishes and Maintains Positive Relationship | $26.64^b$ (6.39) | $23.97^a$ (4.86) | $25.84^b$ (6.38) | 25.764 | <0.001** |
| Provides Meaningful and Challenging Works | $21.95^b$ (4.98) | $19.57^a$ (4.56) | $21.09^b$ (5.53) | 30.164 | <0.001** |
| Manages Work-Life Balance | $20.22^b$ (5.68) | $16.2.4^a$ (6.15) | $24.65^c$ (5.25) | 100.238 | <0.001** |
| Performance Management | $39.20^b$ (8.74) | $34.28^a$ (8.04) | $39.80^b$ (4.88) | 48.073 | <0.001** |
| Succession Planning | $21.06^b$ (5.61) | $18.70^a$ (6.09) | $20.80^b$ (3.52) | 22.574 | <0.001** |
| Overall Performance through TMS | $251.27^b$ (53.58) | $222.65^a$ (46.80) | $252.09^b$ (48.49) | 41.850 | <0.001** |

Notes
1. The value within bracket refers to SD
2. ** denotes significant at 1% level
3. * denotes significant at 5% level
4. Different alphabet among Educational Qualification denotes significant at 5% level using Duncan Multiple Range Test (DART)

Since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to factors of Performance, Readiness, Willingness, Criticalness, Potential, Overall Adoption of TMS, Identifying Talent, Talent Competency Assessment, Talent Management Strategy, Overall Assessment of TMS, Overall Impact of TMS, Induction, Recruiting and Attracting, Compensation and Rewarding, Displays Talent Management, Develop Others, Establishes and Maintains Positive Relationship, Provides Meaningful and Challenging Works, Manages Work-Life Balance, Performance Management, Succession Planning and Overall Performance through TMS. Hence there is significant difference among Educational Qualification with regard to factors of Performance, Readiness, Willingness, Criticalness, Potential, Overall Adoption of TMS, Identifying Talent, Talent Competency Assessment, Talent Management Strategy, Overall Assessment of TMS, Overall Impact of TMS, Induction, Recruiting and Attracting, Compensation and Rewarding, Displays Talent Management, Develop Others, Establishes and Maintains Positive Relationship, Provides Meaningful and Challenging Works, Manages Work-Life Balance, Performance Management, Succession Planning and Overall Performance through TMS. Based on Duncan Multiple Range Test (DMRT), the Educational Qualification of Professional is significantly differed with Educational Qualification of MBA and Others at 5 % level in Performance, Readiness, Willingness and Overall Adoption of TMS and the Educational Qualification of MBA is significantly differed with Educational Qualification of Others at 5 % level in Performance, Readiness, Willingness and Overall Adoption of TMS. The Educational Qualification of Professional is significantly differed with Educational Qualification of MBA and Others at 5 % level in Criticalness and Potential. The Educational Qualification of Professional and MBA are significantly differed with Educational Qualification of Others at 5 % level in Identifying Talent, Talent Competency Assessment, Talent Management Strategy and Overall Assessment of TMS. The Educational Qualification of MBA is significantly differed with Educational Qualification of Professional at 5 % level in Overall Impact of TMS. The Educational Qualification of MBA is significantly differed with Educational Qualification of Professional and Others at 5 % level in Induction, Displays Talent Management and Manages work-life balance and similarly Educational Qualification of Professional is significantly differed with Educational Qualification of Others at 5 % level in Induction, Displays Talent Management and Manages work-life balance. The Educational Qualification of Others is significantly

differed with Educational Qualification of Professional and MBA at 5 % level in Recruiting and Attracting. The Educational Qualification of MBA and Others is significantly differed with Educational Qualification of Professional at 5 % level in Compensation and Rewarding. The Educational Qualification of MBA is significantly differed with Educational Qualification of Professional and Others at 5 % level in Develop Others, Provides Meaningful and Challenging Works, Performance Management, Succession Planning and Overall Performance through TMS.

## CONCLUSION

This study revealed that talent management become pivotal to the survivor of the profit organization in the modern global and highly competitive business environment today. It is of value that firms should take to cognizance the issue of talent management, the fact that mobility of labour is very high today cross national and international border made talent management issue of import to modern management and government especially in developing nations. It is equally of value that firms should train and retrain their work force to develop needed talent in the staff. The correlation between profitability and talent management cannot be overemphasized.

## REFERENCES

1.  Joyce, W.F., & Slocum, J.W.(2012), Top management talent strategic capabilities and firm performance, organizational Dynamics, 41(3), 183-193.
2.  Miner, J.B.(9973), Management &Consluting firm as a source of high level managerial talent, Academy an d Management and Journal 16(2), 253-26.
3.  Ready, D.A, & Conger, J.A. (2007), Make your company a talent factory, Harvard Business Review, 85(6), 68-70.

# BANKING INDUSTRY IN NEPAL: AN OVERVIEW

*SANTOSH KUMAR KARN*
*RESEARCH SCHOLAR*
*UNIVERSITY DEPARTMENT OF COMMERCE & BUSINESS ADMINISTRATION*
*T.M. BHAGALPUR UNIVERSITY*
*BHAGALPUR*

## ABSTRACT

*The purpose of the paper is to highlight the current position of banking industry in Nepal. In current faster lifestyle, peoples may not do proper transitions without developing the proper bank network. Nepalese banking industry plays a crucial role in the economy due to its dominant position in the financial system. The banking industry in Nepal has significant changes over past decades as a result of liberalization, deregulation, advances in information technology and globalization. Present banking scenario provides a lot of opportunities as well as facing lot of challenges. The Banking Industry is facing a problem of liquidity, additional capital requirement and open financial market for the competition. So, in order to cope with this problem Nepal Rasta Bank (NRB) has directed to the Banking Institutions to go in the process of mergers and acquisitions.*

## KEYWORDS
Nepalese banking industry, merger and acquisition.

## JEL CODES
G20, G21, G34.

## INTRODUCTION

Bank is the life blood of trade, commerce, industry and human life. Now-a-days, banking sector acts as the backbone of modern business and economic growth. Development of any country mainly depends upon the banking system. A bank is a financial institution, which deals with deposits and advances and other related services. It receives money from those who want to save in the form of deposits and it lends money to those who need it.

Banks are important in mobilizing and allocating savings in an economy and can solve important moral hazard and adverse selection problems by monitoring and screening borrowers and depositors. Besides, banks are important in directing funds where they are most needed in an efficient manner and have direct implications on capital allocation, industrial expansion, and economic growth (Berger, Demirguc-Kunt, and Haubrich 2003; Levine 1997).

Nepalese banking industry has significant changes over past decades as a result of liberalization, deregulation, advances in information technology and globalization. The financial sector liberalization resulted into entry of new firms in the market; deregulation widened the scope of activities and delimited the banking activities; advancement in technology resulted into new ways and tools to perform banking activities; and globalization added more pressure on competitiveness of individual banks. Moreover, the banks, now-a-days, are entering into non-banking markets and other financial institutions are entering into the banking markets that have traditionally been served by the banks.

## OBJECTIVES
The main objective of the study is explain the banking scenario in Nepal.

## METHODOLOGY
The present research article is based on secondary data sources, which has been collected from banking books, annual reports of NRB, Internet (websites) and research papers etc.

## OVERVIEW OF BANKING INDUSTRY IN NEPAL

The Nepalese banking industry started with the establishment of the Nepal Bank Limited on 1937, as the first commercial bank of Nepal with the joint ownership of the government and general public. This bank was given authority and responsibility of central bank of that time but within the change in time, of needed a separate central bank was seen. Nepal Rastra Bank was established as central bank in 1956 by an act of 1955. It was established with many objectives but mainly to stop maximum use of Indian currencies in Nepal and to increase the uses of Nepalese notes. Its other functions were to stop dual monetary system, to keep stability in exchange rate of Nepalese currencies. This is the bank of government and bank of all other banks. In the course of time, according to recommendation of the Nepal Rastra bank, another commercial bank Rastriya Baniya Bank was established in 1966 under Banijya Bank Act 1965. In the same way, under the agriculture development bank act 1967, the agricultural development bank was established in 1968. This bank was established with the objective of increasing the life standard of the people who are involved in agriculture. The development of banking system was not satisfactory up to 1983.

Nepalese financial system witnessed major changes in policies and regulations. With economic liberalization, of 1980s and focus on the private sector development, many foreign banks have established as joint venture Banks in Nepal and thus the Nepalese financial system has shown a tremendous growth of banking sector. The financial sector liberalization resulted into entry of many new banks in the domestic market. There are many financial institutions established under different category and it is in the process of increasing. A part from these financial institutions there are rural development banks established in Nepal. In recent year, Nepal Rastra Bank had opted merger, acquisition policy and financial institutions have merged and become one from two, and even one from three and many of financial institutions are in pipeline of merging. Now, Banks and financial institutions have expanded their services urban to rural area by modern technological banking system.

## BANKING REGULATORY ACTS

Nepal Rastra Bank (NRB) has been given clear mandate to regulate and supervise banks and financial institutions in Nepal. In order to discharge its regulatory responsibilities, NRB issues directives and guidelines to the licensed BFIs. Likewise, NRB continuously conducts onsite inspections and offsite supervisions both on a regular and need-based ways to assess their risk profiles and their compliance with the existing laws, regulations and prudential norms. The following are the key documents, which guide the NRB's regulatory and supervision function:
(1) Nepal Rastra Bank Act, 2002,
(2) Bank and Financial Institutions Act, 2017
(3) Company Act, 2017
(4) Nepal Rastra Bank Inspection and Supervision By-laws, 2070
(5) Capital Adequacy Framework, 2015
(6) NRB Prompt Corrective Actions byelaws, 2012

(7) Assets (Money) Laundering Prevention Act, 2008
(8) Monetary Policy Announcements
(9) Several Guidelines issued by NRB

## TYPES OF BANKS IN NEPAL

According to function and nature of bank, in Nepal banks are classified in following types:-

### (1) CENTRAL BANK

Nepal Rastra Bank (NRB) regulates the national banking system and functions as the government's central bank. As a regulator, NRB controls foreign exchange; supervises, monitors, and governs operations of banking and non -banking financial institutions; determines interest rates for commercial loans and deposits; and also determines exchange rates of foreign currencies. As the government's bank, NRB maintains all government income and expenditure accounts, issues Nepali bills and treasury notes, as well as loans to the government, and determines monetary policy.

### (2) COMMERCIAL BANKS (CLASS A)

A Commercial bank provides services such as accepting deposits, making business loans, and offering basic investment products. Commercial bank can also refer to a bank, or a division of a large bank, which more specifically deals with deposit and loan services provided to corporations, large and middle-sized business only. At present, there are 28 Commercial Bank in Nepal.

### (3) DEVELOPMENT BANKS (CLASS B)

The bank which is established for the development of different sectors like industrial, agricultural, infrastructural etc. by imitating the modern system and methodology through financial, technical and administrative assistance is known as development bank. Development banks in Nepal are playing vital roles for the development of economy status of Nepal. There are 36 development banks in Nepal.

### (4) FINANCE COMPANIES (CLASS C)

Finance Companies are licensed by Nepal Rastra Bank in 'Class C'. Finance Companies in Nepal are also playing vital roles for the development of economy status of Nepal. Nepal has many nationalized and private finance companies. At Present, there are 25 Finance companies in Nepal.

### (5) MICRO FINANCE INSTITUTIONS (CLASS D)

Many people (25 percent) of Nepal are under poverty line. Most of the poor people lives in rural areas and have little opportunity. Micro finance (Micro Credit Development Bank) could help poor people who do not have any collateral, but willingness to work and desire to do some business activities from who will acquire employment as well as income. At present, there are 63 Micro finance institution in Nepal.

## MERGER AND ACQUISITION IN NEPALESE BANKING INDUSTRY

Ojha, Sushil and John Walsh (2017) the Nepalese Banking Industry is facing a problem of liquidity, additional capital requirement as per NRB regulations and open financial market for the competition. So, in order to cope with this problem Nepal Rasta Bank (NRB) has directed the Banking Institutions to go in the process of mergers and acquisitions. Besides the number of Banking and Financial institutions in Nepal has increased previously but had created the low financial stability. Thus in order to attempt the promotion of financial stability NRB is effectively implementing the Merger and Acquisition of Banks and financial institutions.

Devos, Kadapakkam & Krishnamurthy (2008) studied M&A as value creation, efficiency improvements as explanations for synergies and produced evidence that suggests mergers generate gains by improving resource allocation rather than by reducing tax payments of increasing the market power of the combined firm.

Shanmugam & Nair (2004) identified factors in their study on mergers and acquisitions of banks in Malaysia like globalization, liberalization and information technology developments have contributed to the need for a more competitive, resilient and robust financial systems.

Goyal and Joshi (2011) that small and local banks face difficulty in bearing the impact of global economy. Therefore, they need support and it is one of the reasons for merger.

In recent years, merger and Acquisition of financial institutions in Nepal has been promoted in increasing trend. Merger has helped most of the financial institutions to increase the capital as well as help them to become more competitive with maintenance of good corporate governance. However the most important consequences in Nepal after merger is the improvement in financial ratios which also proves a good maintenance of adequate capital in order to protect the consumer right and minimize the risk likely to be under critical scenario. Mergers and acquisitions have been the burning issue in the banking sector. Complying with the global scenario, Nepalese banks and financial institutions are currently going through the situation of merger and acquisition.

## PRESENT SCENARIO

Present banking scenario provides a lot of opportunities as well as facing lot of challenges. Nepal is being fundamentally strong supported by concrete economic policies, decisions and implementations by the Nepalese Government. Today in Nepal, the service sector is contributing the Nepalese GDP and the banking is most popular service sector in Nepal. The significant role of banking industry is essential to speed up the social economic development. To improve major areas of banking sector, Government of Nepal, NRB and Ministry of finance have made several notable efforts. Many of leading banks operating in market have made use of the changed rules and regulations such as CRR, interest rate, special offers to the customers such as to open account in Zero balance. In addition to this, now-a-days banks are entered in non-banking products such as insurance in which area there are tremendous opportunities.

## CHALLENGES FACED BY THE BANKING INDUSTRY

### CUSTOMER SATISFACTION

Today, in banking sector customers are more value oriented in their services because they have alternative choices in it. So that each and every bank have to take care about fulfilling customers satisfaction.

### TO PROVIDE SEVERAL PERSONNEL SERVICES

Banks must be able to provide complete personal service to the customers who come with expectations. Today, it is demanded that banks are to provide several services for which they have to expand their service, social banking with financial possibilities, computerization and innovative mechanization, better customer services, internal supervision and control, adequate profitability, strong organization culture etc.

### COMPETITION

Competition in banking sector brings various challenges before the banks such as product positioning, innovative ideas and channels and new market trends. Banks are restricting their administrative folio by converting manpower into machine power. Banks are decreasing manual powers and getting maximum work done through machine power. Skilled and specialized manpower is to be utilized and result oriented targeted staff will be appointed.

### GLOBAL BANKING

It is practically and fundamentally impossible for any nation to exclude itself from world economy. Therefore, for sustainable development, one has to adopt integration process in the form of liberalization and globalization. The impact of globalization becomes challenges for the domestic enterprises as they are bound to compete with global players. The foreign banks operating in Nepal, becomes a major challenge for nationalized and private sector banks. These banks are large in size, technically advanced and having presence in global market

### LIQUIDITY CRISIS

Nepalese banking industry now facing liquidity crisis. Banking sector have invested large amount in unproductive sector. Short term depository, interest rate competition. The current crisis in Nepalese banking and financial industries has resulted due to the skepticism of large public money holders in banking and financial system.

## OPPORTUNITIES TO BANKING INDUSTRY

### RURAL AREA CUSTOMERS

A large no. of Nepalese banks targeted to urban areas, they have no interested to reach in rural area. Now, Nepal is going to political stable and infrastructure development. It is opportunity for the banks to enter in rural area and provide services to rural customers.

### GOOD CUSTOMER SERVICES

Good customer services are the best brand ambassador for any bank for growing its business. Every engagement with customer is an opportunity to develop a customer faith in the bank. While increasing competition, customer services has become the backbone for judging the performance of banks.

### INTERNET BANKING

Commercial banks in Nepal are providing the service of utility payments, fund transfers within and between selected banks and the generation of account statements as internet banking services. Currently, all the Commercial banks are offering Internet Banking services to their customers.

### OFFERING VARIOUS CHANNELS

Banks can offer so many channels to access their banking and other services such as ATM, Local branches, Mobile banking, etc. to increase the banking business.

## SCOPE OF INVESTMENT

Bhandari, Bishnu (2017) Nepal has ample opportunities for investments. Hydroelectricity, tourism and service are three prominent sectors the investors are willing to make their investments in recent times. Not only these sectors, other categories like mega infrastructure developmental projects specially, construction of bridges, dams, trolleys, roads, tunnel highway, railways, monorails, airport, link road; manufacturing projects like cement, steel and other production units; extraction and exploration of minerals, mines and natural resources, etc. are priority sector investments for investors.

## CONCLUSION

With economic liberalization banking industry of Nepal tremendous growth and focus on the private sector development, many foreign banks have established as joint venture Banks in Nepal. Banks and financial institutions occupies more than 60 percent in Nepalese economy but the development of banking sector in Nepal is not said as satisfactory because these financial sector have target cities and populated areas only not reach in rural areas. The present banking scenario provides a lot of opportunities as well as facing lot of challenges. The banking sector of Nepal facing political interfere, liquidity crisis, unfavorable policies of the regulating body, sluggish economy and various other macro and micro economic factors.

Presently, the Nepalese Banking Sector is facing a huge problem and is in critical juncture. So, in order to cope with this problem Nepal Rasta Bank (NRB) has directed the Banking Institutions to go in the process of mergers and acquisitions. NRB has provided several benefits to the merging institutions. Responding to the benefits presented by NRB, the banks and the financial institutions of the country are opting in the process of merger. It is essential by the regulatory/supervisory system and improving the implementation of new standards on quality and quantity of capital, liquidity and risk management. Opportunities can be created for the banking such as branch outreach to rural areas, developing hydropower and tourism etc.

## REFERENCES

1. Berger, Demirguc-Kunt, Haubrich et al. (2003) "Bank Concentration and Competition: An Evolution in the Making." Journal of Money, Credit and Banking 36 (3): 433–451.
2. Bhandari, Bishnu (2017), "Banking in Nepal: Existing Scenario" The Himalayan Times September 18, 2017.
3. Devos, E., Kadapakkam, P.R., & Krishnamurthy, S. (2008). How Do Mergers Create Value? A Comparison of Taxes, Market Power, and Efficiency Improvements and Explanations for Synergies. The Review of Financial Studies 22(3), March 27, 2008, from Net Library Database at Mohanlal Sukhadia University, Udaipur.
4. George, Binija (2015), "Recent Trends in Banking Sector-Challenge and Opportunities" *International Journal of Current Research Vol.7, Issue 10, pp.21913-21915, October, 2015.*
5. Goyal, K.A. and Joshi, V. 2011. "Mergers in banking industry of India: some emerging issues", *Asian journal of Business and Management Sciences* pp 157-165
6. Karki, Sajag (2011),"Banking Sector: Opportunities and Challenges in Nepal" New Business Age. P-72, June 2011.
7. Nepal Rastra Bank, "Bank Supervision Report 2016", Bank Supervision Department April 2017 Kathmandu, Nepal.
8. Nepal Rastra Bank, "Bank Supervision Report 2017", Bank Supervision Department April 2018 Kathmandu, Nepal.
9. Nepal Rastra Bank, "Banking & Financial Statistics (Monthly) Mid-Feb, 2018", Banks & Financial Institution Regulation Department, Statistics Division.
10. Ojha, Sushil and John Walsh (2017), "Merger Policy and Its Impact on Nepalese Banks," International Review of Management and Development Studies, Vol.1, No.2

**INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT**          27

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

http://ijrcm.org.in/

# REQUEST FOR FEEDBACK

**Dear Readers**

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

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

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

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

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-
**Co-ordinator**

# DISCLAIMER

# ABOUT THE JOURNAL

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

*Our Other Journals*