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THE DEVELOPMENT OF THAI HERBAL TRADITIONAL RECIPES FOR TREATMENT IN COMMUNITIES

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ABSTRACT

The objectives of this study were threefold: 1) to investigate the potentiality of using herbs for healthcare in the communities in Loei Province; 2) to compile the local herbal medicine recipes for healthcare in the communities in Loei Province; and, 3) to develop the local herbal medicine recipes for healthcare in the communities for further implementation and application. Mixed-method research (Research and Development) was used in this study, incorporating the action research which covered participatory action learning, in-depth interviews, participatory observation, and focus group discussions. The population of the study included the registered traditional healers who were still giving treatment to patients in 14 districts of Loei Province; current and previous patients who formerly received treatments from the traditional healers; community leaders; community elders; and, scholars of traditional Thai medicine. The findings are as following.

1. The study of the potentiality of using herbs for healthcare in the communities in Loei Province showed that 566 types of medicinal herbs were used to treat diseases.

2. The compilation of the local herbal medicine recipes for healthcare in the communities in Loei Province from all of the traditional doctors yielded 351 formulas.

3. The results of the development of the local herbal medicine recipes for healthcare in the communities for further implementation and application showed that the traditional healers collaborated to create 344 formulas as shown below. (1) Digestive system diseases: 51 formulas; (2) Respiratory diseases: 55 recipes; (3) Muscle and tendon disorders: 56 formulas; (4) Blood circulation diseases: 17 recipes; (5) Nervous system diseases: 14 formulas; (6) Skin diseases: 35 recipes; (7) Toxic exposures: 14 formulas; (8) Body fluid osmolality and tonicity; stomachic and digestive tonic: 12 formulas; (9) Urinary system and reproductive organs: 26 formulas; (10) Endocrine diseases (diabetes): 11 formulas; (11) Other systems; flu; cancers: 53 formulas.

The developed local herbal medicine recipes were distributed to the Loei Province Traditional Healer Club which is comprised of traditional healers who are experts in diagnosis and treatment registered as a TTM practitioner, holder of a Certificate of Traditional Thai Medicine, or specializes in Thai traditional pharmacy or Thai traditional medicine. The trial of the local herbal medicine recipes was conducted with the patients coming for treatment during October and December 2011. These local herbal medicine recipes included: diabetes treatment formulas; paralysis and tendon treatment formulas; gastritis treatment formulas; enteritis treatment formulas; hemorrhoid treatment formulas; reproductive system disease treatment formulas; and, cancer treatment formulas.

The results of the trial treatment of the patients treated by traditional healers revealed that they were satisfactory, meeting the expectations of all of the patients who received the treatments. All of the patients showed recovery conditions. Some showed that the illnesses were completely cured. However, all patients could return to live their normal lives. They could resume their professions in their usual manner. As a result, it can be assumed that the developed local herbal medicine recipes can be effectively used to treat patients in the communities.

KEYWORDS

Thai herbal, recipes for treatment.

RATIONAL

Presently, modern medicine has become the mainstream of large societies around the world while traditional medicine, such as herbal treatments, midwifery, osteopathy, etc., which also exists in societies, is being neglected as a result of the aforementioned social trends. Nevertheless, although modern medicine offers advancements in technology, it cannot fulfill personal, psychosocial satisfaction. Additionally, it is not completely accessible in remote areas (Chusak Suwimolsathien, 1994). The problems of modern healthcare are obvious. Currently, it has been accepted that the methods of modern medicine alone are not sufficient to solve all health problems since they have become increasingly expensive because the majority of the medicines and medical equipment must be imported from foreign countries. Therefore, modern medicine has its limits in terms of self-reliance and local accessibility. As a result, the services cannot be offered to various groups of people in the countryside. Moreover, modern medicine produces results that are in contrast with the self-sufficiency policy.

Herbal treatment is a Thai traditional medicine which is part of Thai wisdom which has been passed down through the generations since ancient times. Recently, however, new methods of medical treatment, which are based on scientific principles, have become popular. Consequently, the use of herbs is fading from Thai society, especially in big cities. Herbal treatment is now practiced mostly upcountry. However, during the current period of alternative medicine many people who are interested in healthcare have returned to the use of herbs. Even so, the wide acceptance of the development of Thai herbs and Thai herbal medicine recipes is a not simple endeavor. It is a difficult mission which requires the cooperation of every involved sector on the basic principles of research and development with a strong emphasis on the importance of the research and development of various Thai herbal medicine recipes for Thai people.

Thailand is an abundant country with many of herbs. Thai people have believed in and have had faith in the use of herbs to heal diseases and the treatment by traditional doctors for a long time on the basis of their local life, together with the cultural, social and economic systems that are agreeable and accepted within the communities. According to studies about traditional doctors, there are still many of them who have wisdom regarding the use of herbs, which plays an important role in treating diseases in local areas. The major problem of the local traditional doctors is the lack of application of actual knowledge and wisdom regarding the use of herbs. In addition, the use of technology to develop and distribute the knowledge properly is still limited. These problems can be solved if the knowledge about the use of herbs is collected and recorded in order that the medicine recipes can be utilized immediately. This will help to promote the use of herbal medicines as a substitute for chemical medicines which must be imported from foreign countries, which will result in a huge reduction in the cost of our country's public health services.

The promotion of the use of herbs for healthcare is very necessary. However, there is a problem regarding the loss of knowledge because in each local area there is no record or collection method of the herbal medicine recipes. This is the reason why the researchers, together with local authorities, have a strong desire to study the use of herbs for healthcare as well as collect and develop herbal medicine recipes in the communities. The results of the study will provide an approach for the application of the knowledge in healthcare and the understanding of beliefs about the use of herbs that can be applied to the appropriate healthcare procedures and recommendations of modern doctors, which will help to lessen the problem concerning mistaken beliefs regarding the use of herbs as mentioned earlier. Also, this research encourages the appreciation of the wisdom about the use of herbs with evidence that can be referred to, which will greatly benefit the preservation, promotion and encouragement of herbal medicine.

OBJECTIVES OF THE RESEARCH

The objectives of this research are:

1. To investigate the potentiality of using herbs for healthcare in the communities in Thailand
2. To compile the local Thai herbal traditional recipes for healthcare in the communities in Thailand
3. To develop the local Thai herbal traditional recipes for healthcare in the communities for further implementation and application

REVIEW OF LITERATURE

A herbal is a collection of descriptions of plants put together for medicinal purposes. (Singer, Charles 1923.) Expressed more elaborately it is a book containing the names and descriptions of plants, usually with information on their virtues (properties) (Arber, Agnes 1986) and in particular their medicinal, tonic, culinary, toxic, hallucinatory, aromatic, or magical powers, and the legends associated with them. A herbal may also classify the plants it describes, (Grieve, Maud 1984) may give recipes for herbal extracts, tinctures, or potions, and sometimes include mineral and animal medicaments in addition to those obtained from plants. Herbals were often illustrated to assist plant identification. (Anderson, Frank, 2001)

Herbalism is the study and use of medicinal properties of plants and plant extracts. Herbalism is also known as botanical medicine, medical herbalism, herbal medicine, herbology, herblore, and phytotherapy. The scope of herbal medicine is sometimes extended to include fungal and bee products, as well as minerals, shells and certain animal parts. (Acharya, Deepak and Shrivastava Anshu, 2008) Pharmacognosy is the study of medicines derived from natural sources.

Traditional use of medicines is recognized as a way to learn about potential future medicines. In 2001, researchers identified 122 compounds used in mainstream medicine which were derived from "ethno medical" plant sources; 80% of these have had an ethno medical use identical or related to the current use of the active elements of the plant.

(Fabricant DS, Farnsworth NR, 2001). Plants have evolved the ability to synthesize chemical compounds that help them defend against attack from a wide variety of predators such as insects, fungi and herbivorous mammals. By chance, some of these compounds, whilst being toxic to plant predators, turn out to have beneficial effects when used to treat human diseases. Such secondary metabolites are highly varied in structure, many are aromatic substances, most of which are phenols or their oxygen-substituted derivatives. (Lai PK, Roy J, 2004). At least 12,000 have been isolated so far; a number estimated to be less than 10% of the total. Chemical compounds in plants mediate their effects on the human body by binding to receptor molecules present in the body; such processes are identical to those already well understood for conventional drugs and as such herbal medicines do not differ greatly from conventional drugs in terms of how they work. This enables herbal medicines to be in principle just as effective as conventional medicines but also gives them the same potential to cause harmful side effects. Many of the herbs and spices used by humans to season food yield useful medicinal compounds. (Tapsell LC, Hemphill I, Cobiac L, et al., 2006).

THE METHODS OF THE RESEARCH

Mixed-method research (Research and Development) was used in this study, incorporating the action research which covered participatory action learning and using qualitative methods like in-depth interviews, participatory observations, and focus group discussions.

The details of the methods of the research are:

The population of the study includes the registered traditional doctors who were still giving treatment to patients in 14 districts of Loei Province; current and previous patients who formerly received treatments from the traditional doctors; community leaders; community elders; and scholars of traditional Thai medicine.

The tools used in data collection are qualitative methods, which comprised in-depth interviews regarding the potentiality of herbs in treating diseases.

The subjects of group conversation The participants were traditional doctors who would like to acquire the knowledge of the treatments by herbs. The main subject of the workshop was to brainstorm ideas about the development of herbal medicine recipes for healthcare in the communities in Loei Province. Also featured was the **patients' treatment record** which was used to record the patients' histories of illnesses, the anticipation towards the treatments by traditional doctors, the treatment methods and the results of the treatments by traditional doctors.

THE PROCEDURE OF THE RESEARCH

In this study, the researchers followed the steps of the research and development (R&D) as follows:

Step 1 The study of the potentiality of using herbs for healthcare in the communities

The researchers studied the potentiality of using herbs for healthcare in the communities, the medical properties of herbs and the efficiency of the treatment using the following methods:

- 1) The study of related research documents
- 2) The in-depth interviews with traditional doctors, patients who received treatments from the traditional doctors, community leaders, community elders, scholars of traditional Thai medicine and related sectors regarding the medical properties of herbs and the efficiency of the treatment
- 3) The group conversation between 10 traditional doctors to acquire the knowledge of the treatments by herbs

Step 2 The compilation of the local Thai herbal traditional recipes

This step featured in-depth interviews with herbal doctors to compile local herbal medicine recipes for healthcare in the communities. The received data was analyzed, categorized and put into records.

Step 3 The development of the local Thai herbal traditional recipes

In this step, the researchers organized a workshop for traditional doctors to brainstorm ideas concerning the development of herbal medicine recipes for healthcare in the communities, which was still inadequate, in order to make it easier to understand because it had never previously been done.

Step 4 The trial treatment by Thai herbal traditional recipes that have been developed

The developed local herbal medicine recipes were distributed to the Loei Province Traditional Healer Club so that the traditional doctors could use them in a trial treatment of patients in the communities.

DATA VERIFICATION AND ANALYSIS

The verification of qualitative data is done by the method of triangulation. The analysis of the data is qualitative analysis, by the method of content analysis.

THE RESULTS OF THE STUDY

1. The results of the study of the potentiality of using herbs for healthcare in the communities in Loei Province

According to the results of the study of the potentiality of using herbs for treating diseases by the traditional doctors, it was found that these traditional doctors gained their experience regarding the use of herbal medicines from palm textbooks, religious textbooks and Lanna textbooks. They also learned from other traditional doctors whose knowledge had been translated in Thai (local accent). Only the herbal treatments with high efficiency rates were compiled into recipes for treating symptoms of diseases in various body systems.

According to the in-depth interviews, the traditional doctors used 566 types of medicinal herbs to treat diseases.

2. The results of the compilation of the local Thai herbal traditional recipes for healthcare in the communities in Loei Province

In the compilation of the medicine recipes, categorizing them into formulas according to the symptoms of diseases in human body's systems, from the interviews with the traditional doctors, it was found that there were 351 medicine recipes as follow (1) Digestive system diseases: 58 formulas; (2) Respiratory diseases: 57 formulas; (3) Muscle and tendon disorders: 57 formulas; (4) Blood circulation diseases: 17 formulas; (5) Nervous system diseases: 16 formulas; (6) Skin diseases: 34 formulas; (7) Toxic exposures: 15 formulas; (8) Body fluid osmolality and tonicity; stomachic and digestive tonic: 12 formulas; (9) Urinary system and reproductive organs: 24 formulas; (10) Endocrine diseases (diabetes): 11 formulas and (11) Other systems; flu; cancers: 50 formulas.

3. The results of the development of the local Thai herbal traditional recipes for healthcare in the communities for further implementation and application

During the workshop, the traditional doctors collaborated to develop herbal medicine recipes by synchronizing the original recipes of each traditional doctor and then integrating them into new medicine recipes. In the process, the herbal ingredients, the mixing methods, the procedures and the detailed usages were well described so that people in general could understand and utilize them. To summarize, the traditional doctors developed 344 herbal medicine recipes in total, i.e. (1) Digestive system diseases: 51 formulas; (2) Respiratory diseases: 55 formulas; (3) Muscle and tendon disorders: 56 formulas; (4) Blood circulation diseases: 17 formulas; (5) Nervous system diseases: 14 formulas; (6) Skin diseases: 35 formulas; (7) Toxic exposures: 14 formulas; (8) Body fluid osmolality and tonicity; stomachic and digestive tonic: 12 formulas; (9) Urinary system and reproductive organs: 26 formulas; (10) Endocrine diseases (diabetes): 11 formulas; (11) Other systems; flu; cancers: 53 formulas.

The developed local Thai herbal traditional recipes were distributed to the Loei Province Traditional Healer Club which is comprised of traditional doctors who are experts in diagnosis and treatment registered as a TTM practitioner, holder of a Certificate of Traditional Thai Medicine, or specializes in Thai traditional pharmacy or Thai traditional medicine. The trial of the local herbal medicine recipes that the traditional doctors collaborated to develop was conducted with patients in the communities who came for treatment.

These local Thai herbal traditional recipes included: diabetes treatment formulas; paralysis and tendon treatment formulas; gastritis treatment formulas; enteritis treatment formulas; hemorrhoid treatment formulas; reproductive system disease treatment formulas; and, cancer treatment formulas.

It can be concluded that all of the patients were satisfied with the results of the treatment even though we were unable to contact some of them because, for various reasons, they could not show up on the appointed dates. All patients recovered from their illnesses. Some displayed that the illnesses were completely cured. All patients could return to their normal lives and resume their professions in their usual manner.

Therefore, the results of the trial treatment of the patients by traditional doctors using the developed herbal medicine recipes revealed that they were satisfactory, meeting or exceeding the expectations of all of the patients who received the treatments. As a result, it can be assumed that the developed local herbal medicine recipes can be effectively used to treat patients in the communities.

DISCUSSIONS OF THE RESULTS

The discussions of the results are in the following order:

1. The results of the study of the potentiality of using herbs for healthcare in the communities in Loei Province

According to the results of the study of the potentiality of using herbs, it was found that there was a great variety of herbs in Loei Province: there were as many as 566 types of them. The traditional doctors discovered their properties from observations and experiments regarding their usage based on the communities' cultural way of life. Apart from using herbs for healing illnesses, the treatments by the traditional doctors also included rites that were based on the local cultural foundation and religious beliefs of the communities. This finding is in accordance with the research by Opart Chamarat (2002). which indicated that traditional doctors were villagers in the communities who offered treatment for illnesses using traditional medical knowledge that had been inherited from ancestors and local resources. Their treatment was a mixture of the culture and beliefs of the villagers and traditional doctors together with the traditional medical system. It was, therefore, part of the local culture that had been developed under the influence of various specific factors.

In terms of illness treatments, it was discovered that the traditional doctors had different levels of experience and expertise in treating diseases. However, they looked for knowledge and sought new experiences to cure different diseases. The traditional doctors were equipped with the knowledge and expertise in treating patients using herbs which was accepted by the people in the communities or local societies. They relied on the traditional medical knowledge that had been inherited from their predecessors and local resources. Some resources, however, had to be obtained from other regions. The treatment was also combined with the culture and beliefs of the villagers.

The results of the study, exploration and interviews about the names of herbs in Loei Province, revealed that they could be categorized by the names, properties, and parts that were used for medicine recipes as well as the characteristics of the herbs in 3 categories, i.e., 1) categorization by utilization in different systems of the human body. For example, digestive system, respiratory system, nervous system (brain), urinary system, skin system, internal organ system, muscle and tendon system, blood circulation system, reproductive system, etc. 2) Categorization by the taste of the herbs. For example, astringent, sweet, abashed, bitter, oily, spicy, cool, sour and salty tastes 3) Categorization by characteristics of the herbs. For example, characteristics of the trunk, color, smell and the name of the herbs. Also, the herbs could be categorized by their properties in healing diseases. For example, temperature, fever, cold, women's diseases, vaginal discharge, leucorrhea, venereal disease, AIDS, toothache, hepatic disease, kidney disease, urinary stone disease, intoxication, Brugada syndrome, amebic liver abscess, cancer, herpes zoster, eczema, hemorrhoid, peptic ulcer, bowel disease, wasting disease, diarrhea, bloating, skin diseases, asthma, paresis, paralysis, animal poisons, diabetes, etc. This categorization is in accordance with the research by Rungrat Luangnathee (1997) which divided herbs into 4 categories, i.e., 1) Categorization by the manner of usage, which was also subdivided into 2 groups: for internal and external usage 2) Categorization by the effectiveness of the herbs in different systems of the human body, which were the digestive system, respiratory system, urinary and reproductive systems, skin system and other symptoms like malaria, pain, inflammation caused by infection, etc. 3) Categorization by properties of the herbs into 14 categories, which were antidiarrheals, laxative, anti-flatulence, stomach medicines, anticoccidial drugs, anthelmintics, cough syrup, diuretic, wind disease drugs, cardiogenic, tooth painkiller, skin disease drugs, head lice medication, antidotes for insect bites and 4) Categorization by the parts of the herbs that were used to make medicine, which were root, bark, wood, leaf, flower, fruit and seed. The categorization is also in accordance with the research by Pennapa Sapcharoen and team (1998) regarding the use of traditional herbs by hill tribes: Case Study: The Meo hill tribe in the North of Thailand, which was a survey and qualitative research conducted by interviewing Meo traditional doctors to learn about the concept of disease explanation and the use of herbs for treating patients. The areas of the study were in 3 locations: 1) Baan Huay Phung Mai, Moo 2, Mae Tho Sub-district, Mae La Noi District, Mae Hong Son Province; 2) Baan Huay Krai, Moo 7, Wieng Sub-district, Wieng Pa District, Chiang Rai Province and 3) Baan Pha Poo Jom, Moo 6, Kudchang Sub-district, Mae Taeng District, Chiang Mai Province. According to the results of the study, the concept of disease explanation of the traditional doctors could be divided in accordance with the hypotheses of the causes of the diseases into 2 main categories, which were; diseases that were caused by supernatural power and diseases that were caused by natural power. Regarding the exploration of herbs, it was found that there were 142 types in 78 different families. The most commonly used herbs belonged in the EUPHORBACEAE family, followed by the ZINGIBERACEAE COMPOSITAE family and the CUCURBITACEAE RUTACEAE family respectively. Others were found in small quantities.

2. The results of the compilation of the local herbal medicine recipes for healthcare in the communities in Loei Province

In the compilation of herbal medicine recipes by categorizing them into formulas according to the symptoms of the diseases in the human body's systems together with the methods for usage from the interviews with the traditional doctors, it was found that there were 351 medicine recipes. This finding is in accordance with the ideas of Sombat Prapawicha and team (1999) which categorized them according to the body systems, which were digestive system, respiratory system, nervous system (brain), urinary system, internal organ system, muscular system, blood circulation system (blood, wind), reproductive system, skeletal system, fever, children's diseases and poisonous animals. Apart from the experience and expertise in treating diseases that were categorized by body systems, it was also discovered that the traditional doctors had experience and expertise in treating various diseases and symptoms which were temperature, fever, cold, women's diseases, vaginal discharge, leucorrhea, venereal disease, AIDS, toothache, hepatic disease, kidney disease, urinary stone disease, intoxication, brugada syndrome, amebic liver abscess, cancer, herpes zoster, eczema, hemorrhoid, peptic ulcer, bowel disease, wasting disease, diarrhea, bloating, skin diseases, asthma, paresis, paralysis, animal poisons, diabetes, etc.

3. The results of the development of the local herbal medicine recipes for healthcare in the communities for further implementation and application

The traditional doctors collaborated to develop a total of 344 medicine recipes. The developed local herbal medicine recipes were distributed to Loei Province Traditional Healer Club so that the traditional doctors could use them in a trial treatment for patients in the communities. The results of the trial treatment revealed that the patients were satisfied, and that the illnesses were cured. These results are in accordance with the research by Prasuriya Martkam who studied the treatment of traditional doctors and which found that the patients came to receive treatments for 1. Women's diseases, vaginal discharge; 2. Hemorrhoids; 3. Venereal disease, AIDS; 4. Peptic ulcers and bowel diseases; 5. Hepatic disease; 6. Skeletal diseases; 7. Kidney stones 8. Breast cancer; 9. Brugada syndrome; 10. Paresis and paralysis; 11. Kidney disease 12. Eczema, muscular and tendon pain. Those patients were advised by family members or ill relatives to seek help from traditional doctors who offered physical and mental support. After they had been unsuccessfully treated in many different places, the last refuge was traditional doctors.

It can be concluded that the results of the trial treatment of the patients by traditional doctors using the developed medicine recipes revealed that they were satisfactory, meeting or exceeding the expectations of all of the patients who received the treatments. As a result, it can be assumed that the developed local herbal medicine recipes can be effectively used to treat patients in the communities.

RECOMMENDATIONS**1 Recommendation for further application of the results of the study**

(1) The results of the study demonstrated the benefits of using herbs for treating diseases in various systems. Therefore, an approach to encourage the use of herbs for healthcare should be established.

(2) The results of the study of the satisfaction of the patients and their relatives showed that the use of herbs was well accepted. Thus, related sectors should distribute the knowledge about the properties of herbs in treating diseases in order to encourage people to consider using herbs to heal diseases.

2. Recommendation for future research

(1) There should be a study to create learning innovations that encourage the use of herbs to treat diseases.

(2) There should be a further study concerning the pharmacological properties of the developed herbal medicine recipes.

(3) There should be a study concerning the contamination of microorganisms and bacteria in the developed local herbal medicine recipes in order to attain the data which will help to promote the making of drugs by sterile techniques.

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DO FINANCIAL VARIABLES INFLUENCE MARKET PRICE OF BANK SHARES IN BANGLADESH: A CASE STUDY ON NATIONAL BANK LTD. AND ISLAMI BANK BANGLADESH LTD.

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ABSTRACT

Capital Market plays an important role in the capital formation of an economy. Firms issue shares and collect money for supporting the growth potentiality of the business. This creates two way opportunity of wealth maximization. Firstly, firms get the opportunity to grow and secondly, small investors now have an opportunity to invest in the big and growing companies which would otherwise be impossible for them in the absence of an established capital market. So this is a very good opportunity. But it also creates threats as well. If remains uninformed, an investor can easily become prey of the situation. Bad and unconscious investment may result in negative return. So it is very much important to know the facts and the fictions. In developed countries share prices have a very good relationship with the financial variables of the respective firm. Does this relationship hold good in a country like Bangladesh as well? This is the question that this paper will try to find out with an extensive analysis on financial variables and share price of banks in Bangladesh.

KEYWORDS

Capital Gain, Capital Market, Classified Loan, Net Asset Value, Technical Analyst.

INTRODUCTION

The debate on financial variables' influence on share price is not a new phenomenon. There is an ongoing controversy between the fundamental analyst and the technical analyst regarding the price performance relationship of different stocks. One school of researchers is biased towards the financial performance and variables and the other tries to be completely come out from the impact of financial performance in predicting the share prices. This report tries to find out the apparent contradiction between the two ideologies. It accomplishes this objective through testing the hypothesis that the financial variables have significant impact on the performance of the share price.

Technical analysts engage in the process of examining data that is relevant to a given situation and developing recommendations that are anticipated to produce desirable results. In order to accomplish this goal, the technical analyst will make use of the process of technical analysis, which is essentially a structured method of identifying and evaluating key factors and elements, and qualifying the most efficient use of resources on hand.

When it comes to the work of the technical analysts in the financial market, the technique focuses on helping investors to make decisions that will result in the greatest yield. The technician that makes use of this analytical approach will consider current and past market conditions and project a variety of different sets of future events related to the market. By developing these scenarios, the analyst can make recommendations about what stock to buy, when to buy it, and at what point the stock should be sold in order to achieve the highest return on the investment.

There are two schools of thought when it comes to the work of a technical analyst in the financial world. First, there are those that see this analytical approach as being grounded in simple facts and common sense. Thus, the technicians are understood to be following a logical thought process that has an appreciable chance of accurately predicting future market movements. There are investors all over the world who consider the technical analyst to be a key in the task of making wise investments.

At the same time, there are those that dismiss this approach to market evaluation as being nothing more than a waste of time. The technical analyst may be considered to be a few steps removed from the status of a charlatan, with critics of the process even branding the methodology as being a pseudoscience or even comparing the approach to parlor magic. When this is the prevailing thought process, technicians that make use of technical analysis are considered to be non-essential to the investing process.

OBJECTIVE OF THE STUDY

Investors expect good return from the investment. But they are confused regarding the investment criteria. Do they completely rely on the financial variables of the company? Are there any other criteria that could produce better results? One of the most important decision making process is to observe the past financial performance of the company. But some experts argue that the financial performance is not a very good indicator of future stock prices. If this is true how do investors make the investment decision? This report will try to find out the impact of financial variables on the performance of the stock prices. Thus the objective of the report is to find out:

1. The nature of the market price of the shares and how it changes.
2. Whether any significant relationship exists between the share price and the financial variables.
3. Which variables have significant impact on share price?
4. To find out the better model to predict the share price.

LITERATURE REVIEW

Stock price and financial performance have a strong relationship. Stock market experts and researchers have confirmed this fact which is also evident from historical trend of stock prices. Both factor analysis of security returns and the analysis of eigenvalues seem to indicate that a market factor explains the major part of security returns (Stephen J. Brown, 1990). This relationship is visible in both developed and emerging stock market.

In general the relationship seems to be quite strong; but there also exist some controversies. This is very much clear from the opinion of Christopher B. Barry, John W. Peavy, and Mauricio Rodríguez. Although historical returns cannot be relied on to predict future performance, such empirical data can provide useful insights for financial and investment managers. A wide array of informational sources report historical security returns in developed countries, but only recently have investors and managers had access to data about returns of stocks in emerging markets (Christopher B. Barry, John W. Peavy, and Mauricio Rodríguez, 1997).

However more or less it is believed that past financial performance has a greater impact on the future prices of the securities. Although there are many different chartist theories, they all make the same basic assumption. That is, they all assume that the past behavior of a security's price is rich in information concerning its future behavior. History repeats itself in that "patterns" of past price behavior will tend to recur in the future. Thus, if through careful analysis of price charts one develops an understanding of these "patterns," this can be used to predict the future behavior of prices and in this way increase expected gains (Eugene F. Fama, 1965).

METHODOLOGY

The analysis uses simple methods and techniques to analyze the data. The first challenge was to find out the relevant variables that describe the situation well. After variable selection the following analysis have been performed:

1. Calculation of capital gain
2. Simple regression
3. Multiple regression

At first capital gain has been calculated by finding out the monthly capital gain from the monthly stock prices and then working for transforming it into annualized yearly gain. The regression has been performed by using the statistical software SPSS.

RELEVANT VARIABLES

To find out the desired relationship, I have identified several variables those have significant impact on the share price from investors' point of view. The objective is to find out those variables that have significant impact on price. The total number of selected variables is eight. They are shown in the following table:

TABLE 1: VARIABLE DEFINITION

Variable	Symbol	Expected Sign
Capital Gain	CG	Dependent Variable
Profit Margin	PRGN	+
Return on Equity	ROE	+
Return on Assets	ROA	+
Debt to Asset	DA	-
Classified Loan to Total Loan	CLTL	-
Asset Turnover	ATR	+
Net Asset Value	NAV	+
Earnings Per Share	EPS	+

DEFINING THE VARIABLES

Capital Gain has been calculated based on the average monthly return on the stock prices. First of all the monthly return has been calculated by deducting the previous price from the new price and then dividing the results by the previous price. Finally the result is multiplied by hundred.

Profit Margin is defined as net profit divided by investment income and then multiplied by hundred. It indicates the bank's ability to generate profit out of the earned revenue.

Return on Equity is calculated dividing the net income by total equity and then multiplying the results by hundred. It indicates the company's ability to generate profit out of invested fund by the equity holders.

Return on Assets is calculated dividing the net income by total assets and then multiplying the results by hundred. It indicates the company's ability to generate profit out of total invested assets by both the equity holders and the debt holders.

Debt to Assets is calculated by dividing the total external debt of the bank by the total assets and then multiplying the results by hundred. It indicates the financial leveraging position of the bank as well as the adequacy of the capital in case of financial hard times.

Classified Loan to Total Loan is defined as classified loan divided by the total loan and then multiplied by hundred. It indicates the portion of the total loan that is non-performing or about to be non-performing.

Asset Turnover is calculated by dividing the investment income by the total assets which indicates the company's ability to generate revenue out of the invested assets.

Net Asset Value is defined as the total assets of the company minus liabilities and divided by the number of shares of the company. Most often investors consider this as the most important base to price the shares of the company.

Earnings Per Share is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability. Calculated as:

$$\text{Earnings Per Share} = \frac{\text{Net Income} - \text{Dividends on Preferred Stock}}{\text{Average Outstanding Shares}} \quad (1)$$

ISLAMI BANK BANGLADESH LIMITED

Bangladesh is one of the largest Muslim countries in the world. The people of this country are deeply committed to Islamic way of life as enshrined in the Holy Qur'an and the Sunnah. Naturally, it remains a deep cry in their hearts to fashion and design their economic lives in accordance with the precepts of Islam. The establishment of Islami Bank Bangladesh Limited on March 13, 1983, is the true reflection of this inner urge of its people, which started functioning with effect from March 30, 1983. This Bank is the first of its kind in Southeast Asia. It is committed to conduct all banking and investment activities on the basis of interest-free profit-loss sharing system. In doing so, it has unveiled a new horizon and ushered in a new silver lining of hope towards materializing a long cherished dream of the people of Bangladesh for doing their banking transactions in line with what is prescribed by Islam. With the active co-operation and participation of Islamic Development Bank (IDB) and some other Islamic banks, financial institutions, government bodies and eminent personalities of the Middle East and the Gulf countries, Islami Bank Bangladesh Limited has by now earned the unique position of a leading private commercial bank in Bangladesh.

HISTORICAL TREND OF INDEPENDENT VARIABLES

The following table shows that the profit margin of IBBL is increasing over time. With some variations the profit margin is highest in the year 2009. This is a very good sign of stability and potential of future growth. The profit margin was 6.92 in the year 2003 and it is increasing over time. We also notice slight fluctuations among different period. However, the rate of increase is more or less stable overtime.

TABLE 2: IBBL, PROFIT MARGIN

Year	Profit Margin
2003	6.92
2004	14.77
2005	13.33
2006	12.55
2007	14.06
2008	13.68
2009	15.92

Source: Audited Annual Financial Statements, IBBL.

Table 3 depicts the ROE of IBBL for the period 2003 to 2009. The ROE was 7.53 in the year 2003 and it reached 16.93 in the year 2009. With some exceptions the return on equity is increasing over time. The highest ROE has been attained in the year 2008. The recent years have much higher ROE than that of previous years.

TABLE 3: IBBL, RETURN ON EQUITY

Year	Return on Equity
2003	7.53
2004	15.28
2005	13.70
2006	14.00
2007	14.57
2008	23.84
2009	16.93

Source: Audited Annual Financial Statements, IBBL.

Table 4 shows the ROA of IBBL. We see ROA was 0.48 in the year 2003 and increased to 1.22 in the year in the year 2009. Compared to ROE, the ROA is much lower. But it is improving over time. There is a consistent increase in the ROA. The Highest ROA has been attained in the year 2009.

TABLE 4: IBBL, RETURN ON ASSETS

Year	Return on Assets
2003	0.48
2004	0.99
2005	0.92
2006	0.93
2007	1.07
2008	1.16
2009	1.22

Source: Audited Annual Financial Statements, IBBL.

Table 5 shows the debt to equity ratio. This is calculated through dividing total debt by total assets of the bank. The debt to asset ratio was 85.6 in the year 2003. The owner's contribution is much lower compared to the external debt. There is an increasing trend in the ratio. But banks need to take care of the minimum capital requirements and thus increase the owner's contribution. This is shown in the following table:

TABLE 5: IBBL, DEBT TO ASSET RATIO

Year	Debt to Asset Ratio
2003	85.60
2004	85.99
2005	87.71
2006	88.13
2007	86.92
2008	86.77
2009	87.78

Source: Audited Annual Financial Statements, IBBL.

Table 6 is one of the most important tables for the analysis. It shows the ratio of classified loan to total loan. In the year 2003 the classified loan to total loan ratio was 8.89. Which was much higher compared to that of recent years. We see this ratio is improving overtime. The following table shows the position of the IBBL against classified loan from 2003 to 2009. The percentage of the classified loan is lowest ever in the year 2009.

TABLE 6: IBBL, CLASSIFIED LOAN

Year	Classified Loan to Total loan
2003	8.89
2004	6.33
2005	5.49
2006	4.51
2007	2.93
2008	2.39
2009	2.36

Source: Audited Annual Financial Statements, IBBL.

Table 7 shows asset turnover ratio. It is very much crucial to know this ratio because it shows how efficiently the company is using its assets. The tables shows asset turnover ratio for the period 2003 to 2009. Asset turnover ratio was 0.069 in the year 2003 and it was 0.07 in the year 2009. Although the asset turn-over is almost similar over the seven years period, it is improving over time. The highest turn-over is achieved in the year 2008.

TABLE 7: IBBL, ASSET TURN-OVER

Year	Asset Turn-over
2003	0.069149704
2004	0.067174736
2005	0.068714494
2006	0.074261882
2007	0.076149698
2008	0.084649639
2009	0.076788766

Source: Audited Annual Financial Statements, IBBL.

For many investors the NAV is the easiest way to track the performance of the stock. Table 8 shows the NAV of IBBL for the period 2003 to 2004. We see it was 2909.56 in the year 2003 but increases to 3254.6 in the year 2009. The following table shows that the NAV fluctuates over the seven year period. The highest NAV is attained in the year 2009.

TABLE 8: IBBL, NET ASSET VALUE

Year	Net Asset Value
2003	2909.56
2004	3080.17
2005	2971.55
2006	2995.61
2007	3114.8
2008	2958.9
2009	3254.6

Source: Audited Annual Financial Statements, IBBL.

Table 9 shows the earnings per share of the company. This is the very useful way to determine the performance of the shares over the years. We see EPS of IBBL for the period 2003 to 2009. It was TK. 195.52 in the year 2003 but increases to TK. 551.40 in the year 2009. Higher EPS means higher return for the investors. The following table shows that the EPS of IBBL is highest in the year 2009.

TABLE 9: IBBL, EARNINGS PER SHARE

Year	Earnings per Share
2003	195.52
2004	518.59
2005	487.57
2006	485.94
2007	375.5
2008	562.9
2009	551.4

Source: Audited Annual Financial Statements, IBBL.

NATIONAL BANK LIMITED

National Bank Limited was born as the first hundred percent Bangladeshi owned Bank in the private sector. From the very inception, it was the firm determination of National Bank Limited to play a vital role in the national economy. We are determined to bring back the long forgotten taste of banking services and flavors. We want to serve each one promptly and with a sense of dedication and dignity.

The then President of the People's Republic of Bangladesh Justice Ahsanuddin Chowdhury inaugurated the bank formally on March 28, 1983 but the first branch at 48, Dilkusha Commercial Area, Dhaka started commercial operation on March 23, 1983. The 2nd Branch was opened on 11th May 1983 at Khatungonj, Chittagong. At present, NBL has been carrying on business through its 121 branches and 10 SME centers spread all over the country. Since the very beginning, the bank has exerted much emphasis on overseas operations and handled a sizable quantum of home bound foreign remittance. It has drawing arrangements with 415 correspondents in 75 countries of the world, as well as with 37 overseas Exchange Companies located in 13 countries. NBL was the first domestic bank to establish agency arrangements with the world famous Western Union in order to facilitate quick and safe remittance of the valuable foreign exchanges earned by the expatriate Bangladeshi nationals. This has meant that the expatriates can remit their hard-earned money to the country with much ease, confidence, safety and speed.

HISTORICAL TREND OF INDEPENDENT VARIABLES

Table 10 depicts the profit margin of National Bank Ltd. for the period 2003 to 2009. The profit margin for the year 2003 was 3.76 and it reaches a level of 30.52 in the year 2009. This represents a dramatic improvement in profit margin ratio over the period 2003 to 2009. The table shows that the profit margin of NBL is increasing over time. With some variations the profit margin is highest in the year 2009. This is a very good sign of stability and potentiality for future growth.

TABLE 10: NBL, PROFIT MARGIN

Year	Profit Margin
2003	3.76
2004	7.26
2005	10.81
2006	13.81
2007	28.87
2008	26.22
2009	30.52

Source: Audited Annual Financial Statements, NBL.

Table 11 depicts return on equity of National Bank Ltd. for the period 2003 to 2009. The ROE was 5.18 in the year 2003 and it increases to 23.31 in the year 2009. It is quite interesting to observe the significant improvement in ROE over the period 2003 to 2009. With some exceptions the return on equity is increasing over time. The highest ROE has been attained in the year 2007. The recent years have much higher ROE than that of previous years.

TABLE 11: NBL, RETURN ON EQUITY

Year	Return on Equity
2003	5.18
2004	9.13
2005	9.93
2006	15.50
2007	27.11
2008	24.75
2009	23.31

Source: Audited Annual Financial Statements, NBL.

Table 12 shows the return on assets of NBL for the year 2003 to 2009. The ROA was 0.25 in the year 2003 and increases to 2.26 in the year 2009. Compared to ROE, the ROA is much lower. But it is improving over time. From the table we see there is a consistent increase in the ROA. The Highest ROA has been attained in the year 2009. It shows a very positive image as the ROA is directly linked with the asset efficiency of the company.

TABLE 12: NBL, RETURN ON ASSETS

Year	Return on Assets
2003	0.25
2004	0.48
2005	0.71
2006	1.08
2007	2.19
2008	2.10
2009	2.26

Source: Audited Annual Financial Statements, NBL.

Table 13 shows the debt to asset ratio of NBL for the period 2003 to 2009. It is calculated through dividing total debts by total assets. The debt to asset ratio was 80.54 in the year 2003 and increases to 85.05 in the year 2009. The owner's contribution is much lower compared to the external debt. We see an increasing trend in the ratio. But banks need to take care of the minimum capital requirements and thus increase the owner's contribution. This is shown in the following table:

TABLE 13: NBL, DEBT TO ASSET RATIO

Year	Debt to Asset Ratio
2003	80.54
2004	85.05
2005	87.42
2006	87.68
2007	86.06
2008	85.07
2009	85.05

Source: Audited Annual Financial Statements, NBL.

Table 14 depicts the ratio of classified loan to total loan for the period 2003 to 2009. The ratio of classified loan was 17.92 in the year 2003 and it decreases to 5.97 in the year 2009. The following table shows that the position of the NBL against classified loan is improving over time. The percentage of the classified loan is lowest ever in the year 2007. It is a very good sign of efficient credit management for the bank as a whole.

TABLE 14: NBL, CLASSIFIED LOAN

Year	Classified Loan to Total loan
2003	17.92
2004	24.49
2005	7.06
2006	6.01
2007	4.53
2008	5.50
2009	5.97

Source: Audited Annual Financial Statements, NBL.

Table 15 shows the asset turnover ratio of NBL for the period 2003 to 2009. The ratio was 0.065 in the year 2003 and increases to 0.074 in the year 2009. Although the asset turn-over is almost similar over the seven year period, it is improving over time. The highest turn-over is achieved in the year 2008. It is a good sign to have higher asset turnover ratios in the recent times as it indicates greater efficiency on the part of the management.

TABLE 15: NBL, ASSET TURN-OVER

Year	Asset Turn-over
2003	0.065665495
2004	0.066655619
2005	0.065420705
2006	0.078517791
2007	0.075866542
2008	0.080118113
2009	0.074161225

Source: Audited Annual Financial Statements, NBL.

Table 16 depicts the net asset value of NBL for the period 2003 to 2009. The NAV was 415.31 in the year 2003 and increases to 313.25 in the year 2009. For many investors the NAV is the easiest way to track the performance of the stock. So they want to closely monitor the pattern of this variable. The following table shows that the NAV fluctuates over the seven years period. The highest NAV is attained in the year 2006.

TABLE 16: NBL, NET ASSET VALUE

Year	Net Asset Value
2003	415.31
2004	380.95
2005	471.36
2006	593.45
2007	433.11
2008	324.92
2009	313.25

Source: Audited Annual Financial Statements, NBL.

Table 17 shows the earnings per share of NBL for the period 2003 to 2009. In the year 2003 EPS was 17.07 and it increases to 53.31 in the year 2009. This is the very useful way to determine the performance of the shares over the years. Higher EPS means higher return for the investors. The following table shows that the EPS of NBL is highest in the year 2009.

TABLE 17: NBL, EARNINGS PER SHARE

Year	Earnings per Share
2003	17.07
2004	32.93
2005	43.85
2006	63.01
2007	66.1
2008	53.31
2009	72.74

Source: Audited Annual Financial Statements, NBL.

DEPENDENT VARIABLE

The impact of the financial variables has been explained in relation to the changes in the prices of the shares. The change of the share price is calculated by calculating the capital gain. For this purpose the monthly return is calculated at the first level. Then the average monthly return is converted to annualized capital gain. The following table shows the results:

TABLE 18: MONTHLY RETURN AND ANNUALIZED GAIN

Year	IBBL		Year	NBL	
	Average Monthly Return	Annualized Gain		Average Monthly Return	Annualized Gain
2003	-2.65	-31.89	2003	-0.19	-2.28
2004	6.19	74.36	2004	7.15	85.90
2005	-0.51	-6.23	2005	6.12	73.55
2006	-2.15	-25.89	2006	0.91	10.93
2007	5.98	71.77	2007	6.91	82.94
2008	0.61	7.26	2008	-2.82	-33.93
2009	1.64	19.64	2009	-0.20	-2.44

Source: Audited Financial Statements of IBBL and NBL

SIMPLE REGRESSION

The first step of the analysis is to identify the variables that have significant impact on the capital gain. The idea is to identify the factors that individually have significant impact on the dependent variable. So simple regression analysis is the appropriate procedure. Based on the variables simple regression analysis have been performed and shown in the following table.

Regression Summary for IBBL

For IBBL the simple regression analysis shows that not a single variable is efficient enough to describe the dependent variable i.e. Capital gain. We see that only the profit margin has a greater impact on the capital gain (explain 39.2%). But the p-value indicates that the variable is not so much significant (considering 10% significance level). It is not wise to take a decision based on the simple regression model. Rather we have to consider other variables simultaneously. It will increase the explanatory power and also enhance the confidence level of the testing procedure.

TABLE 19: SIMPLE REGRESSION MODEL, IBBL

Dependent Variable	Independent Variable	Simple Regression equation	R-square	p-value
Capital Gain (CG)	PRGN	CG = -105.71 + 9.3 PRGN	39.2%	.133
	ROE	CG = -22.238 + 2.501 ROE	7.9%	.236
	ROA	CG = -72.830 + 91.380 ROA	26.0%	.542
	DA	CG = 898.636 -10.152 DA	5.0%	.630
	CLTL	CG = 42.890 -5.810 CLTL	10.5%	.477
	ATR	CG = 23.150 -102.609 ATR	00.0%	.975
	NAV	CG = -626.706 +.211 NAV	33.4%	.174
	EPS	CG = -25.424 + .090 EPS	7.4%	.556

Source: SPSS Output Summary Based on Financial Statements of IBBL

Regression Summary for NBL

For NBL the simple regression analysis shows that not a single variable is efficient enough to describe the dependent variable i.e. Capital gain. We see that only the asset turn-over has a greater impact on the capital gain (explain 23.1%). But the p-value indicates that the variable is not so much significant (considering 10% significance level). It is not wise to take a decision based on the simple regression model. Rather we have to consider other variables simultaneously. It will increase the explanatory power and also enhance the confidence level of the testing procedure.

TABLE 20: SIMPLE REGRESSION MODEL, NBL

Dependent Variable	Independent Variable	Simple Regression equation	R-square	p-value
Capital Gain (CG)	PRGN	CG = -105.71 + 9.3 PRGN	5.1%	.627
	ROE	CG = -22.238 + 2.501 ROE	3.8%	.674
	ROA	CG = -72.830 + 91.380 ROA	7.2%	.560
	DA	CG = 898.636 -10.152 DA	12.9%	.428
	CLTL	CG = 42.890 -5.810 CLTL	7.6%	.550
	ATR	CG = 23.150 -102.609 ATR	23.1%	.275
	NAV	CG = -626.706 +.211 NAV	6.5%	.582
	EPS	CG = -25.424 + .090 EPS	8.6%	.854

Source: SPSS Output Summary Based on Financial Statements of NBL

MULTIPLE REGRESSION ANALYSIS

To determine the impact of explanatory variables on the dependent variable we will perform the multiple regression analysis. It is a process where all possible explanatory variables are considered to determine the impact on the dependent variable. The coefficient of the explanatory variables is also known as the partial regression coefficient. Because it determines the impact of one variable on the explanatory variable holding all other explanatory constant. It is a very good practice to perform the multiple regression analysis as it will increase the explanatory power of the model as well as the confidence level.

Regression Summary for IBBL (profitability factors are considered)

First of all we will consider only the profitability ratios. We want to see the impact of the profitability variables on the share price and want to compare the model with other models that have been developed in the next step.

Model – 1 shows that the explanatory power of the model is very low only 44.3%. Although it is an improvement over the simple regression model we can not use this model for the purpose of prediction. The overall fit of the model is very low as the calculated F – value is vary low (.796). It means that the variables

together have little influence on the dependent variable. The sign of the profit margin is same as the prior expectation but the opposite scenario occurs for the ROE and ROA. So one must have to be careful enough to make prediction based on the model. The model is not significant at 10% significance level.

TABLE 21: MULTIPLE REGRESSION MODEL, IBBL

Model - 1	CG = -112.153 + 17.982 PRGN - .52 ROE - 102.168 ROA
Other statistics for model - 1	
R - square	44.30%
F - test value	.796
P - value of F- test	.572

Source: SPSS Output Summary Based on Financial Statements of IBBL

Regression Summary for NBL (profitability factors are considered)

For NBL the picture is completely different. The following table shows that (Model – 1) the explanatory power of the model is very high 97.9%. It is an improvement over the simple regression model. The overall fit of the model is very good as the calculated F – value is very high (46.861). It means that the variables together have strong influence on the dependent variable. The sign of the profit margin and ROE is same as the prior expectation but the opposite scenario occurs for the ROA. So one must have to be careful enough to make prediction based on the model. The model is significant at 10% significance level.

TABLE 22: MULTIPLE REGRESSION MODEL, NBL

Model - 1	CG = - 108.73 + 57.43 PRGN + 28.547ROE – 1021.065 ROA
Other statistics for model - 1	
R - square	97.90%
F - test value	46.861
P - value of F- test	.005

Source: SPSS Output Summary Based on Financial Statements of NBL

Regression Summary for IBBL (factors other than profitability is considered)

Now we will consider the factors other than the profitability those are expected to have significant influence on the share price. Some factors have little influence when considered in separation. Here some of the major influencing factors have been included in the model.

The sign of debt to asset ratio and the classified loan to total loan is same as the prior expectation but the sign of the asset turn-over, net asset value and earnings per share do not match with the expected sign. So one must have to be careful enough to make prediction based on the model. The explanatory power of the variables is very high (96.3%) but the F test shows that the overall goodness of fit of the model is not good enough as it is not significant at 10% significance level.

TABLE 23: MULTIPLE REGRESSION MODEL, IBBL

Model - 2	CG = 5965.496 - 53.428 DA - 44.764 CLTL - 11515.502 ATR - .077 NAV - .020 EPS
Other statistics for model – 1	
R - square	96.3%
F - test value	5.139
P - value of F- test	.322

Source: SPSS Output Summary Based on Financial Statements of IBBL

Regression Summary for NBL (factors other than profitability is considered)

For NBL the sign of net asset value and the earnings per share is same as the prior expectation but the sign of the debt to asset ratio, classified loan to total loan and asset turnover do not match with the expected sign. So one must have to be careful enough to make prediction based on the model. The explanatory power of the variables is not very high (64.2%) but the F test shows that the overall goodness of fit of the model is not good enough as it is not significant at 10% significance level.

TABLE 24: MULTIPLE REGRESSION MODEL, NBL

Model - 2	CG = -599.613 + 10.931 DA + 2.773 CLTL - 5599.214 ATR + .045 NAV + 1.125 EPS
Other statistics for model – 1	
R - square	64.2%
F - test value	.358
P - value of F- test	.844

Source: SPSS Output Summary Based on Financial Statements of NBL

MULTIPLE REGRESSIONS (ALL VARIABLES ARE CONSIDERED)

Finally we will consider all the possible variables that are expected to have significant impact on the dependent variable. It is expected that the model will be modification of the prior models as they were not well fitted to the situation under study. Many of those variables have good predictive power but in many cases but the goodness of fit of those models is questionable.

Regression Summary for IBBL

At first glance the model seems to be a perfect fit of the situation. As the predictive power of the independent variables is hundred percent and the p-value of the F test is absolutely zero. So there is no uncertainty and the model should work best for the situation. But as we will consider the expected sign of the predictor variables, we will find that the signs do not match with the expectation. Any model whatever might be its predictive power will become invalid if the model doesn't match the well established and recognized theory in practical field. So one must have to be very much skeptical while using the model. As the expected sign of the debt to asset ratio, classified loan to total loan, asset turnover and earnings per share do not match the prior expectation. It may produce wrong prediction and thus generate wrong conclusion.

TABLE 25: MULTIPLE REGRESSION MODEL FOR IBBL, ALL FACTORS

Model - 3	CG = - 430.026 + 11.76 ROE+ 11.23 DA + 5.15 CLTL – 11978.78 ATR + .419 NAV – 1.04 EPS
Other statistics for model – 1	
R - square	1
F - test value	0
P - value of F- test	0

Source: SPSS Output Summary Based on Financial Statements of IBBL

Regression Summary for NBL

The same scenario exists for NBL. At first glance the model seems to be a perfect fit of the situation. As the predictive power of the independent variables is hundred percent and the p-value of the F test is absolutely zero. So there is no uncertainty and the model should work best for the situation. But as we will consider the expected sign of the predictor variables, we will find that the signs do not match with the expectation. Any model whatever might be its predictive

power will become invalid if the model doesn't match the well established and recognized theory in practical field. So one must have to be very much skeptical while using the model. As the expected sign of the debt to asset ratio, classified loan to total loan, asset turnover and earnings per share do not match the prior expectation. It may produce wrong prediction and thus generate wrong conclusion.

TABLE 26: MULTIPLE REGRESSION MODEL FOR NBL, ALL FACTORS

Model - 3	CG = -430.03 + 11.76 ROE + 11.233 DA + 5.15 CLTL – 11978.78 ATR + .419 NAV – 1.04 EPS
Other statistics for model – 1	
R - square	1
F – test value	0
P – value of F- test	0

Source: SPSS Output Summary Based on Financial Statements of NBL

FINDINGS

1. Simple regression analysis is not sufficient for testing the predicted relationship.
2. Profit margin and the asset turn-over have been found to be the most influencing single variable having higher predicting power.
3. For most of the model the sign of the predictor variables does not match with the prior expectation.
4. Some of the models have good predicting power but the goodness of fit of the model is not ensured.
5. For NBL the profitability factors (model-1) are more suitable for predicted correlation.
6. It has become increasingly difficult to identify appropriate variables for IBBL
7. Share price doesn't necessarily depend on the financial performance of the company.
8. The analysis is based on seven years of information from two banks only. So searching for the better model has become increasingly difficult as fluctuations within a bank are more frequent compared with that of the whole industry.

CONCLUSION

The relationship between the financial variables and the share price does not coincide together. Although the financial variables have greater impact on the share price, the situations varies from time to time, bank to bank, industry to industry. So analysts have to be very much choosy in selecting the variables that will be included in the final model. Many variables individually have less impact but in combination with other variables can perform better. But others when used with related variables are less significant and become strong predictive factors when used in separation.

The analysis is based on data that covers seven consecutive years (2003-2009). The data encompasses two banks only: the Islami bank Bangladesh Ltd. and the National Bank Ltd. we have to recognize that the results found from this analysis is based on two commercial banks. It is important to increase the depth of the information to enhance the precision of the result.

However the findings of the analysis show that the same variable has different impact on the share prices for the two banks. For Islami Bank Bangladesh Ltd. the profitability factor is not enough to explain the behavior of the share price. We still need to try to find out a better model that has strong predictive power of the share prices. On the other hand the nature of the behavior of the variables for national bank is different to some extent. We have found that the profitability factors have strong influence on the share prices.

SCOPE FOR FURTHER RESEARCH

This article is based on information from the Dhaka Stock Exchange Ltd. It covers seven years from 2003 to 2009 and includes two commercial banks one is traditional commercial bank and another one is Islamic commercial bank. There remain a lot more opportunities to do analysis for subsequent years as well as to increase the sample size by including some other commercial banks. Beside these other variables can be tested to observe the relationship and to improve the current findings.

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MEASURING STUDENTS' PERCEPTION TOWARDS UNIVERSITY SELECTION: AN EMPIRICAL INVESTIGATION ON MALYSIAN POSTGRADUATE STUDENTS

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ABSTRACT

Different higher learning institutions in Malaysia offer variety of courses for the students. However, selection of the institute varied considering the different influencing factors. Thus, the purpose of this study was to examine the factors that influence the students in selecting their higher learning programs in various higher learning institutions in Malaysia. The research is based on primary data collection approach. For this purpose, a survey using self-administered questionnaires was carried out by using cluster-sampling technique. Total 300 questionnaires were distributed and 145 found to be valid for further analysis. The collected data were then analyzed and discussed by statistical techniques-descriptive statistics and ANOVA tests. It has been observed from the outcome that university teaching quality is the most important factor that influences a student in selection of his/her higher learning institution followed by university facilities, program structure and accreditation, campus facilities. This study has also found that high standard teaching influences the student interest followed by knowledgeable faculty, helpful academic staffs and knowledgeable admission staffs. This study has explored that amongst the various races in Malaysia, Malay students prefer the local universities than the other races. To end with, this study has suggested that, on perception, a proper policy may go a long way to increase the quality of teaching with the improvement of other related facilities that will help the university in attracting new students in the future.

KEYWORDS

Qualities, Higher Learning Program, Malaysian Institute, Cost, Perception

INTRODUCTION

Changes in demography, economy, and public policies of Malaysia have increased the demand for more sophisticated and knowledgeable workforce to synchronize with the rhythm of the business world. Higher educational qualification has become a useful way of not only ensuring the employment, but also ensuring the success and marketability in an ever-evolving job market in Malaysia. At the same time, as cost of higher education continued to rise in the English-speaking countries, more and more Third World students are applying to study in Malaysia (Ayob and Yaakub, 2005). At present, there are over 650 educational institutions exist in Malaysia but only about 200 of these institutions offer higher learning programs (Malaysian Ministry of Higher Education, 2011). Presently, there are many universities and colleges (both public and private) are offering varieties higher learning programs in Malaysia. This has increased the competition to some extent where students have unlimited options to select the university. As the options have increased, the university selection criteria became more wide and complicated. "Which university is the best? Am I doing the right course? Which university is tops for programmes?" Lingering questions like these are enough to create confusions to student's mind. With over 200 higher educational institutions in Malaysia, choosing one to go to is never an easy task.

There can be many reasons why students select different universities. Research has shown that facilities perceived as having an important influence on students' choice of institutions (Hill, 1995; Joseph, Yakhou and Stone, 2005; Kloot, Marles and Vinen, 1999; Litten and Hall, 1989; Price, Matzdorf and Agahi, 2001; Stafford, 1997; Steve and Chu-May Amy, 2009). Again, to some students, cost is more important than quality (Joseph and Joseph, 1997; LeBlanc and Nguyen, 1999; Murphy, 1981; Steffen and David, 2011; Veloutsou, Lewis and Paton, 2004). The reputation, program structure and accreditation of the university are also sometimes very important to some students in selecting the universities (Donaldson and McNicholas, 2004; Hayes, 1989; Kourik, Maher and Akande, 2011; Mavondo, Tsarenko and Gabbott, 2004; Steffen and David, 2011; Steele, 2002; Xu, 2011). For many students, it is very important to know about the future career prospects and opportunities following graduation from the university (Soutar and Turner, 2002; Srikanthan and Dalrymple, 2003). Many empirical findings support the positive impact of the university location in selecting the university (Vaughn, Oatlik and Hansotia, 1978). Other research found marketing to be an important element in the decision-making process (Alstete and Beutell, 2004; Drummond, 2004; Gilley, 1989; Hanna, 1989; Harket, Slade and Harker, 2001; Hawkins and Frohoff, 2010; Joseph and Joseph, 1997; Santoro and Chakrabarti, 2002; Schimmel, Motley, Racic, Marco and Eschenfelder, 2010; Tucciarone, 2009). Finally, family and friends influence still play a key influencing role in the university selection (Chapman, 1981; Hawkins and Frohoff, 2010; Lawley, 1993; Patton, 2000; Pimpa, 2003; Wittmeyer, 2007; Yamtim, Wongwanich and Suwanmonkha, 2009).

From the above scenario, it can be seen that, most of the studies have used U.S or U.K sample and some, such as Joseph and Joseph (1997) a New Zealand one. It could be argued that, there is very little cultural differences between these samples; however, the purpose of this study is to extend the literature on the selection criteria of higher learning programs in different higher learning institutes from a different cultural framework namely Malaysia.

The purpose of this study is to examine the factors that influence the students in selecting higher learning programs in various higher learning institutions in Malaysia. The objectives of our study are; (1) to determine the personal background and characteristics of students who are pursuing higher studies in Malaysia,

(2) to establish the factors influencing in selecting of higher learning programs in various higher learning institutions, and (3) to verify if there exists any relationship between personal characteristics and selection of higher learning programs in different higher learning institutions. The significance of doing this research is that there are not many research have done in Malaysia in this particular field. The findings from this study will benefit (1) the educational institutes and (2) the government in enriching their knowledge and idea. This will help in understanding in greater depth the factors influencing the selection process by the students while doing higher learning programs in different institutes. It will help both the institutions and the government to develop new policies to attract more local students to pursue their higher learning in Malaysia. Moreover, this will help the higher learning institutes to create sustainable competitive advantages in which their marketing strategies should be based to attract more potential overseas students.

REVIEW OF LITERATURE

THEORETICAL FRAMEWORK

There can be unlimited reasons why different students choice different higher learning institutions. This will be clearer in the "Choice Theory" by Glasser (1998). "Behavior is chosen in a continuing attempt to make life the kind of experience that everyone wants it to be – a "good life", (Glasser, 1998). Relating with the concept of "Choice Theory", students also engage themselves in various activities to get a better life.

Choice is an iterative concept which is clearly a complex and multi-factorial process involving a wide range of influences that stand upon a decision (Foskett, 1999). Previously, Ryrie (1981) elucidated choice in the context of institutional, economic and cultural constraints based on individual's perspectives. Payne (2003) had used this model to explain the sequence of students choice into higher education. According to Hemsley-Brown (1999), while pupils often give practical reasons for making choices, these were usually filtered through layers of preconceptions emanating from influences in family background, culture and life history.

The issue of institution choice criteria has been widely researched (Murphy, 1981; Joseph and Joseph, 1997; Mayer, Pioche and Webb, 1999) with varied results. In 1981, David Chapman developed a Model of Student College Choice, which identified the three major external influences:

- Significant person: friends, parents, and high school personnel.
- Fixed college characteristics: cost (financial aid), location, availability of program.
- College efforts to communicate with students: written information, campus visits and admissions/recruitment (Chapman, 1981).

EMPIRICAL PERSPECTIVES

Empirical evidence on this topic in Malaysia is very limited. Due to the limited literature and empirical evidence on the topic, we believe that other related studies focusing on the student's choice and criteria of selecting the institutions will also be able to provide us with some useful insights and information on the factors influencing the students in selecting various higher learning institutions. Studies that look at the variables that influence student's selection of institution, point towards a wide range of choice criteria and have identified several determinants (Donaldson and McNicholas, 2004; Hawkins and Frohoff, 2010; Hill, 1995; Joseph and Joseph, 2000; Kourik *et al.*, 2011; Schimmel *et al.*, 2010; Steffen and David, 2011; Veloutsou *et al.*, 2004; Xu, 2011; Yamtim *et al.*, 2009).

FINANCIAL ISSUES

There have been a number of studies aimed at assessing student's perceptions of higher education institutions from around the world. Cost related to tuition fees and living is very essential for any students. Previous researchers have found cost related to tuition fees and living expenses are very important factor in selecting the educational institutions. In 1981, a survey was conducted on the student's university choice (Murphy, 1981) recognized cost as the most important determinants of college choice. Cost related issues seem to have more importance as years go by. A study on the New Zealand university students (Joseph and Joseph, 2000) reveals that the cost associated with study at the university is the main factor that influences the student in selecting different institutes. This might be related to the university fees or the cost of living in the area, or even the possibility of securing financial aid.

The cost of study can be a crucial factor for mature candidates who have other financial commitments and have to play many roles in life simultaneously (Veloutsou *et al.*, 2004). Steffen and David (2011) investigated social selectivity in access to higher education in Germany to understand which factors influence most found that monetary cost influences the preferences for most of the students. Research conducted by LeBlanc and Nguyen (1999) show evidence that price, quality, satisfaction, corporate image along with affective and social responses are strong drivers of value in a business education setting.

Many institutes (both public and private) in Malaysia offer different types of higher learning programs. Many local as well as foreign students are pursuing their higher studies in these different institutions. The cost of the higher learning programs also differs from institutions to institutions. Normally the cost in public universities is less than the private institutions. As, students are pursuing their higher learning's in these various types of institutions existing in Malaysia, it is clear that cost plays an important role in selecting the institutions. Moreover, in the process of the research, we may find that, most of the Malay students prefer local universities where as the other races like Chinese and Indians prefer the private ones when cost is concern.

UNIVERSITY TEACHING QUALITY

Quality of education is very difficult to define. It may vary students to students. '...it is considered that the traditional importance/performance paradigm is the most appropriate way of measuring service quality in education...' (Joseph and Joseph, 2000, pp. 16). However, it is an important factor in selection of the higher learning institutions. According to Steve and Chu-May Amy (2009), institutional quality and reputation (e.g. reputation of university staff) influence the student's choice of institution. Litten (1980), Seneca and Taussig (1987) and Tierney (1983) have found that academically talented students are looking for different attributes when compared with average students. Talented students appraise an institution based on the quality of their programmes while the others are also interested in factors like physical appearance and social life in addition to good programmes (Yamamoto, 2006).

A survey conducted on 306 pupils studying at various schools in England, Scotland and Northern Ireland (Veloutsou *et al.*, 2004) to discover the information requirements and the importance of various types of information for potential students when selecting a university. They have found out that the potential university students see their studies as a social activity and learning experience. Therefore, the top three matters that students collect information about are university's offering and reputation, the opportunities to develop a healthy social activity and the ability to find suitable accommodation. Another study conducted by Keskinen, Tiuraniemi and Liimola (2008) suggested that, the primary focus of potential students are on the institution's reputation and the available courses when they choose universities or colleges. When choosing to apply to a university, the importance of the perceived overall academic quality is unquestionable and the most important attributes when assessing this are the quality of faculty and the degree programmes offered of that particular university (Coccaro and Javalgi, 1995).

James, Baldwin and McInnis (1999) have found that, course and institutional reputations, course entry scores; easy access to home and institutional characteristics have a significant influence on applicants' choice of institution. Research conducted in England shows that applicants consider the teaching reputation of universities as more important factor in selection of the institute (Price *et al.*, 2003). Other researchers have found that, the quality, location of the university and the geography of its surroundings are also important to some students for selecting the university (Clewes, 2003; Cullen, Joyce, Hassall and Broadbent, 2003). Another survey conducted on 200 UK College students has found that, the quality of life during their studies is the most important factor in the university selection (Veloutsou, Paton and Lewis, 2005). The applicants also consider the surroundings and the available facilities in the region, as well as the location of the institution (Chapman, 1981; Gremler, and McCollough, 2002).

The quality and the reputation of the different institutions also vary in Malaysia. It may be differentiated by the quality of the teaching faculty, course offerings, surrounding environment, etc. Normally, in all the public universities in Malaysia, the teachers' minimum qualifications are PhD. Nevertheless, in the public universities, this is not same as the local university. However, this does not mean that private institutions do not offer quality education. Many private universities like Nottingham, Monash, Unitar, etc have very good and experienced teaching staff and provide quality education. Therefore, basing on their needs, students select their universities.

UNIVERSITY FACILITIES

Normally facility means a service that an organization or a piece of equipment offers to somebody (Luxhoj, 1991). This is also related to the university selection, as students are concerned about the facilities provides by the universities. Some researchers found out that, the institutions' infrastructure, such as the library

facilities, classrooms, computer labs, campus security and accommodation provided by the university affects heavily in the university selection process by some of the students (Kloot *et al.*, 1999). Some of the infrastructure elements, such as the laboratory equipment and the computing resources were found to be good indicators of top-quality institutions (Litten and Hall, 1989; Hill, 1995). A survey conducted in UK has found that, for many institutions those provide high standard of facilities perceived as having an important influence on students' choice of institutions (Stafford, 1997). A comparison of "reputational pull" and "facilities pull" suggested as a mean of differentiating the "brand" of different institutions (Price *et al.*, 2003; Joseph *et al.*, 2005).

Learning environment (e.g. quality of course content, course information and learning materials) is an important issue for the students in selection of their institutions. Institutions' infrastructure, such as the library facilities, classrooms, computer labs, campus security and accommodation provided by the university also differ institutes to institutes in Malaysia. Normally the facilities in the public universities are better as they get fund from the government. At the same time, most of the public universities also provide modern facilities to the students, though limited to some extent like most of them do not have their own campuses specially those are located in the city centre. Therefore, as competitions between universities are increasing, students may select basing on the facilities provided by the various higher learning institutions. Location (e.g. city or rural) is also an important factor for the students in selection of their institutions (Steve and Chu-May Amy, 2009).

Again, as like the other countries, universities in Malaysia are also located in different places both inside and outside of Kuala Lumpur. However, it is most likely that students prefer those universities, which are located in the Kuala Lumpur city because of the location. On the other hand, foreign students also like to stay near to Kuala Lumpur for the attraction of the city life. The students whose houses are nearer mainly prefer the universities, which are located outside of Kuala Lumpur. Therefore, cost related to location is also very important factor in the university selection process.

PROGRAM STRUCTURE AND ACCREDITATION

Evaluation may define as the systematic determination of the quality or value of something (Scriven, 1993). Evaluation often used to distinguish and explain subjects of interest in a wide range of human enterprises, such as the arts, business, education, engineering, etc. Actually, it is very difficult to define which criteria students follow to evaluate a higher learning institution. It may vary student to student. Researchers have found that, the reputation of the university in general and the specific programme in particular plays a vital role while students select higher learning institutions (Hayes, 1989; Mavondo *et al.*, 2004). Drawing on rational choice models of educational decisions, Steffen and David (2011) have found that scholastic performance and preferences for study content considerably contribute to selective choice patterns of the postgraduate students.

Another study conducted on the university selection surveyed 20,000 students applying for entry to a full-time undergraduate course at a UK university or college in 2001 and found that the most important factor influencing the students in choosing a university was the course (Steele, 2002). The author further stated that, some other factors that were also important to the students were the university location, facilities and university reputation. For many students, it is very important to know about the future career prospects and opportunities following graduation from the university (Soutar and Turner, 2002; Srikanthan and Dalrymple, 2003).

Further study investigates university choice attributes of students, identifies key choice criteria, and examines gender and ethnicity issues related to student's college choice (Newell, Titus and West, 1996). Kourik, Maher and Akande (2011) have found that, in a global context, accreditation is essential for academic institutions to remain competitive. According to Donaldson and McNicholas (2004), the reputation, nature of the courses, location and address, financial considerations, facilities, program structure and accreditation influence student's choice of institution and course for postgraduate studies. Sum *et al.* (2010) conducted a survey on the newly enrolled master's students to carry out their satisfaction regarding their universities and found that the majority of the students were either satisfied or extremely satisfied with the dynamic educational program and the environment the university offers.

In Malaysia, different institutes offer different types of higher learning programs like Full time program, Part time courses (12-18 months), Modular programs, International programs, Distance learning programs and Online programs. Normally, public universities offer full time programs that are normally 2 years of durations where as private universities offer many types of programs. Normally jobholders, prefers the part time programs. To some students higher learning is just a degree for the better opportunity. Some students prefer the foreign programs. Again, to some students, courses offered by the institutions are important. According to Xu (2011), students from different education and culture background may have different perceptions towards higher education, particularly expectations related to teaching and learning. Therefore, these different evaluation methods of different students are very important, as their demands and needs are also different.

MARKETING

Marketing is a social and managerial function that attempts to create, expand and maintain a collection of customers (McKenna, 1991). According to Krachenberg (1972), "marketing deals with the concept of uncovering specific needs, satisfying these needs by the development of appropriate goods and services, letting people know of their availability, and offering them at appropriate prices, at the right time and place" (as cited in Joseph and Joseph, 2000, pp. 18). Marketing plays an important role in the university selection process. A student, who does not know about a university get the information either from the local representatives or from the Internet. They do not have any choice except believing on them. Past research have found that, today's marketplace faces an intensified and rapid change of competition in the market, fostered by factors such as globalization, maturing markets and rapid technological change (Santoro and Chakrabarti, 2002). According to Hawkins and Frohoff (2010), one of the challenges in promoting higher education is the assumption that students are not customers or neither are their parents. The authors further added that, in addition, many academics and university personnel view marketing as compromising academic freedom (Hawkins and Frohoff, 2010). According to Moogan (2011), understanding the potential student's information needs by the universities is vital, as there is a better chance of matching the information sources to the needs of the students.

Because of increased national and international competition, more and more research institutions and universities are under pressure to find new ways to generate income (Baaken, 2005). Since the 1990s, universities have become much more marketing focused in the competition to reach their goals ahead (Farr, 2003). According to Drummond (2004), the expansion and commercialization of higher education has seen the wide scale adoption of marketing techniques within the sector. Hanna (1989) pointed out that, the image is a composition of images held by the institution's external and internal images. These images play an important role on student's university selection process. To assist students in making their decision, universities employ a large range of communication tools in an effort to reach and influence potential students. However, by far the most popular tactic is to ensure that everybody has adequate access to some form of printed promotional material, ranging from printed brochures to simple letters on university letterhead, supplemented by promotional CD's and videos (Armstrong and Lumsden, 1999). Hawkins and Frohoff (2010) have further suggested that, developing a curriculum that in accordance with the student's preference can be the most important marketing strategy in attracting new students.

University brochures also play an important role in the decision-making process as this is among the top sources of concrete information about the courses offered by the universities (Harket *et al.*, 2001). Gilley (1989) discussed how radio, television, newspaper and magazine used as university marketing communication tools to attract more students. Steele (2002) found catalogue, application tools, and program materials are being useful marketing tools for the universities. According to Mayer *et al.* (1999), brochures, posters, meetings, sponsorships and billboards, web pages, TV and newspaper advertisements mostly used as some communication tools for university selection. Study conducted by Tucciarone (2009) found that students rely on information from college websites in evaluating the institution. Schimmel, Motley, Racic, Marco and Eschenfelder (2010) have found that university webpage plays an important role in the decision-making process of the potential students in selecting their universities. Some research indicates that graduate students and undergraduates differ in online educational environments as well (Alstete and Beutell, 2004). Graduate student and undergraduates also found to differ on the perceptions of internet data quality (Klein, 2002).

To attract international students, universities need to create foreign language versions of their web pages. According to Callahan (2005), even universities in countries that have different preferred languages other than, English (Greece, Italy, Japan, etc) will not attract many foreign students. Other studies suggested that, they might publish web pages in English to facilitate academic exchange of ideas and create greater interest in the academic environment (Lawley, 1993; Patton, 2000). According to Alstete and Beutell (2004), as the use of technology by the current and next generation of students as well as their parents continues to grow, universities will need to utilize better and more easily navigable websites. Study in a foreign country requires knowledge of the medium of instruction

to that specific country (Callahan, 2005). Since, English is widely spoken in Malaysia; Malaysian universities reasonably be expected to have greater numbers of potential foreign students. As competition is increasing, and as challenges associated with recruitment increase, universities must develop and employ recruiting strategies based upon attributes that students identify as important to their decision-making process.

FAMILY AND FRIENDS INFLUENCE

“Probably the strongest influence in our lives is the family we grew up in”, Wittmeyer (2007, pp. 1). A candidates decision-making process is often influenced by “significant others”, for example, friends and family (Chapman, 1981). The situation has changed as information is more widely available and access is much easier than before. The extent to which friends and family continue to influence the decision-making process is highly debatable (Wiers-Jenssen, Stensaker and Groggaard, 2002). Many authors have found that, due to the readily available sources of information, this friends and family influence on institution selection has changed such as school leavers (Soutar and Turner, 2002) and the mature students (Harket *et al.*, 2001). However, other studies suggest that “significant others” still play a key influencing role in situations where information is scarce and not well understood, such as overseas applicants (Patton, 2000), or younger age applicants (Newell *et al.*, 1996). Study conducted by Yamtim *et al.* (2009) showed that parent’s involvement in university selection significantly influences the student’s choice. Further Hawkins and Frohoff (2010) found that perceptions of the students in university selection is influenced by whether parents, current students (friends and relatives) and partially by alumni.

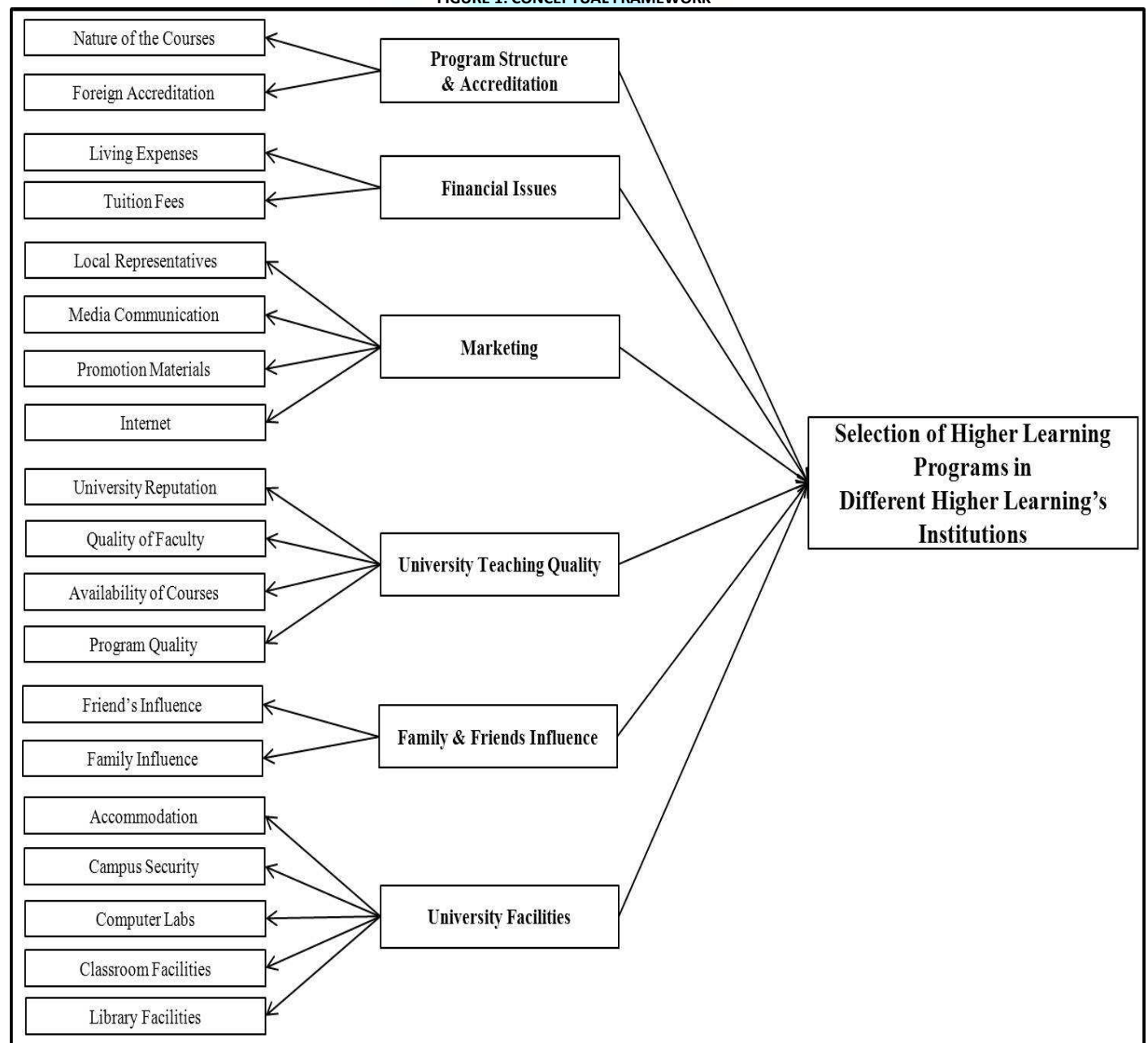
Past research suggests that friend’s influence on the final decision is not highly significant, but they do play a more active role as a credible information sources (Banning and Banning, 2006). On the other hand, family influence extensively reported as a key push factor affecting the choices of international education (Lawley, 1993). Another study conducted on Thai students has found that, expectation from parents and other family members had a great impact on the student’s decision to study abroad, and their choices of country, academic course, and of university (Pimpa, 2003).

As like as the other Asian countries, in Malaysia, the influence of family on the students are also very high. Malaysia, a country integrated with multiracial; still uphold the culture of joint-family. Therefore, in any decision, the influence of family comes first. We may find out that, Malay students are more concuss about the family opinion where as the other races are a little less. Beside this, friends’ influence is also important as they get much information from friends those are either studying or completed the course from the same university.

RESEARCH FRAMEWORK

Based on the literature review, following research framework is developed.

FIGURE 1: CONCEPTUAL FRAMEWORK



METHODOLOGY

The research is based on primary data collection approach. For this purpose, a survey using self-administered questionnaires carried out by using cluster-sampling technique. A questionnaire designed with a view to collect data on the university selection criteria of the postgraduate students in Malaysia. Questionnaire survey deemed best for this study, as it is exploratory in nature, less time consuming and can reach larger population. The questionnaire in this research based on the Likert-style scale that anchored using descriptors (strongly disagree, disagree, neutral, agree, and strongly agree). These descriptors were chosen to neutralize any tendency to over-report difficult conditions. This method helped to ask respondents on how strongly they agree or disagree with a statement or series of statements on a five-point scale. The series of statements in the questionnaire was maintained in the same order of response in order to avoid confusion. Probability sampling technique was used so that every person had chance of being chosen as subject in sample. Negatively and positively worded statements were also included interchangeably to ensure respondent reads through each statement carefully before ticking the selected answer. Respondents were assured that their responses would be treated as confidential and will be analyzed at the aggregate level only. Total 300 questionnaires were distributed and 145 found to be valid for further analysis.

As the main purpose of this analysis is to identify factors that influence students in selection of different universities, descriptive analysis has done to fulfill the first objective of the study. To fulfill the other objectives, we conducted ANOVA test, as this is the most appropriate analysis for our study (Cuevas, Febrero and Fraiman, 2004). Although the mean and standard deviation are the most basic tools for statistical analysis, they are inadequate for measuring the statistically significant differences. For this reason, ANOVA should be more powerful tools in exploring the significant differences.

FACTOR ANALYSIS

Factor analyses were performed to develop items for the measurement of the selection criteria. This analysis has carried out to summaries the structure of a set of variables into a few principal factors. Seven factors (7) were extracted through EFA and it indicates that 68.75 percent of the variance would be explained.

TABLE 1: ROTATED FACTOR MATRIX

Factors	Loadings
University Teaching Quality	
Admission staffs are knowledgeable	0.718
The academic staffs are helpful	0.643
The university maintains a high standard of teaching	0.603
Nearly all of the faculty are knowledgeable in their field	0.562
University Facilities	
The library resources and services are adequate	0.678
Tutoring service are readily available	0.671
Channels for expressing student complaints are readily available	0.648
Computer labs are available and accessible	0.579
Comfortable and well equipped classrooms	0.570
Campus Facilities	
You feel a sense of belonging here	0.561
The campus is safe and secure for all students	0.560
Faculty are available after class and office hour	0.543
University is located nearer to my home	0.502
Living condition in the residence hall are comfortable	0.392
On the whole, the campus is well-maintained	0.366
Marketing	
Attracted through talking to the lecturers	0.474
Attracted through agent	0.395
Attracted through advertisement in the newspapers or websites	0.312
Friends and Family Influence	
I'm here because my parents want me to	0.666
Came to know about it through my friends who all are studying here or have already finished	0.483
My parents or relatives had studied here	0.471
Program Structure and Accreditation	
The assessment and course placement procedure are reasonable	0.723
Course duration is flexible	0.654
There is a good variety of courses offered every semester	0.603
The institution in my major field is the best	0.591
Method of entry to the university is Flexible	0.511
Method of teaching is English	0.511
Accredited with foreign university	0.402
Method of teaching is exam based	0.373
Financial Issues	
The tuition fees are affordable	0.388
Billing policies are reasonable	0.377
Adequate financial aid is available for all students	0.368

RELIABILITY ANALYSIS

Reliability tests were conducted for all the variables studied as a measure of the internal consistency of the research instruments employed to measure the concepts. Minimum α value of 0.60 for variables means that the variables are internally consistent and are good measures of the concept studied (Yusuf, Gunasekaran, Adeleye and Sivayoganathan, 2004). All the variables (except fourth one) have α values more than 0.60. Results indicate that the variables studied are internally consistent and each of the variables is unique and not a repetition except the no 4.

TABLE 2: RELIABILITY STATISTICS

FACTORS	CRONBACH ALPHA
Factor 1: University Teaching Quality	0.738
Factor 2: University Facilities	0.812
Factor 3: Campus Facilities	0.652
Factor 4: Marketing	0.469
Factor 5: Friends and Family Influence	0.623
Factor 6: Program Structure and Accreditation	0.748
Factor 7: Financial Issues	0.682

FINDINGS

One-way analyses of variance (ANOVA) were performed to investigate the differences between the various factors with regard to their perception of the student's university choice criteria. Answers are tabulated below.

TABLE 3: MEANS AND ANOVA

Factors	Mean	Rank	F value	Sig
University Teaching Quality	3.72	1	68.75	0.000
Program structure and accreditation	3.68	2		
University Facilities	3.59	3		
Campus facilities	3.54	4		
Financial Issues	3.34	5		
Marketing	2.69	6		
Friends and family influence	2.44	7		

The ANOVA table above indicates that there is a significance difference amongst these seven factors with a significance difference at 0.01 level. Students placed a high degree of importance on all items in the seven factors. All factors have a mean score of above 3.3 except for two items "Marketing" (2.69) and "Friends and family influences" (2.44).

Now, we can see that the factor university teaching quality (3.72) is very important to the respondent. When choosing to apply to a university, the importance of the perceived overall academic quality is unquestionable. This study result strongly supports the past findings by Keskinen *et al.* (2008), Veloutsou *et al.* (2005) and Coccari and Javalgi (1995). According to the past findings and the finding of our study, it proves and supports that the university teaching quality is the most important factor for any students while choosing their destinations.

Program structure and accreditation is also an important factor to the students in selecting their universities. Accreditation often used to characterize and apprise subjects of interest in a wide range of human enterprises, including the Arts, business, education, engineering, etc. Actually, it is very difficult to define which criteria students follow to evaluate a higher learning institute. It varies student to student. As with the past findings, our study also shows that program structure and accreditation (3.68) is another major factor that influences the students in selecting their universities.

To some students, university facilities are also very important in choosing the higher learning institutions for their higher studies. Some of the students choose the university basing on the university location, facilities they provide and university reputation. According to our findings, university facilities (3.59) have also a great importance for some of the students in their university selection criteria.

Campus facility also plays a vital role in their university selection process. For some of the students who do not have residence nearby especially for those local students who are from other states or the foreign students, campus facility is very important. We also found in our findings that campus facility (3.54) is also important to the students in their university selection criteria.

Past studies have found financial issue related to tuition fees and living as the most important factor for any students before choosing their universities (Joseph & Joseph, 2000; Steffen & David, 2011; Veloutsou *et al.*, 2004). According to our findings, this not the main factors that influence the students in selecting different institutions for their higher studies, but it play a key role in the university selection process. The reasons may be that the past research conducted mostly in the UK or USA universities to the undergraduate students for whom the value for money is higher comparing to a postgraduate student as majority of the postgraduates are jobholders or the differences in cost of living in Malaysia comparing to those countries.

The factor marketing plays an important role in the university selection process. A student, who does not know either about a university get the information from the local representatives or from the internet (Baaken, 2005; Farr, 2003; Hawkins and Frohoff, 2010; Tucciarone, 2009). To assist students in making their decision, universities employ a wide range of communication tools in an effort to reach and influence potential students (Armstrong and Lumsden, 1999). However, surprisingly, our findings do not match with the past findings. This may be due to the negligence of the Malaysian higher learning institutions in promoting themselves to the future students or their lack of knowledge and interest in this sector.

According to the past findings, the friends and family influence is a major factor in the mind of the students in their university selection process (Banning and Banning, 2006; Hawkins and Frohoff, 2010; Pimpa, 2003; Wittmeyer, 2007; Yamtim *et al.*, 2009). However, in our case, the scenario is totally opposite may be because the past studies were conducted mainly on the undergraduate students for whom taking decision alone is quite heavy. Nevertheless, our study is conducted on the postgraduate students who are more mature and can take their own decisions.

TABLE 4: RACE AND INSTITUTE TYPE COMPARE

		Institute type				Total
		Local public	Local pvt	Foreign pvt with affiliated prog	Foreign university branch	
Race	Malay	23	22	9	0	54
	Chinese	2	18	10	1	31
	Indian	7	11	8	1	27
	Others	12	9	12	0	33
Total		44	60	39	2	145

According to the races, 23 Malay respondents (42.59%) prefer the local universities. Among the other races, 2 Chinese (6.45%) respondents and 7 Indian (25.93%) respondents prefer local university. Total 12 foreign students or other races (36.36%) prefer local universities. So, seeing the above percentage, we can assume that most Malay students prefer local universities may be due to the environment, lower tuition fees, suitable living conditions, language or some other reasons. Out of 145 respondents, only 2 (1.38%) prefer to study in foreign university branches. This may be due to higher tuition fees, or some other reasons. In our study, we have also found that, students doing higher studies in private universities are more satisfied with the teaching quality (92.31%) compare to the students doing higher studies in local universities (84.09%). However, this does not prove that the teaching quality in private universities is better. Nevertheless, we can say that, the quality of the teaching in private universities has improved a lot, as the students are satisfied with it. Therefore, the public universities should make an effective plan to uphold their reputations.

CONCLUSION AND RECOMMENDATIONS

This study attempts to understand the different choice criteria of the postgraduate students in selecting their institutions. This study reconfirms that the university teaching quality still plays the most important roll in selecting different institutions by different students. But what is new is the empirical evidence that suggests that, the impact of the friends and family influence in university selection is not so important for the Malaysian students compared to other past

findings. The reason may be that, the past researches were done mainly to the undergraduate students. However, we conducted the study on the postgraduate students. As most of the postgraduate students are quite mature, so the factor "friends and Family Influence" is no more too important to the postgraduate students in Malaysia.

This study suggests that, a proper policy need to be implemented if educational institutions are aiming to attract a sustainable share of the market. They should imply competitive strategies by understanding their customers, their needs and how to fulfill those needs.

This study also emphasizes the need for universities to have attractive and clearly understood webpage with readily navigable information on such characteristics as programs, course offerings, location, and relevant accreditations.

The comparison of mean responses between races and universities in the sample indicates that Malay students place more importance in the public university comparing to other races. The policy makers of the higher learning institutions while addressing potential students must keep these elements in mind.

Finally, all higher learning institutes should increase their residential facilities, as it will help them in increasing the number of the students who are from far distance.

SCOPE OF FURTHER RESEARCH

This study researches on the recent debate concerning the different choice criteria affecting the students and their university selection. The findings of this study may or may not represent the overall impacts of the Malaysian postgraduate students. In fact, this immense topic needs to be studied considering the various types of components of selection criteria that are related with the student's choice. The present study has considered just few components of university selection criteria such as university teaching quality and various facilities provided by the universities, although there may be many more important components. On the other hand, past researchers considered too many dimensions of choice criteria, only some indicators of those have been considered in this study. Therefore, future research on the linkages of the remaining components that address more broadly will contribute towards a greater understanding of what actually are the reasons behind of the various choice criteria. Similarly, future research needs to be done on the overall students' choice criteria to understand it better.

LIMITATIONS

Sample size for this study is only 145. Due to the time limitations and problem faced in getting the respondents (postgraduate students), it was not possible to cover a large number of institutions. This study is also conducted only in Kuala Lumpur. For future studies, it is recommended that researchers should include more respondents from more different universities from all over Malaysia. In this way, it would allow researchers to test for similarities and differences among students from various public and private universities.

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USAGE OF RUBRICS FOR EFFECTIVE CLASSROOM EVALUATION**DR. MD. ABBAS ALI****PROFESSOR OF MANAGEMENT, & DIRECTOR, INTERNATIONAL & MEDIA RELATIONS
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Classroom evaluation of the students has become a key aspect in modern educational system. It has become much more complex with the usage of qualitative evaluation components such as case studies, projects and assignments. The evaluators must be cautious while evaluating qualitative components as there is a scope for bias. 'Rubrics' can be used for a better and fair evaluation of projects, assignments, classroom presentations, class participation and such qualitative contributions of the students. This paper highlights the importance of designing and usage of Rubrics by the evaluators. The term 'Rubrics' is introduced with various benefits and a sample rubric is also presented for a hypothetical project assigned to the students of Management program.

KEYWORDS

Rubrics, Evaluation, Assessment, Rating, Plagiarism, Evaluation, Components.

INTRODUCTION

Assessment of students in higher education is shifting from merely testing the knowledge to testing learning abilities of the students (Dochy et al., 2006 & Messick, 1996). Earlier it used to be that the teacher completes the given syllabus in the stipulated time and at the end of the academic period (either semester or year) the students are evaluated by conducting a common examination (Jonsson & Svingby, 2007). But after adopting the method of continuous evaluation of the students, the issue has taken a dynamic turn (Marzano, 2002). Today, in various academic and training programs, the students and participants are evaluated by the teacher or trainer using multiple evaluation components such as quizzes, class tests, projects, case studies, assignments, class participation, etc. While evaluation of components like quizzes and class tests, is not very critical as the keys can be prepared and used (Marshall, 2006), evaluation of qualitative components like projects, assignments, class participation and case studies has become very crucial as a fixed key cannot be prepared for the given component (Keiser et al., 2004). In such components, there may be several issues like, plagiarism, review of literature, analysis and interpretation of the topics, etc. which can vary from submission to submission and still need to be evaluated on common grounds. Hence, there is a possible threat of bias and surprise to the students either for scoring high or low marks (Luft, 1999). In such situations, there is a need for proper scientific instrument that guides the evaluation process and helps both the evaluators and the evaluated (Tombari & Borich, 1999). Not having a proper instrument may give rise to bias and ultimately defeat the very purpose of continuous evaluation (experience of the authors).

INTRODUCTION TO 'RUBRICS'

Rubrics are commonly and popularly used across the world in evaluating the qualitative components. Literature is available supporting the usage of rubrics. Available literature mentions that the rubrics add to the quality of assessment (Perlman, 2003; Hafner & Hafner, 2003; Busching, 1998). A 'Rubric' helps in assessing the student works and reveals the 'scoring rules'. It explains the criteria of evaluating and judging the components like projects and assignments (Huba & Freed, 2000). According to Perlman (2003) assessment of performance (specifically qualitative performance) essentially consists of two key issues, a) the description of the task and b) the evaluation criteria (with a rubric). The term 'Rubric' is generally referred to a testing tool particularly used in testing the performance of qualitative components (Arter & McTighe, 2001). A rubric clearly indicates the student and the teacher, the lines in which the given component has to be evaluated (Busching, 1998).

ADVANTAGES OF USING RUBRICS

Available literature strongly supports the usage of rubrics in classroom evaluation, as there are several advantages of using rubrics. According to Wiggins (1998), a rubric provides consistency in evaluation and also reduces in differences in rating students as well as differences between raters. Morrison & Ross (1998) opine that rubrics help evaluators in assessing complex competencies in the students' performances. The evaluation rubric, if given along with the task, it reduces the confusion among the students and guides the whole process of meeting the task. For example, if the teacher mentions clearly that the task needs review of literature from at least two pieces of literature, then the students will search for the related literature and include the same in their submission. This will not only help them conceive a better project but also enhances their knowledge in the given area (experience of the authors). Experiences of the users indicate that usage of rubrics will reduce surprises in the students. Many teachers might have noticed students expressing their surprise for scoring low in a project or assignment. In such cases, if the teacher uses a rubric, the students can be persuaded on their scorings by referring to the given rubrics. Beyond testing the performances, rubrics also help to increase learning abilities of the students while adding to the teaching abilities of the teachers (Arter et al., 2004 & Dochy et al., 2006). The issues mentioned in the rubric can be used as standards of performance for the given semester or the academic period.

HOW TO DESIGN RUBRICS

It is suggestible for the beginners to seek guidance from either the experts or the ones who have been using rubrics. A lot of information is available on the internet and in the form of books where the beginners can get a sample rubric and start using it. But the problem would be, the collected rubric may not fit into their specific requirements. Hence, they need to tailor it according to their requirements. Once an evaluator starts using rubrics, he/she can learn how to design rubrics in his/her subject or for his/her type of projects and assignments. However, following are some guidelines for designing rubrics (Arter et al., 2004; Mertler, 2001; Montgomery, 2000):

- Identify the learning outcomes of the given topic. Ex: Understanding the important issues involved in marketing to women.
- Focus on key skills to be tested or developed. Ex: Ability of the students to browse through the literature related to marketing to women along with a deep understanding of the given topic.
- Indicate clearly, specific measurement of each sub-component of the given task. Ex: Introduction – 2 marks, Literature review – 5 marks, Evaluation of the topic – 5 marks, conclusions – 4 marks.
- Further very clearly indicate the levels of measurement of each sub-component. Ex: conclusions based on the literature – 4 marks, conclusions not fully substantiated by the literature – 3 marks, no conclusions made – 0 marks.

• Other criteria such as cohesiveness, neatness, substantiation of facts & figures, citation, referencing, etc. can be included in the rubric. Thus there are certain guidelines that need to be followed while designing evaluation rubrics. However, the criteria presented here is not exhaustive and the users can get more information by referring to the available literature.

SAMPLE RUBRIC

For the sake of clarity for the readers, it would be appropriate to include a sample rubric. As mentioned earlier, many sample rubrics are available in various sources like books and internet. However, the sample rubric presented below would throw some light on the better understanding:

Task: Project

Marks: 25

Description of the task: Marketing to women has become a key ingredient of modern marketing. Identify various products & services that can be marketed to women. Collect at least two case studies and analyze. Identify crucial communication issues while marketing to women.

ASSESSMENT RUBRIC

Student: _____ Task: Marketing to women Class/Level: _____

Introduction	The project starts with proper introduction of the topic, underlying issues and initial addressing of the important aspects of the project – 4 marks	Key issues of the topic not introduced – 3 marks	No introduction – 0 marks
Objectives & scope	The student(s) identified at least three objectives relevant to the given topic & mentioned the issues covered in the project – 6 marks	Objectives not clearly defined & scope not clearly mentioned – 3 marks	No objectives & scope for the project – 0 marks
Literature review	Four and above pieces reviewed – 5 marks	Fewer than four – 3 marks	No literature review – 0 marks
Analysis of the topic	Analysis is substantiated by the literature reviewed – 6 marks	Analysis not fully justified using the literature reviewed – 3 marks	Analysis incomplete or not relevant – 1 mark
Conclusion	The project is concluded properly with citations from the analysis part and from the literature – 3 marks	Conclusion does not address the important aspects of the project or incomplete conclusion – 1.5 marks	No conclusion – 0 marks
Other aspects	Completion of sentences, cohesiveness, neatness, clarity in presentation – 1 marks	Topics presented haphazardly and not tied up together, clarity is missing – 0 marks	

The sample rubric presented above is not a standard rubric but can certainly provide a sufficient idea to the enthusiastic beginners. These types of rubrics help the users in rating the sub-components of the project. Like this, the evaluators can design their own rubrics for various components like, case studies, class presentations, class participation, assignments, etc.

CONCLUSION

It is the sole responsibility of the evaluators to reduce bias and conduct a fair evaluation of their students. And though it can be achieved while evaluating quantitative components like, multiple choice questions, fill-in-the-blanks, question papers, etc., it is tough achieving the same while evaluating the components like projects, assignments, class participation, etc. In such cases, it is suggestible to use 'Rubrics' which will help both the evaluators in conducting fair evaluation and the evaluated to improve the learning. Thus this attempt will contribute to the overall benefit of the society.

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THE IMPACT OF WORK RELATED ATTITUDES ON TASK AND CONTEXTUAL PERFORMANCE: A COMPARATIVE STUDY IN PUBLIC AND PRIVATE BANKS IN SRI LANKA

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ABSTRACT

The objectives of this study were to identify the level of work related attitudes, task performance and contextual performance and to analyze the impact of work related attitudes on task performance and contextual performance of non-managerial employees in public and private banks. 200 non managerial employees in public banks and 200 non managerial employees in private banks were participated in the study. A questionnaire was administered among the non - managerial employees. The collected data were analyzed using correlation coefficient, simple and multiple regressions. The results of the study indicated that the level of job satisfaction, organizational commitment, job involvement, task performance and contextual performance of non-managerial employees in private banks are higher than the non-managerial employees in public banks. The work related attitudes had positive relationship with task performance and contextual performance of non-managerial employees who work in public and private banks.

KEYWORDS

Contextual performance, job involvement, job satisfaction, organizational commitment, task performance.

INTRODUCTION

Job Performance (JP) of the employees is one of the key factors in deciding the success or failure of any organization. Traditionally, Job Performance was evaluated in terms of the proficiency of individual carried out the tasks that were specified in their job description. According to Borman & Motowidlo (1993), job performance has been conceptualized in terms of the execution and completion of well-defined task. However, this conceptualization has been challenged with development of several taxonomies of job performance. Borman and Motowidlo, (1993) introduced a two-factor theory of JP in which the most jobs consist of Task Performance (TP) and Contextual Performance (CP). One of the fundamental distinctions made between these taxonomies is in- role performance and extra - role performance. They define TP as the behaviour that is directly linked with completion of the job. Task related behaviours contribute to the technical core of the organization. Behaviour in the domain of TP is usually recognized as a formal requirement of an individuals' job. Job description often explicitly stipulates that the job holders must perform these activities. Based on this definition, it can be observed that traditionally JP was defined in terms of TP. In turn, CP was defined as an individual's performance, which maintains and enhances an organization's social network and the psychological climate that supports technical tasks (Borman and Motowidlo, 1993). This type of performance is often not written in a job description but it is considered to be an important component of JP.

Over the past several decades, an impressive amount of research efforts have been devoted to understand the nature, antecedents, and consequences of job performance. Among them personality (Ones & Viswesvaran, 2001), job satisfaction (Iaffaldano & Muchinsky, 1985, Judge *et al.*, 2001), Organizational commitment (Baugh & Roberts, 1994; Meyer *et al.*, 1993), Job involvement (Brown, 1996; Robbins, 2003), work attitudes-organizational commitment and job involvement- (Blau, 1986), motivation (Moorhead and Griffin, 1999), organizational culture (Moorhead and Griffin, 1999), organizational structure (Robbins, 2003), leadership (Mullins, 1996) are the most investigated antecedents of JP. Here, work related attitudes - job satisfaction, OC and job involvement - have been given more attention as significant factors on JP. However, the researchers have only given little attention to understand the impact of work related attitudes on different dimensions of job performance.

In reviewing the literature, it can be observed that there were different conceptualization on Job Satisfaction (JS), Organizational Commitment (OC) and Job Involvement (JI) but the majority of researchers have identified these variables as attitudes. Therefore, in this study these variables were considered as work related attitudes. Robbins (2003) defines JS as a subjective measure of worker attitudes, that is, an individual's general attitudes to his or her job. A person with high JS holds positive attitudes towards the job and one who is dissatisfied with, has negative attitudes toward it. The employees behave according to the level of JS. Meyer and Allen (1991) define OC as the way people feel and think about their organizations. That is the employee attitude that reflects the nature and quality of the linkage between an employee and an organization. According to Porter *et al.*, (1974) this refers to the psychological attachment or Affective Commitment (AC) formed by an employee in relation to his identification and involvement with the respective organization. They further explain this as "an attachment to the organization, characterized by intention to remain in it, identification with the values and goals of the organization, and a willingness to exert extra effort on its behalf." According to Allport (1943), JI is the degree to which the job meets the need for prestige and self-respect or the level of importance to one's self esteem. Furthermore he conceptualizes JI as the degree to which one is actively participating in one's job. Kanungo (1982) defines JI as the extent to which one identifies psychologically with one's job. These individuals really care about the kind of work they do on their jobs. The employees do not get involved in the job only for self-rational interest fulfillment; they also get involved in the job because they let their emotions play a role. Becoming highly involved in the job is often times a response to emotional rather than rational needs (Carmeli, 2003).

Much of the researches have focused on the relationship between work attitudes and job performance but they have failed to take in to account the different dimensions of job performance. However, several researchers have provided a rationale to establish the relationship between work related attitudes and different facets of JP using the social exchange theory. Social exchange theory explains that people strive to balance what they give and receive from social exchanges (Adams, 1965; Blau, 1964). Bateman & Organ, (1983); Organ & Moorman, (1993); Organ & Ryan, (1995) have used this theory to argue why the JS and CP relationship should be stronger than the JS and task performance relationship. If an employee is satisfied with his or her job, the employee may be more likely to reciprocate by helping others through their CP whereas if employees have low levels of JS, they may be less likely to engage in contextual behaviours. In contrast, TP is usually recognized as a formal requirement of an individuals' job. Job description often explicitly stipulates that the job holders must perform these activities. Therefore, whether an employee is satisfied with the job or not, the tasks have to be accomplished. Ang *et al.* (2003) and Edwards *et al.*, (2008) found that the relationship between overall JS and TP, JS and CP was positive. JS has been found to be causally related to CP behaviour, involving cooperating and helping others (Organ & Lingle, 1995). In a recent Meta-analysis, Organ & Ryan (1995) found an average correlation between JS and behaviour of CP. Edwards & Bell (2008); Kappagoda (2011) found that TP and CP were positively correlated with JS. Although the committed employees are believed to work harder for a firm than those who are not committed (Zeithaml *et al.*, 1990), research has yielded mixed results with regard to the relationship between OC and CP. Some research studies have provided evidence of a positive correlation between OC and TP (Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989). It is interesting to note that lots of researches have only considered the affective component of the commitment. The employees who are affectively committed to the organization tend to perform better than those who are not (Meyer *et al.*, 1989). Meyer and his colleagues (1989) surveyed management food service workers and found that affective commitment was positively correlated to TP. In review the literature, there were few researches on the direct comparisons of the relationships between JI and CP. Diefendorff *et al.*, (2002) demonstrate that JI is a useful predictor of discretionary behaviour. In addition to that finding, in

general, it can be predicted that those high in JI will engage in more task and contextual behaviour. Highly involved individual should engage in these behaviours to a greater extent than less involved individuals.

In reviewing the research literature in Sri Lanka, there were few researches on work related attitudes and job performance but nothing can be found on work related attitudes and different dimensions of job performance in the banking sector in Sri Lanka. The banking sector is the dominant sub sector within the financial sector in Sri Lanka. The overall performance of the banking sector directly affects to the other industrial and service sectors of the economy. The Sri Lankan banking sector comprises the public and private sector banks. Gabbott and Hogg (1997) argue that employees' JP in particular is considered to be a key individual outcome in the financial and banking services context. In this context, bank employees play an important role in delivering high quality services, promoting the corporate image and improving customer satisfaction (Karatepe and Tekinkus, 2006). Therefore, it is important to explore the factors affecting to TP and CP of employees because the success of the banks largely depends on the way employees accomplish their call of duties and the way they go beyond the call of duty. On the other hand, there was no comparison study on work related attitudes and different dimensions of job performance of non-managerial employees in public and private banks and also no research was found on the impact of work related attitudes on task performance and CP in public and private banks in Sri Lanka. Therefore it seems that there is a research gap in Sri Lankan banking sector in terms of public and private ownership.

PROBLEM STATEMENT

Since there is no research on the impact of work related attitudes on different facets of job performance in the banking sector in Sri Lanka, It is very important to do research to fill this research gap. On the other hand, there was no comparison study between public and private banks in Sri Lanka on the variables of JS, OC, JI, TP and CP. Therefore, the problems addressed in this research as follows:

1. How and in what ways does work related attitudes affect task performance and contextual performance of employees in public and private banks in Sri Lanka?
2. Are the level of work related attitudes, task performance and contextual performance of the non-managerial employees different in terms of public and private banks

OBJECTIVES OF THE RESEARCH

1. To study the levels of work related attitudes, task performance and contextual performance of non-managerial employees in public and private banks
2. To identify the impact of job satisfaction, organizational commitment and job involvement on task performance and contextual performance of non-managerial employees in public and private banks in Sri Lanka
3. To identify the simultaneous effect of work related attitudes on task performance and contextual performance of non-managerial employees in public and private banks in Sri Lanka

RESEARCH METHODOLOGY

POPULATION AND SAMPLE

Two samples were used for this comparison study. The first sample of 200 non managerial employees was drawn randomly from the public banks in Sri Lanka. Among them 127 non managerial employees were female. The second sample of 200 non managerial employees was randomly selected from private banks in Sri Lanka. 120 employees were male in this sample.

MEASURE

Non managerial employees' TP and CP were the dependent variables of this study. The JS, OC and JI of the non-managerial employees were the independent variables. These variables were measured using a questionnaire which was originally developed by the researcher. The questionnaire was separated into three sections as demographic data, work related attitudes and different dimensions of JP (TP and CP). Six questions were included to get the demographic information. CP was measured using five dimensions (Volunteering to carry out task activities, Persisting with extra effort, Helping and cooperating with others, Following organizational rules and procedures, Endorsing, supporting organizational procedures) developed by the researcher. It was consisted of 11 questions. TP was measured using three dimensions (task proficiency, efficiency and communication) and 08 questions. Under the work related attitudes the level of JS, OC, and JI of the non - managerial employees in the banking sector were tested. 16 questions were used to measure the JS under six dimensions (Work itself, pay, promotion, supervision, coworkers and working condition). Nine questions were included to test the OC of the non-managerial employees under two dimensions (Willingness to display effort and Desire to belong to the organization). Ten questions for JI were included into the questionnaire under two dimensions (Psychological identification of the job and active participation in the job). The total questions were 60.

VALIDITY AND RELIABILITY

The questionnaire which was prepared for non-managerial employees consists of 05 instruments such as JS, OC, JI, TP and CP. All the instruments have been developed after correctly identifying the relevant dimensions and indicators. Therefore, it can be assured that the instruments have content validity. In developing OC instrument, Affective OC Scale, which was created by Meyer, Allen and Smith (1993), OC questionnaire created by Meyer, Allen (1997) were considered. Lodahl and Kejner (1965), JI Scale, Kanungo (1982) JI questionnaire were considered in developing JI instrument for the Non - Managerial employees. When developing TP & CP instrument, Motowidlo and Van Scotter's (1994) 15 items scale of OCB and Task and Overall performance scale of Borman, and Ackerman (1994) were considered.

TABLE 01 - RESULTS OF RELIABILITY

Variables	Test – retest coefficient	Cronbach Alpha Coefficient
Task performance	0.87	0.82
Contextual Performance	0.84	0.87
Job Satisfaction	0.90	0.90
Organizational Commitment	0.74	0.73
Job Involvement	0.79	0.71

It can be concluded that the instruments possess high test retest reliability as there is a significant high correlation between the responses of the two administrations. In turn, each item is correlated with other item across the entire sample and the internal consistency reliability is satisfactory.

TECHNIQUES OF DATA ANALYSIS

The collected data were analyzed using SPSS version 17. The data analysis included univariate, bivariate and multivariate analyses. Simple regression, multiple regression and correlation coefficient were used to analyze the data.

RESULTS AND DISCUSSION

The results of univariate analysis are given in table 02. It shows that the level of job satisfaction is in high level among the non-managerial employees in both banks but the employees in private banks are more satisfied than the employees who work in public banks. The level of OC of employees is at moderate level in public banks but it is high in private banks. JI of non-managerial employees who work in public banks is lower than the moderate level but this level is moderate in private banks. The level of TP and CP of non-managerial employees in public banks and private banks is in high level but this level is higher in private banks. According to the data, it can be concluded that the level of JS, OC, JI, TP and CP of employees in private banks are higher than public banks.

TABLE 02- THE RESULTS OF UNIVARIATE ANALYSIS

	Public Banks		Private Banks	
	Mean	Std. Deviation	Mean	Std. Deviation
Job Satisfaction	3.42	0.51	3.78	0.49
Organizational Commitment	3.01	0.56	3.92	0.51
Job Involvement	2.96	0.48	3.05	0.45
Task Performance	3.59	0.42	3.98	0.41
Contextual Performance	3.32	0.39	3.68	0.38

The first objective of this research was to identify the levels of work related attitudes, TP and CP of non-managerial employees in public and private banks. As per the results of univariate analysis, the level of job satisfaction, OC, JI, TP and CP of non-managerial employees in private banks are higher than that level of non-managerial employees who work in public banks.

TABLE 03- CORRELATION COEFFICIENT BETWEEN INDEPENDENT AND DEPENDENT VARIABLES - PUBLIC BANKS & PRIVATE BANKS

Variables	1		2		3		4		5	
	Public	Private	public	Private	Public	Private	Public	Private	Public	Private
1. Job Satisfaction	-	-								
2. Organizational Commitment	0.23**	0.29**	-	-						
3. Job Involvement	0.25**	0.20**	0.67**	0.65**	-	-				
4.Task performance	0.08*	0.24**	0.46**	0.55**	0.49**	0.59**	-	-		
5. Contextual Performance	0.16*	0.23**	0.46**	0.56**	0.51**	0.61**	0.83**	0.83**	-	-

*p<.05, **p<.01

TABLE 04 - RESULTS OF SIMPLE REGRESSION ANALYSIS – TASK PERFORMANCE AS DEPENDENT VARIABLE

	Job satisfaction		Organizational Commitment		Job Involvement	
	Public	Private	public	Private	Public	Private
R	0.08	0.24	0.46	0.55	0.49	0.59
R ²	0.01	0.06	0.21	0.30	0.24	0.34
F Value	1.41	12.02	54.64	82.95	63.10	100.58
P Value	0.24	0.01	0.00	0.00	0.00	0.00
β	0.08	0.24	0.46	0.55	0.47	0.59

According to the data represent in table 03 and 04, all the independent variables have positively correlated with TP in both public and private banks. However, the relationship between job satisfaction and TP is weak in both banks .This relationship is not significant in both public and private banks. OC of non-managerial employees has predicted 21% and 30% of variance in TP in public and private banks respectively. The JI is the best predictor of TP in both banks and has explained 24% and 34% of variance in TP in public and private banks respectively.

TABLE 05 - RESULTS OF SIMPLE REGRESSION ANALYSIS- CONTEXTUAL PERFORMANCE AS DEPENDENT VARIABLE

	Job satisfaction		Organizational Commitment		Job Involvement	
	Public	Private	public	Private	Public	Private
R	0.16	0.23	0.46	0.56	0.51	0.61
R ²	0.03	0.14	0.22	0.31	0.30	0.37
F value	5.36	10.95	54.90	87.29	70.15	113.17
P value	0.02	0.01	0.00	0.00	0.00	0.00
β	0.16	0.23	0.46	0.56	0.51	0.61

The results of the correlation coefficient between work related attitudes and CP of the non-managerial employees in both banks are illustrated in table 03. According to the data, JS, OC, and JI are positively correlated to CP of both banks. These correlations have been confirmed by the data represented in table 05. In analyzing the data in table 05, the strength of the relationship between job satisfaction and CP is not significant in both banks. The JS of non-managerial employees has only predicted 3% and 14% of variance in their CP in public and private banks respectively. In turn, the JI is the strongest predictor of CP in both banks. JI has significantly explained 30% and 37% of the variance in CP in public and private banks respectively. On the other hand, the OC of non-managerial employees in public banks has significantly explained 22% of variance in their CP, whereas the variance has been 31% in private banks. The impact of JS, OC and JI on CP of non-managerial employees in private banks is higher than the employees who work in public banks. In addition, there are significant linear relationships between JS and CP, OC and CP, JI and CP in both banks as the F value is positive in each situation.

The second objective of this research study was to identify the impact of JS, OC and JI on TP and CP of employees in public and private banks in Sri Lanka. According to the data thus far discussed, the JS, OC and JI have positively correlated with both categories of task and CP but the relationship between JS and TP, JS and CP is not significant.

TABLE 06 – RESULTS OF MULTIPLE REGRESSION ANALYSIS – TASK PERFORMANCE AS DEPENDENT VARIABLE

Multiple R		R Square		Adjusted R Square		F Value		Significance	
Public	Private	public	Private	Public	Private	Public	Private	public	Private
0.52	0.63	0.35	0.47	0.34	0.46	24.96	42.34	0.00	0.00

As per the data represent in table 06, 35% and 47% of the variance in the TP of non-managerial employees has been accounted for by the work related attitudes in public and private banks respectively.

TABLE 07 – RESULTS OF MULTIPLE REGRESSION ANALYSIS – CONTEXTUAL PERFORMANCE AS DEPENDENT VARIABLE

Multiple R		R Square		Adjusted R Square		F Value		Significance	
Public	Private	public	Private	Public	Private	Public	Private	public	Private
0.54	0.65	0.32	0.46	0.31	0.45	26.63	46.38	0.00	0.00

The results of multiple regressions of work related attitudes against the CP are shown in table 07. According to the data the simultaneous effect of work related attitudes has ability to explain 32% variance of CP of non-managerial employees in the public banks and 46% variance of CP of non-managerial employees in the private banks. The F value in both banks which is significant at 1% suggests that there are linear relationship between work attitudes and CP.

The final objective of this study was to identify the simultaneous effect of work attitudes on TP and CP of employees in public and private banks in Sri Lanka. As per the data represent in table 06 and 07 clearly demonstrate that work related attitudes is one of the stronger predictors of TP and CP both in public and private banks.

CONCLUSION

Based on the results of the study, it can be concluded that JS, OC, JI, TP and CP of non-managerial employees who work in private banks are higher than that level of non-managerial employees who work in public banks. In addition, JS, OC and JI have been positively correlated with TP and CP in both public and private banks but JS was the weakest predictor of task and contextual performance in both private and public banks. Further results predict strong simultaneous effect of work attitudes on TP and CP.

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CALL CENTRE OUTSOURCING PRACTICES ADOPTED BY MOBILE PHONE COMPANIES IN KENYA

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ABSTRACT

This study establishes call centre outsourcing practices, benefits and associated risks. The study was triggered by the current cost cutting initiative by telecommunication firms and the fact that these centers are not revenue generating functions, but support functions. The study was to find out how mobile phone companies have embraced the call centre outsourcing practices in their operations, its challenges and subsequent benefits and risks accruing from such arrangements. The paper adopts an exploratory case study method covering all the sectional heads of customer service department. The study found out that call centre outsourcing as a practice is relevant in the mobile phone industry. The current call centre functions can be outsourced to third parties as the services are non core and not unique to telecommunication companies. Mobile companies have adopted call centre outsourcing practice. Whereas the decision to outsource call centre functions meets the key objective of cost optimization, various challenges and risks were inherent in the implementation of the practice. The study recommends that telecommunication companies implement call centre outsourcing practice, as their key function is the provision of telecommunication infrastructure and not support functions.

KEYWORDS

Kenya, Mobile Company, Outsourcing, Strategy.

INTRODUCTION**1.1 BACKGROUND OF THE STUDY**

 Outsourcing of non core functions has become a popular method of cost management and improved efficiency by firms in the face of increased competition. This approach, in contrast to managing all company functions in-house, is easy to administer and in most cases cheaper. It is however, important to observe that one of the greatest challenges of corporate strategy consideration has always been identifying the business area in which a firm should participate in order to maximize its long term profitability (Hill and Jones, 2001).

Strategic decisions such as outsourcing as highlighted by Johnson and Scholes (2002) are based on building on or stretching an organization's resources and competencies to create new opportunities or capabilities based on these resources for competitive advantage. Outsourcing is a business strategy whereby a company hires an independent outside company to do some of its non-core company work (Kotler, 1997). Most companies prefer to own brand rather than physical assets. A few companies are moving toward hiring outside parties to provide almost all services.

Companies outsource a wide range of services, all aimed at creating competitive advantage. They include customer care services, accounting and financial services, security services, human resource services, cleaning services and to some extent, technical services. These services are non-core and repetitive in nature thus similar in almost all organizations. They can be done by an outside company at cheaper cost or at the same cost but in a more efficient and effective manner (Quinn and Hilmer, 1994). Outsourcing or the contracting out of non-core business activities is one of the most popular trends in organizational strategy of the last decade. Abraham and Taylor (1996) states that the key idea is that organizations can free-up resources involved in support functions in order to improve the performance of core functions.

1.1.1 CALL CENTRES

Call centers are not easy to define, Kinnie et al. (1998) suggests that call centers possess three distinctive characteristics, thus employees are engaged in specialist operations with integrated telecommunication and information systems technologies, their work is controlled by automatic systems which virtually simultaneously distribute the work, control the pace of that work and monitor their performance, and that employees are in direct telephone contact with the customer through dealing with in-bound calls, making out-bound calls or a combination of the two. Call centers are organizations that provide customer service agents for a wide variety of organizations. The work involves answering phone calls from, or making calls to, customers. Thus there is a level of automated control for the call center personnel. In addition to this there is less physical or face to face customer contact which in essence means that the call center function is separated from the actual consumer.

According to Muhanna & Barney (2005) there is an evident movement away from face-to-face contact toward online and technology-mediated methods. Data to support this has been collated in various literatures. One of these is Anton & Phelps (2002) who writes that as of 2005, it had been projected that 45% of all contacts companies have with their customers occur over the telephone, 45% happen via online means (Web site, e-mail, etc.), just 5% occur face-to-face, and the remaining 5% via other means. The company can outsource the call center functions and thereby reap certain benefits accruing as a result of this decision.

1.1.2 MOBILE PHONE COMPANIES IN KENYA

Kenya's mobile phone industry has seen many changes over the last few years. As mobile telephony grows in popularity in the country and the greater East Africa region, both mobile and fixed line operators are trying to position themselves to take advantage of new opportunities through infrastructure development and strategic acquisitions. The challenges faced by the makers of telecommunications policy in Kenya are exceptionally demanding. To meet economic needs, it will be necessary to expand the network, enhance service quality and features, and upgrade operational efficiency and productivity.

Kenyan government has responded to these challenges with a market-oriented economic policy, which emphasizes openness to the world economy and export-led growth. This policy necessitates a more universal and reliable telecommunications network than would be needed had Kenya attempted a predominantly inward-looking, centrally-directed economic strategy similar to those attempted by some other African countries (Communication Commission of Kenya, 2007)

As listed by the Communications Commission of Kenya, the following mobile phone companies offer mobile phone services in the country; Safaricom Limited, Zain Kenya Limited, Essar Kenya Limited and Telkom Orange Mobile Limited. Numerous different packages are now on offer increasing customer choice. Emphasis has been placed on cost, coverage, new product innovations and on general customer service. Safaricom boasts of over 85% in market share as compared to Zain's 15%, whereas the other two operators take the remaining 5%, according to the current Zain quarterly journal, 'ACE 2011 Strategy'.

Kenyan mobile market is very dynamic. The way in which competition is played out varies over time, sometimes changing very rapidly. Due to big size of mobile firms in Kenya, competition is taking place in several arenas simultaneously and moves in one arena have triggered countermoves in a different arena. The mobile industry is characterized by rapid pace of change to the extent that competitive advantage on one particular basis will not last for any significant period

of time. Since competitive advantages are temporary and quickly eroded, it is essential to continuously find new bases for competing. This has led to the current cut throat competition, and a 'copy paste' counter strategies in product and service offering.

Inherent within the notion of strategy is the issue of competitiveness. It is about gaining advantage over competitors. Managers have however taken a far too parochial view as to the sources of competition, usually focussing their attention on direct competitive rivals. This is evident in the Kenyan mobile industry where competition is so stiff to the point of intense product and promotion imitation by rival firms. Porter (1980) described competitive factors in the environment which influence competitiveness. The five forces model described by Porter helps identify the sources of competition in a particular industry such as the mobile industry in Kenya. Competitive forces are subject to steady changes into the future and discontinuities caused by changes in the environment, currently in play in the mobile phone industry in Kenya.

1.1.3 ZAIN KENYA LIMITED

Zain Group was established in 1983 in Kuwait as the region's first mobile operator. It is the leading mobile telecom operator in the Middle East and Africa. It is also the fourth-largest telecommunications company in the world in terms of geographic presence, with a footprint in 22 countries spread across the Middle East and Africa. According to its official website, Zain was launched in Kenya in November 2004 and is part of Zain International. It is Kenya's second largest mobile phone network measured by subscribers. The international firm's headquarters are located in Bahrain, Kuwait. It has over 1.5 million subscribers in Kenya out of the 17 million mobile users in the country. Zain Quarterly journal, (June 2009).

Zain Kenya has had a share of its changes. However, note worthy is that the changes have largely been organizational rather than market focus strategies. The firm first known as Kencell was later re-named Celtel before undergoing another transformation into its current name: Zain. The company has also seen changes in ownership which in effect have had an impact on the company's strategic focus. The company's strategy has largely been organizational as opposed to customer focus.

The company has experienced poor performance in the years that has seen it sold twice in just 6 years. The unique mobile phone market has posed various challenges to the company, and has tried various marketing strategies of which some have been successful whereas others have been a failure. According to Johnson and Scholes (2002) managers whether in private or public sector can make a sense of uncertain world around their organization, the business environment. Exploring the concepts of its environment is key in establishing the extent to which the company environment is likely to help or hinder the company's competitive position and performance, and competitive strategies to be adopted.

1.1.4 OUTSOURCING IN KENYA

Outsourcing in Kenya is in its infancy stages according to Communications Commissions of Kenya, which notes that though most of outsource service providing company's pitch for international outsourcing business, their chunk of local contracts is still quite low. There is a deliberate drive to increase these contracts in the Kenyan market. The Business Process Outsourcing market is as sensitive as tourism and it is important to build the domestic market to supplement the international contracts that support the players during the low times, like the period after politically instigated violence broke out following the 2007 general elections. According to the same article compared to South Africa, which has 70 per cent of such contracts sourced locally, Kenya is at 30 per cent.

The Ministry of Information has introduced bills in parliament that will include rules protecting fibre optic cables from vandals, as they are the backbone communication hardware for a large portion of outsource activities. According to the chairperson of the Kenya BPO & Contact Center Society, the industry has the potential to create between 10,000 to 15,000 job opportunities in three years and three times the number in indirect jobs.

REVIEW OF LITERATURE

2.1 INTRODUCTION

Organizations have traditionally carried out a wide range of extremely diverse and frequently non-core activities in-house according to Kakabadse & Kakabadse (2005). This has led to the growth of a phenomenon globally whereby the companies realize that it is more strategic to concentrate on their core competencies and hand over non-core functions to a third party.

2.2 CONCEPT OF OUTSOURCING

Various definitions have been advanced in prevailing literature. According to Aubert (2004) the term was coined in the late 1980s for the subcontracting of information systems. As a result, a general perception is that 'outsourcing' is predominantly utilized with the function of information systems. Gilley and Rasheed (2000) expanded the definition even further by suggesting outsourcing as the substitution of activities performed in-house by acquiring them externally, according to them, though the firm has the necessary management and financial capabilities to develop the products or services internally they strategically opt to use an external party. This perspective is echoed by Campos (2001) who suggests outsourcing to consist of contracting an external supplier to perform a task previously executed by the organization itself, and may also even involve new activities. In this sense the contracted entity not only performs strictly the functions performed by the firm but may introduce new activities. A similar vein of thought was Quelin and Duhamel (2003) who suggested outsource to be the operation of shifting a transaction previously governed internally to an external supplier through a long-term contract, and involving the transfer to the vendor.

Bailey *et al.* (2002) hinged his definition on the element of end objective in his definition by proposing that outsourcing involved handing over some or all of that particular activity and related services to a third party management, for the required result. Thus it is not just an activity of delegating the activities performed to a third party but there must be a desired result that needs to be achieved. In addition to having a desired result, the company also must give out an element of control as was suggested by McCarthy and Anagnostou (2004) who claimed that outsourcing not only consists of purchasing products or services from external sources, but also transfers the responsibility for business functions and often the associated knowledge to the external organization. There must be a transfer of some technology from the firm to the contracted third party.

Various other literature gives definitions that travel along similar veins as mentioned e.g. according to Laabs, (1997) outsourcing involves having an outside vendor provide a service that would otherwise be performed in-house. The emphasis lies in an outside vendor performing the task or service. Similar in definition is Gibson (1996) who suggests that it is the transfer of routine or repetitive tasks to an outside source. In this definition the elements of repetitive tasks that are routine hence do not demand a steep learning curve takes the main thrust.

A different dimension is introduced by the journal of Structural Cybernetics(1996) grey literature that proposes outsource to involve paying another firm to perform part or all of the work that one would normally perform. Thus the idea of a fee to have another entity perform the tasks normally performed is propagated. Heywood (2001) suggests that the industry most closely associated with outsourcing has been information technology. IT functions have been outsourced since the 1970s due to the expensive hardware and software required for state-of-the-art systems. As the corporate world shifted to data storage and retrieval on computers, the need for qualified IT specialists who could implement and monitor these systems outstripped the available supply. Unable to hire skilled specialists, firms turned to contract workers, consulting firms, and specialist companies in Europe and the United States. Eastman Kodak Co. moved the bulk of its IT operations to three outsourcing partners in 1989, triggering a wave of IT outsourcing by other Fortune 500 corporations (Johnson, 1997). These contractor organizations sought experienced IT help from all over the world.

As can be captured from the above definitions outsourcing is the use of independent private suppliers at a fee to perform a function that the company deems to be non-core with a strategic definable objective and involving filtration of some company specific knowledge to the private suppliers. The service or product can be provided internally but for strategic reasons the firm opts to use independent private suppliers who have explicit superior capabilities to perform it. In the Kenyan market, the mobile telephony industries key function is to provide clear and accessible mobile connectivity. This is distinct from having halls of call center service personnel picking phones and explaining to the subscribers how to best use their cell phones.

2.3 OUTSOURCING PRACTICES

Organizations have traditionally carried out a wide range of extremely diverse and frequently non core activities in-house (Kakabadse & Kakabadse, 2005). This has led to the growth of a global phenomenon whereby the companies realize that it is more strategic to concentrate on their core competencies and hand over non-core functions to a third party. Outsourcing is thus the use of independent private suppliers to perform a function that the company deems to be non-core.

Some simple definitions that have been put forth are, having an outside vendor provide a service that you usually perform in-house (Laabs, 1997), the transfer of routine and repetitive tasks to an outside source (Gibson, 1996), paying other firms to perform all or part of the work.

Despite it being a relatively new phenomenon in the Kenyan market, outsourcing according to Duffy (2001) dates back to Roman times with the outsourcing of tax collection functions. It has grown in popularity ever since and gained greater impetus in the 1970s, when large and diverse corporations were considered to be underperforming, a trend that became even more pronounced in the early 1980s with the onset of global recession (Kakabadse and Kakabadse, 2000). Although outsourcing has been a common business practice for decades, the impetus for outsourcing emerged from the moribund economy of the 1980s and 1990s (Embleton and Write, 1998)

Outsourcing is currently the buzzword amongst company strategists and is immensely lucrative business for outsource suppliers. The undisputed truism is that outsourcing has become big business, and its effective management is critical to the future success of an organization (Kakabadse and Kakabadse, 2002). Various reasons exist as to why a company may wish to delve into outsourcing. In general, some of the motivating forces thought to be behind outsourcing include lower costs and staffing requirements, improved flexibility, and access to specialized skill sets and creativity (Chesbrough and Teece, 1996; Deutsch, 2004; Linder, 2004; Lynch, 2004). Conversely, some of the drawbacks of outsourcing innovation are thought to be opening the market to new entrants (Porter, 1980) and exposing core competencies to imitation and substitution (Piachaud, 2005). These drawbacks however are mitigated by the inherent benefits derived from outsourcing. A survey conducted by Kakabadse & Kakabadse (2000) highlights that, now and into the future as much attention will be given to reducing costs as to strategically focusing the organization on gaining greater competitive advantage.

According to Mahoney (1992) an organization's vision is to focus on consistently superior performance, or develop assets of high specificity that create value. In order for organizations to achieve their goals and objectives, they have to consistently adjust to their environment (Pearson & Robinson, 1997). The environment is turbulent and chaotic, constantly changing, and organizations must therefore be flexible and adaptable to survive. Managers have major tasks in ensuring the success of organizations. Organizations have developed and adopted different techniques over time to help them cope with the threat posed by the strategic problem. One of the most recent and most comprehensive of the management approaches is strategic management (Pearson & Robinson, 1997). According to Johnson and Scholes (2002) strategies that an organization pursues have a major impact on its performance relative to its peers.

As can be derived from the above, outsourcing some functions can give the company a strategic competitive edge as it then concentrates on that which it is good at. In the Kenyan market the telecommunication industry's key function is to provide communication services. It is not within their realm to provide call center support, yet they may be heavily investing in in-house call support centers. This study will investigate the relevance of using outsourced call centers to provide these services as a strategic initiative.

2.4 BENEFITS OF OUTSOURCING

Quinn (2000) has advanced various reasons that a company may have for outsourcing. These include, helping to cut cost, increase capacity, improve capacity, improve quality, increase profitability and productivity, improve financial performance, lower innovation costs and risks, improve organizational competitiveness, and achieve economies of scale. Most companies according to Klein (1999) outsource primarily to save on overheads through short-term cost savings. This finding has been echoed by Finlay & King (1999), who show that a prime driver for outsourcing is cost-effective access to specialized computing and systems development skills. Equally emphasized is that global competition has not only compelled companies to apply greater discipline over costs but also to how long it takes to resolve or respond to the customer expectations. (Quinn & Hilmer, 1994).

According to Frost (2002) there are a variety of common reasons for companies to outsource. These include: The reduction and control of operating costs, improving company focus, gaining access to world-class capabilities, free internal resources for other purposes, the lack of resources available internally, to accelerate re-engineering benefits; Difficult to manage/out of control function, to make capital funds available, sharing risks, cash infusion, to avoid being swamped with extra administration in a period of growth, accelerating a learning curve in a new business area, or conversely, cutting the need for investment and risk.

According to Lacity & Hirschheim (2003), there are a number of expected gains that companies can derive from outsourcing. They range from the reduction of operational costs and the ability to transform fixed costs into variable costs asserted by Alexander and Young (1996), to the ability to focus on core competencies given by Quinn and Hilmer (1994) while having access to the industry-leading external competencies and expertise (Kakabadse and Kakabadse, 2002). For a company to consider outsourcing it must therefore weigh the benefits that lie in outsourcing with the risks that are associated. There are various risks that can be associated with outsourcing as elucidated below.

2.5 RISKS ASSOCIATED WITH OUTSOURCING

Outsourcing does generate some problems. First of all, outsourcing usually reduces a company's control over how certain services are delivered, which in turn may raise the company's liability exposure. Alexander and Young (1996) highlight the risk of becoming dependent on a supplier, Barthelemy (2001) draws our attention to the hidden costs of outsourcing and authors such as Doig et al. (2001) and Quinn and Hilmer (1994) identify the possibility of a loss of vital know-how in particular with respect to core competencies as a major risk factor in outsourcing. There is also the problem of selecting the most suited supplier/service provider and their longer-term ability to offer the capabilities that are needed in particular in business environments with rapid technology change according to Earle (1996). Companies that outsource should continue to monitor the contractor's activities and establish constant communication.

According to Frost (2002) the use of outsourcing as a strategic management tool, increases operational risk in a number of ways including a lack of strategic clarity before outsourcing takes place, and/or a failure to take into consideration strategic change in the future, which might change the nature of the outsourcing relationship. Some outsourcing transactions are very highly valued, with success or failure making a greater difference to an institution's overall financial position and reputation in the marketplace.

As outsourcing involves the handing over of control to a third party to run a function or process, there is always the risk of initial business disruption. This risk also occurs at the termination of the contract when there is either contract renewal or the control of the function or process is handed back to the customer. Institutions become newly dependent on third parties to manage what could be a significant part of their operations (Alexander and Young 1996). If the strategic direction of an institution changes there is the risk that service contracts become outdated and inflexible. Although outsourcing generally suggests a more efficient way of doing things, the client may find that the outsourcing vendor is not actually more efficient in running a function. The service responsibilities of the outsourcer and retention of responsibilities by the client may be ill-defined, leading to disputes later on. Management on the client's side may resist because they fear a loss of control, or that what they are good at is being displaced to a third party (Earle 1996).

The outsourcer may fail to understand adequately the client's business, which increases risk for the client. Outsourcers need to take a strategic perspective of the customer's vision, current and future core competencies, where it adds value, positioning in the market and so on. Wang and Regan (2003) found out that when outsourcing IT functions, there may be an increased risk of access to private and sensitive data. In the case of outsourcing human resources management, companies are transferring the administrative management of one of their most significant assets to a third-party service provider. Staff opposes the outsourcing because of a reluctance to change. Hoecht and Trott (1999).

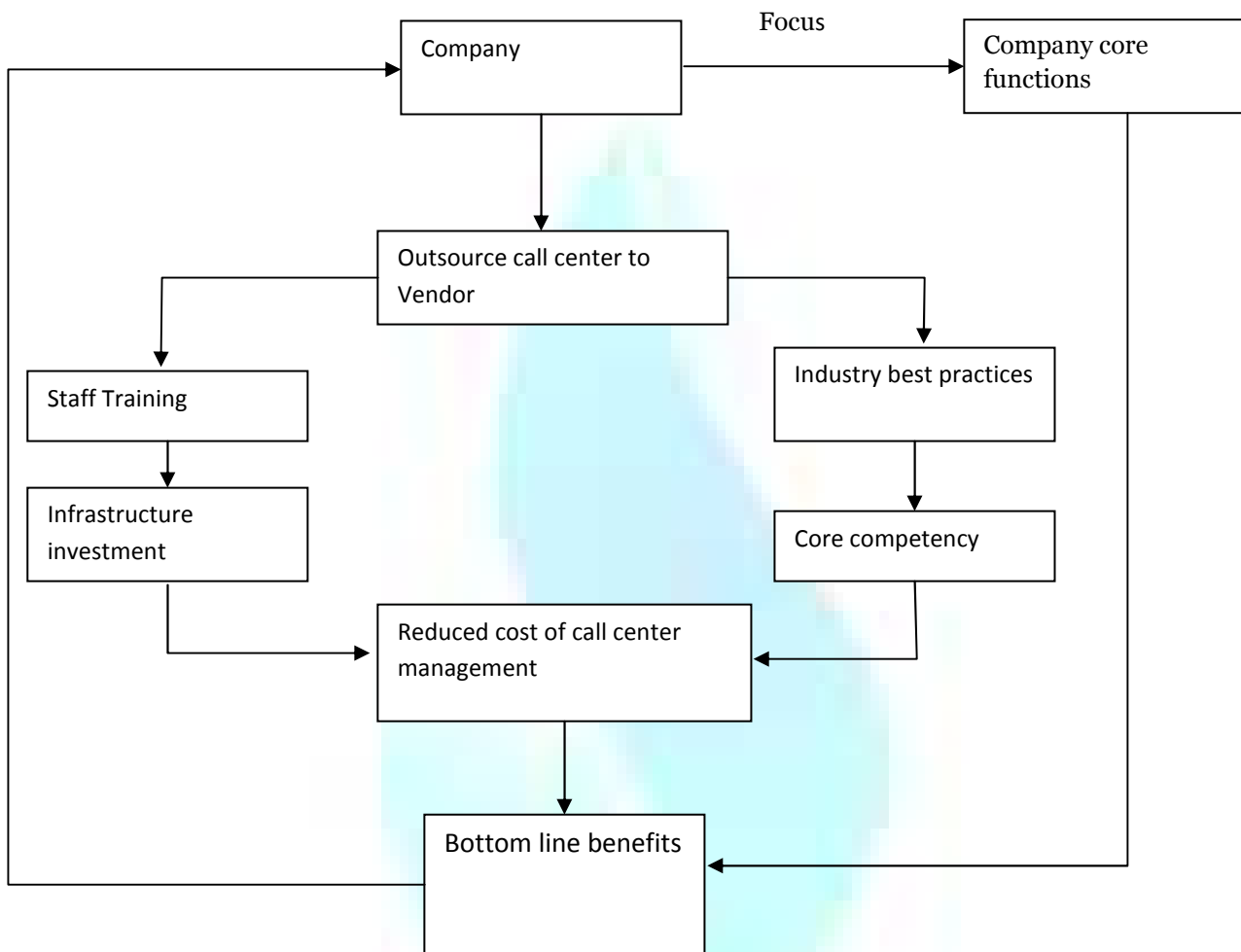
2.6 GLOBAL OUTSOURCING OF CALL CENTRES

According to Stack & Downing (2005) one significant global business trend is the growing interest in, and practice of, outsourcing of the customer service function. They assert that customer service work has been one of the most prominent organizational functions outsourced. They further elucidate that several factors such as reduced barriers related to proximity, conducive regulation, and other strategic elements has led customer service work to be one of the most prominent organizational functions outsourced.

Outsourcing call centers globally has been a continuous trend. According to Heywood (2001) the movement of basic manufacturing from developed nations such as the United States to less economically developed overseas locations to take advantage of lower labor costs has been ongoing since the 1950s, setting a trend towards outsourcing of other services. As a result of this the global outsourcing of call centers has substantially altered the nature of work in companies. While such services as building, security and food service, are considered peripheral functions within firms, the growth of globalize sourcing in formerly core functions such as product assembly, customer service and legal and financial services transforms the very nature of organizational culture.

The face of outsourcing has changed from predominantly IT to involve call center outsourcing. Moran (2003) alluded to the fact that these services have expanded into new areas such as call centers, with staff trained to answer and transact basic service-related areas, including order entry and credit card processing. He suggests that there may be as many as 35,000 outsourcing call centers by 2005 in India alone. More sophisticated customer service work involving credit collection, benefits administration, pension administration and insurance claims processing is now being handled by offshore firms for U.S. businesses. In addition Kirkpatrick (2003) asserts that tax accounting and securities research for Wall Street firms is likely to be performed offshore as well. He suggests that financial services firms spend a greater percentage of their outsourcing dollars with offshore vendors than other industries.

CONCEPTUAL FRAMEWORK



For those services that can be delivered over the telephone, the separation of production from consumption allows the use of external service providers other than the company. Outsource is the use of a third entity to provide a service or product at a fee, whereas call center units do not have to be part and parcel of the service producing entity. From the literature it can be seen that a call center can successfully be segregated from the service provider, to the extent of being located in a totally different venue.

To this end and as per the definition of outsource, the function can be handed over to a third party at the benefit of the service provider. A survey conducted by Kakabadse & Kakabadse (2000) highlights that now and into the future as much attention will be given to reducing costs as to strategically focusing the organization on gaining greater competitive advantage.

As can be seen outsourcing some functions can give the company a strategic competitive edge as it then concentrates on that which it is good at. In the Kenyan market the mobile telephony industries key function is to provide clear and accessible mobile connectivity. This is distinct from having halls of call center service personnel picking phones and explaining to the subscribers how to best use their cell phones.

As illustrated, the company can outsource its call center function thereby freeing resources to focus on its core functions which will have bottom line benefits. The outsource vendor will have certain competencies that will also point to the bottom line benefits.

IMPORTANCE OF THE STUDY

This study is significant as its findings will be valuable to the management of Zain Kenya Limited to enable them identify call centre outsourcing gaps that may require re-evaluation. The study will also be of great assistance to the current telecommunication companies whose core function lies in providing mobile connectivity networks and not helpdesk functions. Lastly the study will be beneficial to outsource vendors as they can use the findings and recommendations to enhance their service offering.

STATEMENT OF THE PROBLEM

The impact of competition in the mobile telephony industry has resulted in faster expansion and growth of the sector. For telecommunication companies, call center helpdesk is a support function. By studying the mobile industry outsourcing practices, the study purposes to investigate the use of outsource of call center as a tool to enhance strategic advantage. According to Quinn and Hilmer (1994) the ability to focus on core competencies given by the basic business idea of outsourcing is that if a firm does not specialize in a certain function, it will be beneficial to transfer control of the function to a specialist organization that will be able to offer at better cost and quality.

The telecommunication industry players have, as their core business, providing telecommunication services and not call center support services. However, due to the nature of provision of such services, various levels of cognitive dissonance come up and need to be mitigated. Mobile firms employ the use of

fundamentally large teams of call center personnel, yet this is not their core business. They stand to benefit cost and quality improvements by outsourcing these call centers.

The literature available so far indicate that there has since been no study aimed at critically analyzing the call centre outsourcing practices by mobile phone companies in Kenya hence the knowledge gap. Kamau (2007) conducted a research on employee perception of the outsourcing strategy at the Kenya Power and Lighting Company Ltd. She aimed to determine the manner in which employees perceive outsourcing strategy as adopted by Kenya Power and Lighting Company. Makhino (2006) also conducted a research on the benefits and challenges of outsourcing human resource activities, a survey of commercial banks in Kenya. However, little attention has been paid on call centre outsourcing practices in the mobile industry. The question that stands out is; how have Kenyan mobile phone operators adopted call centre outsourcing practices? And is call center outsourcing a viable option to attain strategic competency or to be used in tandem with the overall company strategic initiative?

OBJECTIVES

The objectives of this study are:

1. To determine the current call center practices in telecommunication companies in Kenya.
2. To establish the perception of management teams in telecommunication companies in Kenya with regards to call center outsourcing.
3. To establish the benefits and challenges that would be faced in implementing call center outsourcing for telecommunication companies in Kenya.
4. To establish the financial effect of call center outsourcing to telecommunication companies in Kenya.

RESEARCH QUESTIONS

The study aimed to answer the following:

1. What is the current call center practice in the telecommunication industry in Kenya?
2. What is the prevailing perception of call center outsourcing amongst telecommunication companies?
3. What are the benefits and challenges facing call center outsourcing for telecommunication companies in Kenya?
4. How can call center outsourcing be made more effective for telecommunication companies in Kenya?

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter outlines the various steps that the researcher used to execute the study in a bid to satisfy the study objectives. The methodology used detailed the research design adopted and methods used for data collection and data analysis.

3.2 RESEARCH DESIGN

The research used case study method. The method was qualitative in nature and provided an efficient and logical way of looking at practices, events, collecting data, analyzing information and reporting the results. The unit of study was Zain Kenya Limited. The case study method gave the researcher an opportunity to learn about practices and events through extensive description and contextual analysis. This was in line with the objective of the study which was to study the practices of call centre outsourcing by Zain Kenya Limited, through an in-depth exploration of the outsourcing practices, benefits and its associated risks.

3.3 DATA COLLECTION

Primary data for the study was collected by way of interview and probing, using an interview guide. The interview guide had specific themes aimed at 4 informants, all sectional managers in customer service department at Zain Kenya Limited. The sectional heads interviewed were the call centre manager inbound, Back office manager, Support manager and walk-in centre manager. Secondary data was used to supplement and confirm primary data and was obtained from the company website which has extensive information on history, functioning, management and current activities of the company. Other company documentations also provided some of the needed information.

3.4 DATA ANALYSIS

Primary data collected was analyzed through content analysis to arrive at analytic conclusions. According to Nachmias and Nachmias (1996) this facilitates systematic and objective inference as well as identification of characteristics and relation of trend. Content analysis of data was based on analysis of meanings and implications emanating from respondent's information and documented data on call centre outsourcing practices at Zain Kenya Limited.

RESULTS AND DISCUSSIONS

4.1 INTRODUCTION

This chapter presents the analysis of data collected from the informants using the interview guide in Appendix 2. The interviews were done with the 4 sectional heads of customer service department namely, call centre – inbound, Call centre support, Back office and Walk-in centres. The study was designed to establish the prevailing call centre outsourcing practices, their benefits, risks and challenges adopted by Zain Kenya Limited.

4.2 FUNCTIONS OF THE CALL CENTRE

The informants were asked to give the key functions of the call centre in meeting the departmental objectives and the overall company objectives. This was to gain an enhanced understanding of the current call center practices. From the responses, it was noted that one of the key functions of the call centre is to seek for customer needs and information. The researcher established that the call centre was important in probing questions and seeking information about customer needs in order to satisfy them.

4.3 PREVAILING CALL CENTRE OUTSOURCING PRACTICE

In addition to seeking customer information, the study found out that the call centre played a critical role in resolving all client queries and complaints. There is a well instituted system in which customer complaints are handled by routing calls to call centre agents. All calls received at the call centre are attended to immediately, with the difficult and technical issues escalated for resolution at the back office section.

The informants also reiterated that it was the role of the call centre to cross and up sell company products after launch. Being the company immediate contacts to the customers, the call centre agents contact prospective customers in an effort to communicate and sell company products and services. The study found out that there was a telesales team under the back office section charged with the responsibility of telemarketing company products and services. This agrees with the industry practice that customer service agents who engage in and responsive listening to customers can increase sales and communicate relevant and useful information to the market.

The researcher sought to determine the call centre outsourcing practices adopted by Zain Kenya Limited. The informants were asked to elaborate the implementation of the call centre outsource as a company strategy. The researcher in endeavoring to determine the current call center outsourcing practices sought to confirm whether all the call centre functions had been outsourced to an external vendor.

The findings of the study found out that Zain Kenya has adopted call centre outsourcing as a strategic decision. Call centre outsourcing practice has been successfully implemented by the company, since it commenced in 2008. The practice was gradual depending on the sensitivity of the function and training of personnel required. The respondents anonymously agreed that outsourcing the call centre functions gave the company a strategic competitive edge as it then directs resources to its core functions.

The research findings further confirmed that the roll out of outsourcing practice and activities was well planned and useful information and communication made to the sections affected. This was important to ensure a smooth transition from the in-house handling of client issues to use of an external supplier. Change management was critical and the informants clearly stated that company wide training to prepare staff was done. The outsource vendor adapted all the processes and systems through an agreement with Zain. The cost of laying out new call centre infrastructure was high, thus the reason for continued use of the

already established systems, tools and processes. Consistency of call centre quality was also mentioned by the informants as a reason for the transfer of the call centre infrastructure to the outsource vendor.

The study found out that Zain adopted the call centre outsourcing practice to control the high staffing costs at the call centre. The informants indicated that before the outsourcing of some key sections in 2008, the company employed 200 call centre agents to take care of about 3 million customers. The company management thus recommended a drastic reduction of the call centre workforce to cut costs. The company sent home 79 call centre agents on an expansive retrenchment exercise directed from the Zain headquarters in Kuwait. The informants were of the view that the reduction of the staff was necessary as the new vendor could not afford to meet their high costs.

Another important aspect that the informants identified was the order in which outsourcing of call centre sections was done. The services of an external consultant were used in its implementation to ensure smooth running of the call centre functions. As such therefore, the consultants recommended that back office section be outsourced first. This is because it was seen as a support role to the call centre inbound function, and that first line resolution of customer complaints was encouraged. Second to be outsourced was the outbound and walk-in shop functions. As at the time of this study, the interviewees confirmed that outsourcing of call centre inbound section was already in progress.

4.4 ZAIN MANAGEMENT ROLE IN CALL CENTER OUTSOURCING

The researcher sought to determine what roles are played by the company management itself in the implementation and coordination of the call center outsourcing practice. It was evident from the study that the most critical role played by the company revolved around the control of call centre agents, from sourcing to training. However, the informants were of the opinion that this role should be transferred to the outsource vendor in meeting the goal of minimizing costs in their administration. Zain according to the informants should divest in activities that they regard as peripheral to their business and focus upon their core activities, which, for many, leads to increased specialization, while still pursuing other value adding objectives.

Another role as mentioned by the interviewees was in the acquisition of call centre infrastructure such as systems, equipments and processes. The company is indirectly involved to ensure high quality, efficient and effective equipment is used by the outsource vendor. The informants were categorical that such a move amounts to interference as the full mandate of running the centre should be left to the vendor. They felt that this role should be passed to an entity whose competency is in sourcing such equipment. IT outsourcing has been encouraged by the technological advancement in data storage capability and equipment maintenances which has dramatically increased in quality and significantly decreased in cost.

In response to the question posed on the mechanisms that Zain has put in place to ensure successful outsourcing of the call centre, the informants reiterated that a monthly evaluation is conducted to gauge how the outsource vendor was meeting the stipulated call centre standards. The call centre standards were set by Zain, and the outside vendor is required to meet a target of 99% of all the set customer service standards. Zain has the authority to modify the standards as at when it deems necessary to do so. It is evident from the study that Zain has 100% control of the outside vendor. This is to ensure conformity to the group call centre standards.

4.5 BENEFITS OF CALL CENTRE OUTSOURCING

The study also sought to identify the benefits of call centre outsourcing practice to Zain Kenya Limited. The informants highlighted some key benefits associated with outsourcing the call centre function. It was evident from the responses received that cost management and improved efficiency were direct benefits of outsourcing the call centre functions. The practice, in contrast to managing the function in-house, is easy to administer and cheaper in the long run. The study found out that the company outsourced its call centre functions primarily to save on overheads through short term cost savings and thereby improve financial performance.

The informants also cited strategic competitive edge enjoyed by the company as it then concentrates on core strategy issues only. The call centre function is non-core and repetitive in nature, and can thus be done by an outside company at cheaper cost or at the same cost but in more efficient and effective manner. The company can free up resources involved in support functions of the call centre in order to improve the performance of core functions.

4.6 RISKS OF CALL CENTRE OUTSOURCING

It is clear from the study that there are a number of risks associated with call centre outsourcing practice. It was found out that Zain management was aware of the risk of reputation damage as a result of using a third party to run the call center. The informants admitted the nasty experience from customers in the realization that their queries and information was being handled by a third party. Many questions were also raised by customers and Zain employees on the credibility of outsourcing the call centre after more than 8 years of in-house operation.

It was also established that outsourcing the call centre functions reduced the company's control over how the services were delivered, which raised the company's liability exposure. Since outsourcing involves the handing over of control of the function to a third party, there is always the risk of business disruption. It was noted that the service responsibilities of the outsourcer and retention of responsibilities by the client may be ill-defined, leading to disputes later on. In addition to this, there may be an increased risk of access to private and sensitive data, which may leak to the public and even to the competition.

Compliance risk was another grey area in using an outsource vendor mentioned by the respondents. The informants described a situation in which the company exposed itself to audit loopholes by having non company staff. The risk lay in the liability the company would expose itself by the failure to fully comply with the company audit rules, thus opening the company to litigation or other legal action.

4.7 CHALLENGES IN IMPLEMENTATION OF CALL CENTRE OUTSOURCING

The researcher set out to determine the various challenges that would be faced in implementation of call center outsource. It was found that the greatest challenge came from a perceived security threat. This is the threat of information leakage or negative company image. Some outsourcing transactions are very highly valued, with success or failure making a greater difference to an institution's overall financial position and reputation in the marketplace.

The study found out that the fear held by current call center employees of loosing their jobs was a formidable challenge to call center outsourcing. The informants were all in agreement that a big challenge faced in the implementation of call centre outsourcing practice was fear of loss of jobs. To this extent, the management had to make the hard decision of laying off employees to facilitate the implementation of the practice.

There is also the challenge of selecting the most suited supplier and their long term ability to offer the capabilities that are needed in business environments with rapid technological change and stiff competition, evident in the Kenyan mobile industry. Getting companies with requisite skills and capacity was found to be a fundamental challenge. According to the informants, Zain had to employ the services of a consultant in selecting the outsource vendor which came at an extra cost. Close monitoring was required to ensure that the vendor met the standards, rules and regulations stipulated by Zain.

It was evident from the responses received that the company faced the challenge of instituting information trust with the outsource firm. Sensitive information can be leaked to outsiders more so the competition. The informants cited situations in which new products and service information is leaked to the competitors before launch greatly affecting the company's strategies. There is a trade off between access to cutting edge knowledge via collaborative service provision and technology development in knowledge intensive industries and the risk of losing commercially sensitive knowledge to competitors.

4.8 COPING WITH CALL CENTRE OUTSOURCING CHALLENGES

The study found out from the participating informants that establishment of formal policies, rules and procedures for call center outsourcing practices the most critical and effective in mitigating the various challenges and drawbacks of call centre outsourcing. Indeed, the ability to infuse best industry practice may not only depend on the relative competence of the provider, but the service providers may also be restricted in their ability to pass on best practices by confidentiality agreements.

The informants also indicated that market research to ascertain viability of outsourcing in the face of the stiff mobile phone industry competition would assist in resolving the challenges posed by call center outsourcing. A market research on the viability of call center outsourcing in the context of Kenyan mobile phone industry is a prudent step prior to the implementation of the practice. The respondents indicated that assurance of the employees of their job security would serve to counter the challenges of call center outsourcing. Communication is very important in implementation of such a strategy. The informants asserted that the company should provide work councils and representative bodies. In combination with effective and timely communication, this should lead to greater employee retention and more satisfied employees during and after the outsource implementation strategy.

RECOMMENDATIONS

The success of the call centre outsourcing practice relies mainly on its implementation. The study results have the implication that the practice is cost effective and that it ensures the company is able to concentrate and invest its resources in core business areas. The realization by Zain that call centre was a support function was prudent in trying to remain competitive in the versatile mobile phone industry.

Further, mobile phone companies should implement call center outsourcing practices as most of the functions that are performed by the current call center department can be passed on to an independent entity without compromising the service delivery, as they are not unique to the companies. They are also non core functions, with the mobile phone companies' core functions being the provision of mobile telephone connectivity and not fielding of and resolution of client queries. Call center outsourcing also has additional benefits of higher standard of service delivery as the companies that would provide the call center service have it as their core competency, thus would have best in market competencies.

It is also recommended from the findings of this study that outsource of the call centers be undertaken after exhaustive planning, market research on the industry, cost implications and an evaluation of the risks and benefits of outsourcing. Employee consideration in the wake of the expected changes and probably loss of jobs due to the practice is also recommended. Resistant to change and fear of loss of jobs are formidable challenges that can be used by the staff to sabotage the process. Companies should provide work councils and representative bodies. In combination with effective and timely communication, this should lead to smooth implementation of the call centre outsourcing practices.

The company management needs to plan and prioritize the activities that give quick significant improvements and performance in the turbulent mobile phone environment. It is recommended for the organization to continually adopt new strategic, operational and tactical responses. The study findings have indicated that there are numerous risks and challenges in outsourcing practices, and is therefore recommended that the company continuously embrace competition and technological advances, coupled with frequent industry analysis to have a clear understanding of new trends in the market.

Because outsourcing practice is a new phenomenon in the Kenyan mobile industry, it must begin with a communications campaign to educate all those who will be impacted by this change. Communication to all levels of personnel must remain active from start to end in order to keep everyone involved and working towards a common goal. Implementation of outsourcing practice is most effective when everyone understands the need for the practice, and works together to tear down old business systems and processes and build new ones. In order for this practice to be embraced, everyone in the organization must understand where the organization is today, why the organization needs to adopt the practice, and where the organization needs to be in order to survive in the competitive environment.

CONCLUSIONS

The study sought to establish the call centre outsourcing practices by Zain Kenya Limited, its benefits and associated risks. Several conclusions can be drawn from the major findings of this important study. The findings revealed that indeed the company management appreciates the relevance of call center outsourcing practices in its efforts to optimize call centre cost operations, and enable the company focus on its core business. In addition to this, the study established the key issues in the implementation of the practice including the benefits and risks.

The study reveals that there are many challenges faced by the company in its effort to implement the outsourcing practice, owing to the fact that the call centre operated in-house for over 8 years. The study pointed out the various challenges ranging from fear of loss of jobs to various risks the company will be exposed to. The study also sought to determine the financial implication of the use of outsource as a strategic endeavor, in which the management considered the practice tenable and effective in its pursuit to optimize operational costs of the call centre.

The decision by the company to adopt call centre outsourcing practices was noble in line with the competitive nature of the mobile industry in Kenya, where effective cost management to enhance performance is critical. The research determined that the prevailing call centre outsourcing practices were yet to be entrenched fully with clear guidelines on its implementation. However, the gradual outsourcing of the call centre functions was well thought as it ensured a smooth transition from the in-house company operations to an external supplier. It was found that the management is aware of the risks related to outsourcing arrangements, and has put various measures in place to counter such risks and challenges.

SCOPE FOR FURTHER RESEARCH

The study focused on mobile phone Companies in Kenya and it would be interesting to conduct a similar study on any of the regions in the world, more importantly those that are yet to adopt outsourcing practices. Further, it would be important to conduct a study to find out the quality and standard of service provided by companies that have ventured into call center outsourcing vending.

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EXERCISE OF CADRE COORDINATION BY WORKMEN BY VIRTUE OF PROPER TRAINING AT OPEN CAST MINES AT NORTHERN COALFIELDS LIMITED, SINGRAULI (MADHYA PRADESH)

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ABSTRACT

The working mines of Northern Coalfields Limited, Singrauli was started in year 1977 with an aim to satisfy the increasing demand of energy of India. It is one of the nine sister subsidiaries of Coal India Limited Company. In mid 1970s the major machineries and technologies were procured by both the superpowers of the time, the USA and erstwhile USSR. Having a long life with warranty the both superpowers contributed the major machineries to activate the working of the mines. And this process continued with expansion of gauge to procure more sophisticated machineries and technologies from various other countries too as Germany, United Kingdom, France, Japan etc. All these machineries have different parameters for handling them. These parameters are "Very similar" but not "exactly same". But with developing of "Common Parameter" to handle all the machineries and proper training at "Vocational Training Centers" the workmen have been made competent enough to handle the same machineries of different origin as well as different machineries of same origin nation too. This has made the NCL Company as one of the largest profit making companies among public sector undertakings as well as of CL subsidiary too. The mechanism of cadre coordination has initiated a new modus operandi to work with absolute safety and brilliant "Technological synchronization" even in the toughest working situations by the workmen.

KEYWORDS

Technological Synchronization; Material Monetary Resources; Cadre-Coordination; Non-Road Moving Vehicle, Experience Reckoning.

INTRODUCTION

The Northern Coalfields Limited [N.C.L.] Company is one of the subsidiaries of the Coal India Limited Company. The uniqueness of the N.C.L. Company is that it is a conjunction of mines which is having all the 100% working mines as opencast mines. In addition to this the mines are designed to be fully mechanized mines. The working mines of NCL Singrauli is being operated with coordination of many departments (cadre) together as Mining (for mining duty), Excavation (Handling of Machineries), Electrical & Mechanical (for maintenance of all machineries of mines), Telecommunication (for handling communication devices used in mines), Materials Management (Inventory Stockpile), Sales- Control and Planning (for E-Auction), Merry-Go-Round Railway (for coal transportation to nearest thermal power plant). The mines are being operated for production resulting into financial profit with brilliant coordination of workmen of the company. The major work as told by experts in working mines is to excavate out the coal for processing. And it is done by help of operating heavy mining machineries and blasting of explosives every day to remove the overburden and to excavate out the coal with proper coordination.

REVIEW OF LITERATURE

The "Material Monetary Resources" are the key factors for smoothly operating any working mines. Either the mines are for coal excavation or for any other mineral production, the basic methodology and the machineries are almost common in use. The "Safety Audit" is one of the most essential factors for "Zero Accident Zone" and that can be only achieved with regular exercise of the safety provisions with perfect training being imparted. The various specialized cadres are working together with different machineries together at a time for overall production. These cadres are performing smooth due to promptness and perfection in working of the workmen. As the major of the personnel engaged in the operating mining activities are workmen only from different cadres. It is the well grooming policies of the training imparted by "Vocational Training Centre" that the workmen are competent enough to handle the different machineries for same work as well as for different work at the same time with best mutual "Cadre-Coordination". As found that the world's third largest mechanical machine "Dragline", the heavy "Non-Road Moving Vehicles" as "Dumpers", the implantation of explosives by modern technology of "Sight Mixed Slurry" are being operated by trained workmen. The Shovel machines in the visited area were coded as "B-7" and "B-0". The experts made acquainted that the shovel "B-7" is a Russian model [USSR model] procured in early 1982 while the "B-0" is a Japanese model being procured in mid 1990s. The "Dragline" machine which is being handled by workmen only is a British model of machinery. Similarly the overburden transporting "Dumpers" are from USA, Australia, United Kingdom (Great Britain). And finally many of the "Shovel" Machines which are engaged to load and off load the coal are manufactured by Japanese Technology. The workmen have well amalgamated the different parameters of machineries to a "Common Scale Parameter" to perform smoothly. These developed "Common Scale Parameter" to operate the machineries are "not exactly same" but "extremely similar" to each other for smooth and harmonic performance of the machineries in working mines.

IMPORTANCE OF THE STUDY

The working mines of Singrauli area are first fully mechanized opencast coal mines of India. These mines are the prime source of raw material provider in form of coal to National Thermal Power Corporation to produce electricity and satisfy the demanding energy needs of country. These mines have many heavy machineries and mining technologies being implemented from many other countries. And it is a matter of appraisal that the workmen are being able to handle these all machineries all together all around the clock throughout the year with a brilliant coordination of handling the various machineries and technology together.

STATEMENT OF THE PROBLEM

Many new coal patches have been allocated to be operated nationwide to satisfy the growing demand of energy. At this junction a lot of machineries and sophisticated technologies are to be procured in future in the operating mines. These technologies are being procured from different countries as well as different firms of the same countries too. While the technology is procured from different countries then the "Handling Procedure" of the machineries is different for the same work, as well as the situation is almost same for the same machineries manufactured from different firm of a same country. For example the heavy transportation machineries from USA works with left hand drive as well as on measures of electricity is in "Volts". While on other hand the machineries being procured from erstwhile USSR (Union of Soviet Socialist Republic) have the right hand drive and have the measures of electricity

transformation in "Watts" and in few models in "Ampere" too. Similarly in modern context to start up new operating mines the most modern mining machineries and technologies are needed and the problem may arise for harmonic performance of work through machineries to excavate out coal. The already practiced working modus operandi of workmen will be definitely a precedence to start up new functional mines with modern machineries of various parameters for same as well as different work.

OBJECTIVES

To identify the working methodologies of cadre coordination of workmen to achieve the production target.

HYPOTHESIS

To identify the interlinked policies that enables the smooth and continuous harmonic working mechanism in active working mines being operated by majority of workmen.

RESEARCH METHODOLOGY

The method of data collection was absolutely primary data. A visit was made to the working mines of Jayant Project. The project is a functional productive unit of the Northern Coalfields Limited, Dist of Singrauli in Madhya Pradesh. The Jayant Project is one of the largest working mines in terms of the Coal Production in India. The mines of N.C.L. Singrauli are one of the oldest open-cast working mines in India. The visit to operational blasting site was approved to be visited by Administrative Authorities at West Section of the working mines of Jayant Project. While it was about one hour left in hand, the call was made by the experts and the senior administrative authorities to report to the West Section. While moving towards the working mines which is located about 20 kilometers from the residential colonies, it was found that a lot of greenery has been implanted as an environmental care measure in the route to the mines. The design of colonies and their maintenance is done "Civil Department (Cadre)". By Moving ahead the mobility of traffic movement suddenly reduces as the restricted and the hypersensitive zone has started. The zone is the pathway to move to the functional working mines and only the permitted vehicles are allowed to move inside. In parallel to the active road there is a starting separate road starts for movement of only heavy machineries. In these separate roads for the machineries the small vehicles are not permitted to move in. The cloud due to dust in atmosphere affects eye and respiration. The cloud has emerged from the functional working mines and the coal being excavated out. In the pathway the "Regional Store" of the working was found. It was told by the guiding experts that the complete inventory management and the stockpile needs of the running and working mines are being preserved in the Regional Store so that the required items can be supplied to the working site. This concept in practice is exercised to make a "Zero Delay" supply of all mining items to the demanded working site. Further the items required in mines are being kept in store in ample amount to avoid any shortage. The "Regional Store" is operated by the "Materials Management Department (Cadre)". While moving ahead it was found that the giant size working mines was divided into two sections, the East Section and the West Section. Both the sections are being handled to excavate out the soil and the coal chunk is being harvested from between both working sections. The coal is being received from the working unit named the "Central Pit". After crossing the final security post the final move was made to the working mines site. It was noticed that a lot of spare parts in form of scraps were kept unused. The security gadgets as helmet and shoes are being finally checked at the final entry port of mines. The safety gadgets as helmet and shoes must be even to be wear inside the moving closed vehicle to avoid any form of risk. So this is a positive sign of WPM that strict security measures are being followed. The final start of absolute barren roads stated. This barren roadway is found to be over burdened by soil, but these soiled roads were well pitched. As told by the experts that boundaries are being pitched for safety reasons from both the sides of the road. Further boundaries were also wired with strong and heavy metallic wires. While moving ahead it was found that a huge machinery named as "Girder" was moving continuously for leveling and making the roadways to mines smooth. This is a continuous and all around clock job so as to make a smooth connectivity to the mines from the residential area. As due to the heavy quarry continuous all around the clock the roads get damaged and dumped also at many places.

RESULTS & DISCUSSION

While moving to the working mines even from the colonies, it was strictly instructed by the senior authorities to wear the helmet even inside the jeep as a precautionary measure. And this is mandatory for every person who enters the working mines. And this provision is made to avoid all forms of risk and injury to the workmen of the mines. While leaving the residential colony and entering the mines the railway track was crossed by an over bridge. It was told by the expert that the working mines have its own small distance railway track to transport the excavated coal to the nearby thermal power plant. This reduces the transportation cost in long run of the operational mines. After crossing the railway bridge the "Artificial hill" which is also technically termed as "Over-burden" was seen. These "Over-Burden" hills are created by the excavated out soil over the coal chunk. Immediate after the end of the bridge on the left side while moving to the mines a running unit named as "Central Work Shop" is seen. The "Central Work Shop" as told by experts is a Central junction of all the working mines of the NCL Project, where all the machineries come for repairing and maintenance. The central workshop is a centre which enables to reduce the "Leads Time" of the maintenance of machineries. In the front of the "Central Work Shop" the obsolete spare parts are being displayed as an insignia of the working unit.

FINDINGS

While moving to the pathway a ceremonial pond on left was found to be located in the periphery of the "Vocational Training Centre". The "Vocational Training Centre" is an organization which exercises the Training, Development and Refresher cum orientation courses for workmen of the NCL Company. Also the Vocational Training Centre enables and prepares the workmen to make them competent enough to handle the various heavy machineries in working mines. It was told by experts that the smallest dumper has a capacity to transport a minimum of 85 tons of load at a time. And in present working mines in India the range of Dumpers in terms of capacity is from 85 tons to 210 tons. These heavy and extreme costly machineries are being operated by workmen of "Excavation Cadre". It was very interesting to know that the minimum height of even smallest dumpers is equivalent to a 3 storey buildings height. The tires of Dumpers do not have any tubes, as they are operated from vacuum pressure and known as "Tubeless tires". In technical terms as told by experts the Dumper is easier to be operated than to operate a "Video Game". The reason behind is the extreme high and sophisticated technology being induced in the machinery, which makes it the best transportation machinery for logistics movement of the mine products. While preparing to finally enter into mines it was found the transit camp was surrounded by a deadline ropeway. The deadline ropeway is an indicative barrier which prohibits any individual to cross it, so as to avoid causality. But if any accident occurs beyond this line then no claim of compensation could be made on company. The transit camp is a junction which remains active 24 hours a day for change of duty shifts for workmen and also executive. The transit camp is affected with heavy noise pollution being made by the movement of heavy machineries. Finally it was indicated to the final moment to proceed to the working mines to capture the real tough and hazardous conditions of the workmen. The walkie talkie was put on in continuous mode to be vigilant all around the mines for "Barrier free communication". These telecommunication gadgets are being maintained and being operated by "Telecommunication Department (Cadre)". It was found that for the blasting purposes the explosives are being implanted by special compartmentalized trucks that use to fill the drilled holes with semi-viscous fluid technically called as "Sight Mixed Slurry". The same is mixed in a fixed proportion as per directions of the experts. The "Sight mixed Slurry" is handled by workmen of the "Mining Cadre" as per prescribed norms. The drilled holes for the explosive are pierce in the working sites by the "Drilling Machine" and the same is being operated by workmen. The "Drilling Machine" is also monitored under portfolio of "Excavation Cadre". Prior a few minutes before blasting the heavy machines named as "Shovel" were being shifted to the safe position to avoid any damage due to blasting. As told by the experts of the working mines the big machineries are being called by code names. The Shovel machines in the visited area were coded as "B-7" and "B-0". The works of these "Shovel" Machines are to load and off load the coal. The Shovel machine is monitored by workmen of "Excavation Cadre". The "Electrical and Mechanical Cadre" plays a crucial role in maintenance as well as providing continuous electricity supply and transformation to all machineries in mines as the location of machineries changes in 24-48 hours as per demands of coal chunk to be excavated out. It was found that soon with help of indications and symbols by a workman the shovel operator marched to the safe position to assemble in secured zone. As a part of Instant

planning it was found that the experts in the moving jeep gave instructions to have ample space to move dozers to proceed safely. Finally as a final check up the blasting site was visited. It was found that a complete area of 50 square kilometers was packed with the explosives and connected with fuse wires and cast-boosters. In between the working mines the movement of the "Dragline" machine was observed. The "Dragline" machine is an extremely prestigious and world's third largest machine till date and is being used to excavate out the overburden soil as well as coal. It was observed as well as later explained by the experts also that the "Dragline" machine which is the world's third largest working machine is continuous functional in working mines. This machinery use to get stopped for a few minutes to avoid any form of risk due to jerks caused from the explosions of the mines. The "Dragline" as told by experts costs on an average to 10-15 million US dollars in present global market. Also the working mines of N.C.L. Singrauli have the highest number of "Dragline" machineries in comparison of all sister subsidiaries of Coal India. Also the "Dragline" in the company is being procured from U.S.A., Erstwhile U.S.S.R. and also from U.K. The movement of "Dragline" and other heavy machineries are coordinated with help of E-Governance in communication. As well as it is the best working reference of coordination and team work of Workmen in any industry. The "Dragline" machine is also monitored by "Excavation Cadre". After the blast the workmen came out from the safety zone to the working zone and all the working machineries were found to get reactive in their work within five minutes after blasting. *This is a positive shade of WPM that is the promptness of workmen.* Later the final clearance was made that every aspect related to security was confined to be secured. At the end the working report were assimilated and the complete gist was verified for completion of report. This overview gist expresses the healthy status of "Workers' Participation in Management in Policy Making" as the policies are well executed as well as more healthy policies can be formulated for swift implementation. As well as a "no-causality" report was also counter verified. And finally one more security clearance was granted before the duty hour is declared to be finished. These steps of duty hours are exercised continuous for 24 hours all around the calendar year in phases of eight hours' shift of each.

RECOMMENDATIONS

By selling the scraps a good amount of resell financial profit can be earned. While moving it was found that a few useless cranes and machineries were left as a huge chunk of scrap. These obsolete machineries were found to be dead in performance and they consist to be thousands of tons in weight. Since the all sister subsidiaries of Coal India are now practicing Electronic-Auction (E-Auction) for the same the obsolete bulk scrap can be auction to the buyers as these obsolete machineries are occupying the space of the mines which hampers the free movement of vehicles as well as it will definitely create a good financial profit to the organization.

CONCLUSIONS

The fully mechanized machineries as "Dumpers", "Dozer", "Shovel", "Girder" in the mines are operated by "Workers". The proper training at "Vocational Training" Centre enables the "Workmen" to operate these extreme huge machineries to perform smoothly. The experts also told that the cost of one single "Dumper" is 800 to 1000 million INR. And the cost increases with increase in capacity. As told by experts The "Dumper" is almost 3-4 times heavy than a battle tank in weight. And it needs a lot of experience and balance to operate "Dumper" in the working mines. The "Dumper" comes under category "Non-Road Moving Vehicle". And for the same category a separate pathway is made in the working mines. The importance of experience of workmen was found after arrival of the hosts with welcome of hosts with "Lemon Tea". As a share of Experience statement from a workman it was told that "Lemon Tea" is being used all day so as to curtail out sleepiness and neuron-rigidity. Also if any stress is there then it is eliminated out. Also in addition to this a workmen spoke that "Lemon Tea" reduces chances of milk to be spoiled due to dust or heat of mines. The movement of machineries is majorly done by workmen following the working on the signal optics. It was made aware by the working experts huge ammeters are being established to supply continuous uninterrupted electricity to the heavy machineries. Finally an intimation signal was given with help of lights to leave the place as soon blasting may take place. After the same the complete periphery of mines was rechecked by patrol of experts so that no accident may happen. Regular and continuous exchange of reports and feedbacks to practice the security measure to avoid all forms of risk. This mechanism proves the concept of "Quality Circle" in practice with successful impact. It was noticed that to work in the blasting region is one of the most risky and robust form of work. It was told by the experts that the present explosive (Sight mixed slurry) is multi times more powerful than traditional explosives as Dynamite and RDX. In the final moment the clearance and recheck up was made in a periphery of 500 meters so that no one may remain in the blasting zone. It was found to be a very hard humanistic condition for work for the complete cycle of preparation for the blasting for the coal excavation. After the complete check up the blasting took place and the complete area of 50 square meters was blown up. It was observed that the machineries were placed at safe positions as to avoid any form of risk of damage to the machineries.

SCOPE FOR FURTHER RESEARCH

The coal is the support line of the energy production in India presently and it will be the biggest source of energy production till the substitute of energy is found. The energy especially in form of electricity is the prime form of energy provider to all the jurisdiction of industries and agriculture. The Indian agriculture is mass supported by the proper irrigation and water to cultivate lands. And the prime source of electricity production is coal. For the same all life lines are directly or indirectly dependent on the coal industry in present era. In the environment where the atmospheric temperature was 22 degree Celsius it was found that the temperature of mines was 34 degree Celsius. This is a very hard and realistic working conditions being faced by the workmen. Further the "Experience Reckoning" of workmen can be an important tool to impart training to new workmen recruited for handling heavy machineries in new working mines to be operated. More explorative research can bring out more feasible policies and methodologies by which the performance of workmen will be more secured and productive. The feedback collection and experience record of workmen who operate same machineries as well as different machineries will be a fruitful outcome to enhance the work performance of workmen.

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FIGURE

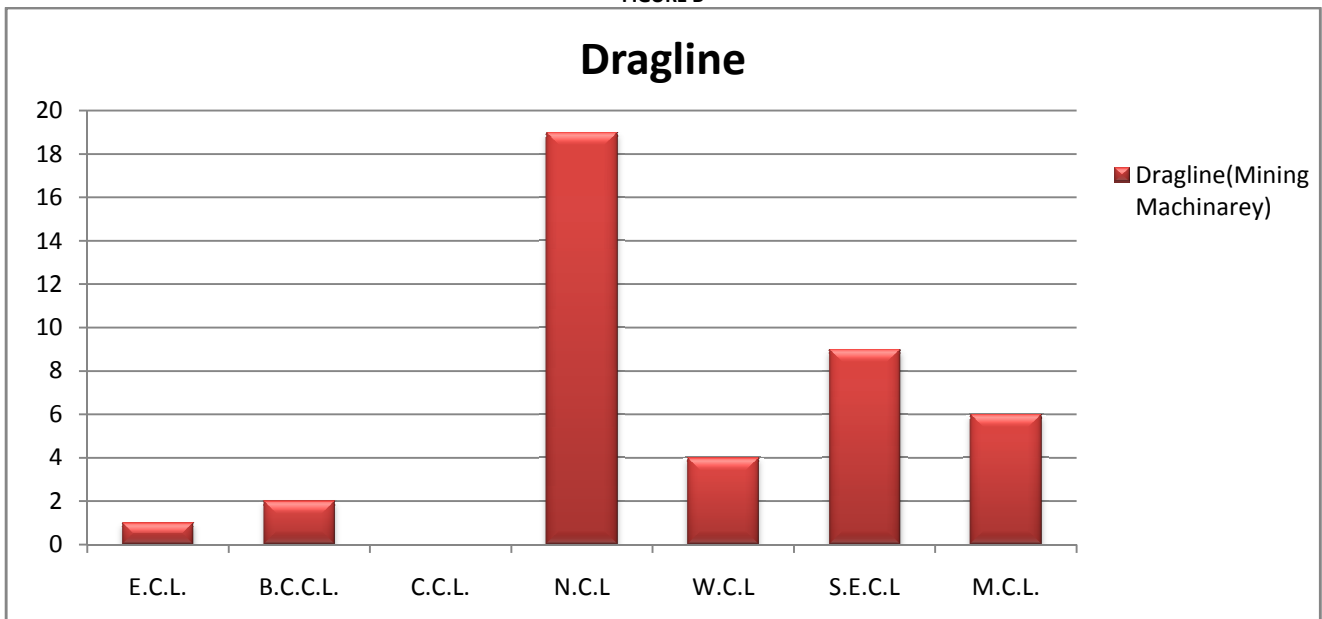
FIGURE A



A caption from working open cast mines at Jayant Project, Northern Coalfields Limited Singrauli (Madhya Pradesh). The Code "1" indicating the workmen in field communicating with wireless signal and manual indication signal with other workmen operating heavy machinery indicated in Code "3". The Code "2" indicating the "B-7" Shovel machine of Russian Model and "B-0" is indicated by Code "4" which is a Shovel of Japanese model. The Code "5" indicated the sophisticated Dozer of United Kingdom (British origin).

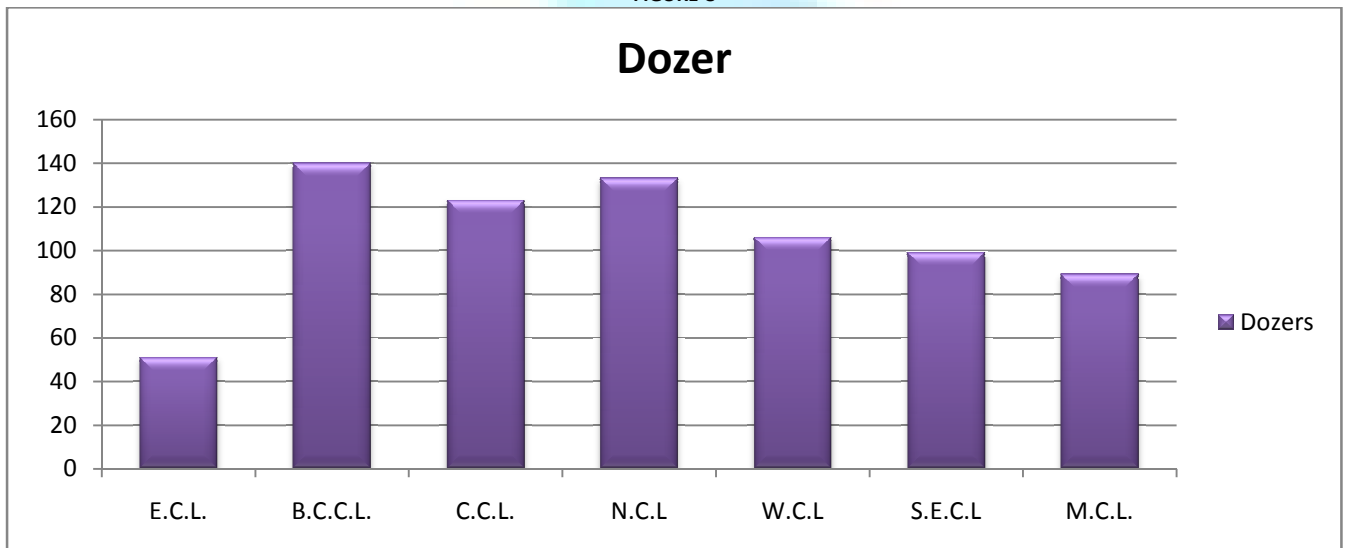


FIGURE B



A comparative statistical representation of Dragline Machinery in all nine sister subsidiaries of Coal India Limited. Out of which the highest number of Dragline machines (total nineteen) are working in the NCL Singrauli, Madhya Pradesh. Source:- Angar Monthly Newsletter, Indian Institute of Coal Management, March 2008, Edition-11, Page-2

FIGURE C



A comparative statistical representation of operating Dozers in all nine sister subsidiaries of Coal India Limited. Out of which the second highest number of Dozers machines (total 130) are working in the NCL Singrauli, Madhya Pradesh. Source:- Angar Monthly Newsletter, Indian Institute of Coal Management, March 2008, Edition-11, Page-2.

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RURAL HEALTH- AN ENGINE FOR ECONOMIC DEVELOPMENT

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ABSTRACT

The health of a nation is an essential component of development, vital to the nation's economic growth and internal stability. Health is increasingly seen as a robust predictor of economic growth and assuring a minimal level of health care to the population is a critical constituent of the development process. While rising incomes could lead to better health, the relationship also works in the opposite direction. Since independence despite focused health reforms and several growth orientated policies have been adopted by the government, the widening economic, regional and gender disparities are posing serious challenges for the health sector widening the gap between 'urban and rural'. While the urban middle class in India have ready access to health services that compare with the best in the world, even minimum health facilities are not available to a large majority of rural people, and wherever services are provided, they are inferior. This paper, based on secondary data research, attempts to analyze the relationship between investing in health and the economic development of a country. It also presents the statistical overview of rural health in India evaluating the extent to which advances have been made in rural health systems in the country and analyze the gaps. It focus on the major initiative taken by the government in the realm of public policy with special focus on NRHM, in order to reap benefits for economic development and poverty reduction.

KEYWORDS

gender disparities, poverty, economic growth.

JEL CLASSIFICATION

H-70, Z-18.

INTRODUCTION

Until the early 1990s, health was relatively neglected as a factor that influences national economic performance. But today, improvements in health constitute an important element of what has come to be known as 'pro-poor' economic growth strategies that have the potential of enhancing economic growth, while simultaneously reducing economic inequality. The policies implemented so far, which concentrate only on growth of economy not on equity and equality, have widened the gap between 'urban and rural'.

The country's Registrar General said in 2005, "India lives in its villages." A large majority of Indians live in relatively small localities and are engaged in farming or some activity related to farming. In 2001, the average Indian lived in a village of about 4,200 people; 72 percent of India's total population was classified as rural, and 58 percent of workers were engaged in agriculture.

The rural populations, who are the prime victims of the policies, work in the most hazardous atmosphere and live in abysmal living conditions. Unsafe and unhygienic birth practices, unclean water, poor nutrition, subhuman habitats, and degraded and unsanitary environments are challenges to the public health system. The majority of the rural populations are smallholders, artisans and labourers, with limited resources that they spend chiefly on food and necessities such as clothing and shelter. They have no money left to spend on health. The rural peasant worker, who strives hard under adverse weather conditions to produce food for others, is often the first victim of epidemics.

A pro-poor health approach includes quality public health and personal care services, with equitable financing mechanisms. But it goes beyond the health sector and includes policies in areas that disproportionately affect the health of the poor, such as education, nutrition, water and sanitation etc.

REVIEW OF LITERATURE

Understanding Health Wealth Nexus

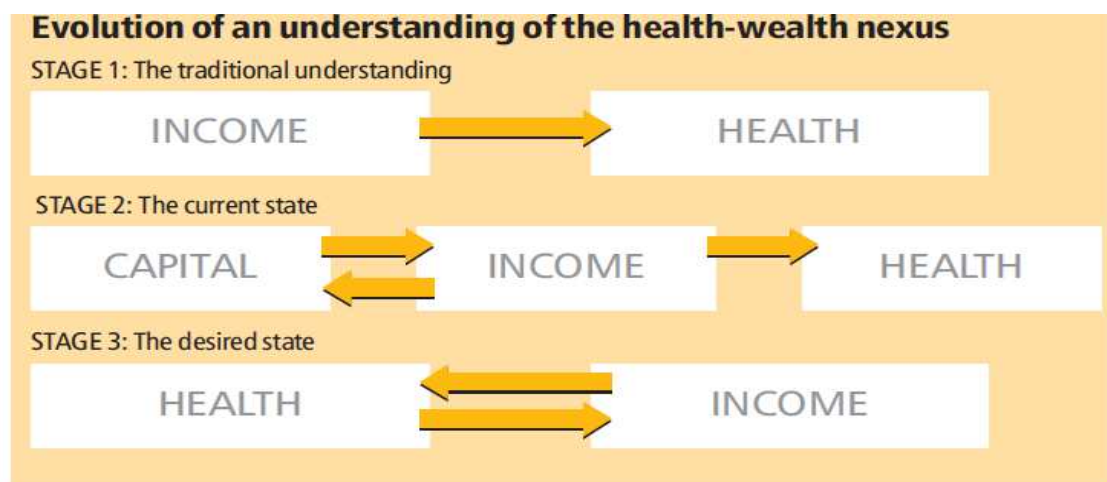
How does health influence economic growth? A recent survey of econometric literature on the link between health and economic growth suggests that a 5-year gain in life expectancy is associated with annual average rates of growth of real Gross Domestic Product (GDP) per capita that are higher by 0.06 to 0.58 percentage points.

One analysis found that countries with high levels of malaria had much lower levels of per capita income. Several studies demonstrate that the HIV/AIDS epidemic has either lowered, or will significantly lower, the rates of growth of income per capita. There is now a considerable body of international evidence that suggests that while improvements in national economic performance may positively influence health, there also appears to be a strong link running from improved health to improved economic performance. Good health contributes to development in a number of ways such as higher labour productivity, higher rates of domestic and foreign investment, improved human capital, higher rates of national savings and demographic changes.

According to WHO Commission on Macroeconomics and Health (CMH) report (Dec2001) the typical quantitative impact of life expectancy on economic growth was estimated to be of the following magnitude: a 10% increase in life expectancy at birth increases economic growth by at least 0.3–0.4% of gross domestic product (GDP) per year. The report also identified a number of cost-effective investments that would save millions of lives and result in billions of dollars worth of economic growth. It concluded that investment in essential health services for the poor would help millions of people to emerge from poverty as well as contribute in important ways to overall economic growth.

India is currently in stage 2 as depicted in **Box 1** below:

BOX 1: A RAPID TRANSITION IS NEEDED IN WHICH EFFICIENT HEALTH SYSTEMS IMPROVE QUALITY OF LIFE, WELL-BEING OF PEOPLE AND REDUCE BURDEN OF DISEASES, WHICH WILL IN TURN INCREASE PRODUCTIVITY AND GROWTH IN THE COUNTRY (STAGE 3).



Source: Report of the National Commission on Macroeconomics and Health

Recent research has established a strong causal association running from health to aggregate economic performance and from wealth to health. Higher incomes potentially permit individuals and societies to afford better nutrition and access to better health care; better health increases productivity, and enhances the ability to earn more income. The relationship between health and development is mutually reinforcing- while health contributes to economic development, economic development, in turn, tends to improve the health status of the population in a country. Health is also an important entitlement that enhances "capabilities" of the poor people leading to increase in "commodities" and further improvement in health status (Dadibhavi and Bagalkoti 1994; Bloom et al 2004). As investment on health increases, the productive capacity of the working population, and hence the level of income tends to rise and to that extent it contributes to a decline in the incidence of poverty (Reddy and Selvaraju 1994). With rapid improvement in health, particularly of the poor "vicious circle" of poverty can be converted into "virtuous circle" of prosperity (Mayer 1999; Mayer 2000; Bloom et al 2004). Although there has been a two-way relationship, a strong causal link from adult health to economic growth is observed by many studies (Mayer 1999; Knowles and Owen 1997; Jamison and Wang 1998). Further, Knowles and Owen (1997) and Jamison and Wang (1998) found that life expectancy contributes to economic growth more than education. In addition to its direct impact on productivity, health has other effects on economic development and demographic transition. Good infant health and nutrition directly increase the benefits of education (WB 1993; WHO 1999). Further, Barro (1996) points out that by increasing longevity, health reduces the depreciation rate of human capital, making investment in education more attractive.

RESEARCH QUESTION

The researches have established that, health is an asset individuals possess, which has intrinsic value (being healthy is a very important source of well-being) as well as instrumental value in the terms that health impacts economic growth in a number of ways. Since health is not only the absence of illnesses; it is also the ability of people to develop to their potential during their entire lives. This present paper attempts to review critically the current rural health status of India and probe -**Are we investing well in Rural Health development?**

STATISTICAL OVERVIEW RURAL HEALTH

The rural health system of India is plagued by serious resource shortfall and underdevelopment of infrastructure leading to deficient health care for a majority of India. The differences in urban-rural health indicators are a harsh reality even today; infant mortality rate is 62 per thousand live births for rural areas as compared to 39 per thousand live births for urban areas (2007).⁽¹⁾ Only 31.9% of all government hospital beds are available in rural areas as compared to 68.1% for urban population. When we consider the rural-urban distribution of population in India, this difference becomes huge. Based on the current statistics provided by the Government of India, we have calculated that at a national level the current bed-population ratio for Government hospital beds for urban areas (1.1 beds/1000 population) is almost five times the ratio in rural areas (0.2 beds/1000 population)⁽²⁾⁽³⁾

The strong link between poverty and ill health needs to be recognized. High health care costs can lead to entry into or exacerbation of poverty. The importance of public provisioning of quality health care to enable access to affordable and reliable health services cannot be underestimated. The country has to deal with rising costs of health care and growing expectations of the people.

Since Independence, India has built up a vast health infrastructure and health personnel at primary, secondary, and tertiary care in public, voluntary, and private sectors. For producing skilled human resources, a number of medical and paramedical institutions including Ayurveda, Yoga and Naturopathy, Unani, Siddha, and Homeopathy (AYUSH) institutions have been set up.

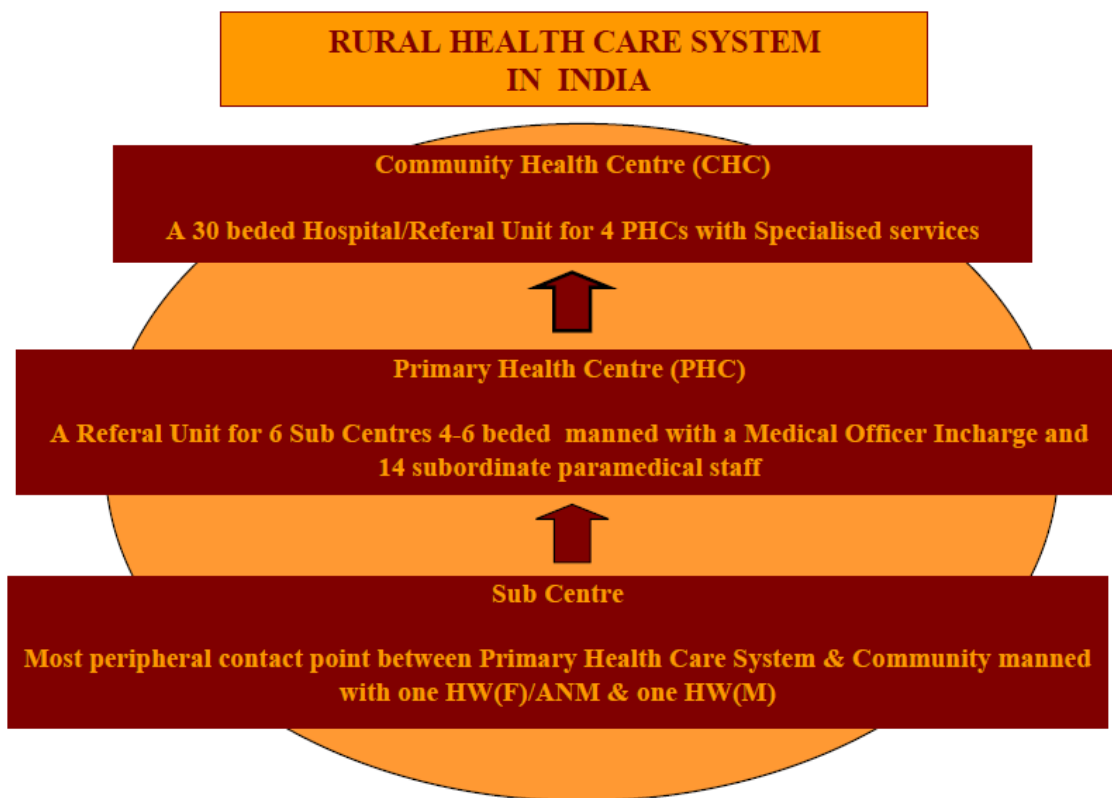
While a significant portion of the country's medical needs, especially in rural areas, have been attended to by the indigenous health systems such as Ayurveda, homeopathy, *unani*, naturopathy and folk medicine, it has been conveniently neglected by the policy makers, and planners. The draft of the new National Health Policy 2001, has also not given due importance to Indian systems of medicine.

Apart from this shortfall in infrastructure, shortfall in trained medical practitioners willing to work in rural areas is also one of the factors responsible for poor health care delivery systems in rural areas. The number of trained medical practitioners in the country is as high as 1.4 million, including 0.7 million graduate allopaths.⁽⁴⁾ However, the rural areas are still unable to access the services of the qualified doctors. A total of 74% of the graduate doctors live in urban areas, serving only 28% of the national population, while the rural population remains largely unserved.⁽⁴⁾ There's shortfall of 8% doctors in Primary Health Centres (PHC), 65% for specialist at Community Health centres (CHC), 55.3% for health workers (male), 12.6% for health workers (female) (2007).⁽⁵⁾

HEALTH CARE HUMAN RESOURCES AND INFRASTRUCTURE: THE GAPS

To address the gaps in health infrastructure and human resources, the National Rural Health Mission (NRHM) was launched on 12 April 2005. A generic public health delivery system envisioned under NRHM from the village to block level is illustrated in chart 1 given below:

CHART 1



Source: Bulletin of Rural Health Statistics in India, Special Revised Edition, MOHFW; GoI (2006)

Since the mid-twentieth century, physicians have favored urban and suburban practice locations over rural areas. Physicians often need lucrative practices to repay high education debts, and they have been trained to use costly new technologies in diagnosis and treatment. Rural practice locations typically generate lower income for the physician and have fewer and older technology resources than urban and suburban locations. Modern medical school graduates are rarely well prepared to practice in rural environments. Consequently, rural communities suffer chronic physician shortages. Rural environments present unique challenges for health care access. There are often shortages of medical personnel in rural areas, as well as transportation and distance barriers to care and an increasing economic destabilization of rural health care services.

Availability of appropriate and adequately trained human resources is an essential concomitant of Rural Health Infrastructure. The present position, requirement, and shortfall regarding public health care human resources have been shown in the table given below:

TABLE 1: SHORTFALL IN HEALTH PERSONNEL-ALL INDIA

For existing Infrastructure	Required (R)	Sanctioned (S)	In Position(P)	Vacant(S-P)	Shortfall (R-P)
Multipurpose workers(Female)/ANM at Subcentres and PHC	1676567	162772	149695	13126 (8.06%)	18318 (10.93 %)
Health workers(Male)/MPW's (M) at Sub- Centres	144998	94924	65511	29437 (31.01%)	74721 (51.53%)
Health assistants(Female)/LHV at PHCs	22669	19874	17107	2781 (13.99%)	5941 (26.21%)
Health Assistants(Male) at PHCs	22669	24207	18223	5984 (24.72%)	7169 (31.62%)
Doctors at PHCs	22669	27927	22273	5801 (20.77%)	1793 (7.91%)
Total specialist at CHCs	15640	9071	3979	4681 (51.60%)	9413 (60.19%)
Radiographers at CHCs	3910	2400	1782	620 (25.83%)	1330 (34.02%)
Pharmacists at PHCs and CHCs	26579	22816	18419	4445 (19.48%)	4389 (16.51%)
Lab Technicians at PHCs and CHCs	26579	15143	12351	2792 (18.44%)	9509 (35.78%)

Note: For calculating the overall percentages of vacancy and shortfall, the states/UTs for which the human resource position is not available, have been excluded. Also all India shortfall is derived by adding State wise figures of shortfall ignoring the existing in some of the States.

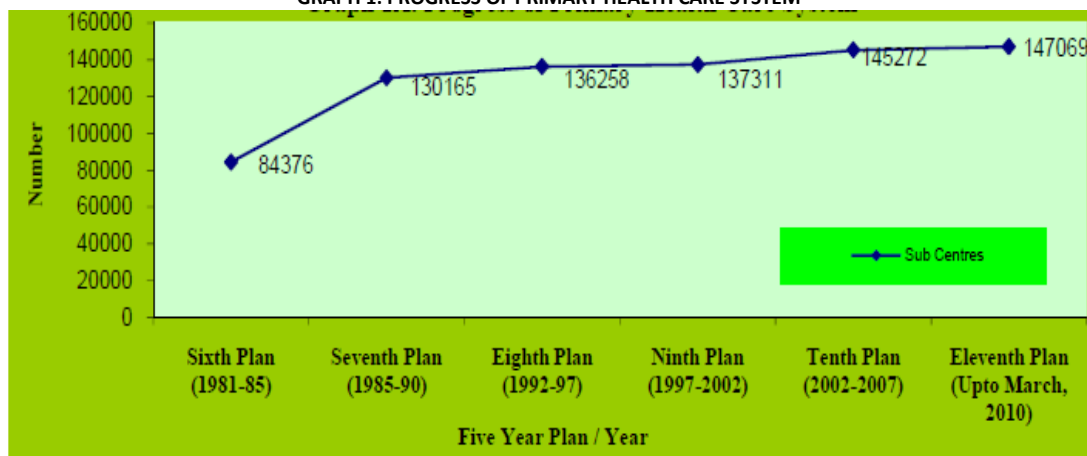
Source: Bulletin of Rural Health Statistics in India, Special Revised Edition, MOHFW; GoI(2006)

RURAL HEALTH INFRASTRUCTURE-A STATISTICAL OVERVIEW

The Primary Health Care Infrastructure has been developed as a three tier system with Sub Centre, Primary Health Centre (PHC) and Community Health Centre (CHC) being the three pillars of Primary Health Care System. Progress of Sub Centres, which is the most peripheral contact point between the Primary Health Care System and the community, is a prerequisite for the overall progress of the entire system. A look at the number of Sub Centres functioning over the years reveal that at the end of the Sixth Plan (1981-85) there were 84,376 Sub Centres, which increased to 1,30,165 at the end of Seventh Plan (1985-90) and to 1,45,272 at the end of Tenth Plan (2002-2007). As on March, 2010, 1,47,069 Sub Centres are functioning in the country.

Percentage of Sub Centres functioning in the Government buildings has increased from 50% in 2005 to 57.8% in 2010 Percentage of PHCs functioning in Government buildings has increased significantly from 78% in 2005 to 88.6% in 2010 The % of CHCs in Govt. buildings has increased from 90% in 2005 to 93.4% in 2010.

GRAPH 1: PROGRESS OF PRIMARY HEALTH CARE SYSTEM



Source : www.mohfw.nic.in- Rural Health Statistics 2010

TABLE 2: RURAL HEALTH INFRASTRUCTURE-NORMS AND LEVEL OF ACHIEVEMENTS (ALL INDIA)

SNO.	INDICATOR	NATIONAL NORMS		PRESENT AVERAGE COVERAGE
1.	Rural population(2001)covered by a :	GENERAL	TRIBAL/HILLY /DESERT AREA	
	SubCentre	5000	3000	5049
	Primary Healthcare centre(PHC)	30,000	20000	31364
	Community health centre(CHC)	1,20000	80000	163725
2.	No. of Sub Centre	6		5
3.	No. of PHC per CHC	4		5
4.	Rural population (2001)covered by a:			
	Health worker F (HW) at Sub centres & PHC	5000	3000	3878
	Health worker M (HW) at Sub centres	5000	3000	14069

Source: www.mohfw.nic.in, Rural Health Statistics 2010

RURAL HEALTH INITIATIVES

Recognizing the importance of Health in the process of economic and social development and improving the quality of life of our citizens, the Government of India has resolved to launch the National Rural Health Mission to carry out necessary architectural correction in the basic health care delivery system.

The State has taken following new initiatives and innovative programs within NRHM framework a few are discussed below:

1. **Reproductive and Child Health, Phase II (RCH II)**, is a comprehensive sector wide flagship programme, under the bigger umbrella of the Government of India’s (GoI) National Rural Health Mission (NRHM), to deliver the RCH II/NRHM targets for the reduction of maternal and infant mortality and total fertility rates. RCH II aims to reduce social and geographical disparities in the access and utilisation of quality reproductive and child health services. It was launched in April 2005 in partnership with the State Governments; it is consistent with the Government of India’s National Population Policy-2000, the National Health Policy-2002 and the Millennium Development Goals.

2. **Janani Suraksha Yojana (JSY)** is a flagship programme of the GoI to promote institutional deliveries among poor pregnant women. It is a 100% centrally sponsored scheme, JSY integrates cash assistance with delivery and post-delivery care. Other demand-side financing options, as in the use of vouchers, also appear to be popular with both the private and public sectors being involved. Chiranjeevi Yojana in Gujarat is the frontrunner in adapting the JSY model for involving the private sector in providing safe delivery services. This model (JSY/Chiranjeevi model) has been awarded by several other the to further provide services in areas not covered by JSY or to boost the gains from JSY, including Saubhagyawati Scheme (Uttar Pradesh), Janani Suvidha Yojana (Haryana), Janani Sahyogi Yojana (Madhya Pradesh), Ayushmati Scheme (West Bengal), Chiranjeevi Yojana (Assam) and Mamta Friendly Hospital Scheme (Delhi).

3. **First Referral Units (FRUs)** is an essential component for the utilisation of services, particularly during emergencies. It aims at establishing referral linkages between the communities and in this regard flexibility has been given to the States for establishing such referral linkages. The States are coming up with their own innovative models to address the issue of delays in care, seeking for obstetric emergencies through the provision of transport in the form of various ambulance schemes. While originally envisaged as a readily available transport scheme for women with obstetric emergencies, ambulance services now cater to all emergencies. The Emergency Management and Referral Institute (EMRI) model has shown good results in Andhra Pradesh and is now being adopted by several States, including Chhattisgarh, Delhi, Gujarat, Jammu and Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Orissa and Tamil Nadu. The Public Private Partnership (PPP) model is being used in Madhya Pradesh and Orissa (Janani Express Yojana) and in West Bengal (through NGOs).

4. There exist a major skilled manpower gap across states for Availability of providers skilled in management of obstetric emergencies is a. The GoI modified its policy to enable multi-skill training for selective interventions under specific emergency situations to save the life of the mothers. MBBS doctors are being trained in life saving anaesthesia skill and emergency obstetric care. The GoI has awarded a grant to the Federation of Obstetrics and Gynaecology Societies of India (FOGSI) to build the capacity of selected State medical colleges as nodal training centres for training MBBS doctors in emergency obstetric care. The Enhancing Quality Care in Public Health Care (EQUIP) programme in Chhattisgarh is the forerunner of this initiative.

5. **The Monthly Village Health and Nutrition Day (VHND)** is a major intervention of the GoI, rolled out nationwide, that provides comprehensive outreach services for pregnant women and children at their doorstep. Muskaan in Bihar is a variation of this. Assam, Bihar, Chhattisgarh, Madhya Pradesh and Uttar Pradesh are conducting bi-annual month-long campaigns for addressing child health and malnutrition through Vitamin A supplementation, provision of micronutrients, promotion of exclusive breastfeeding, de-worming, immunisation, etc. Nutrition rehabilitation centres have been established in Bihar, Chhattisgarh, Madhya Pradesh, Maharashtra and Rajasthan, for treating severe acute malnutrition in children.

West Bengal is piloting a ‘Positive Deviance Approach’ to identify the families with healthy babies (that is, ‘positively deviant’) and share their knowledge and practices with others in the same community.

6. **Saubhagyavati Yojana:** This is a Public Private Partnership, in which 133 nursing homes have already been registered in peri urban and rural areas. For every 100 deliveries conducted by any nursing home of BPL beneficiaries, Rs. 1.85 lacs will be paid. So far 2230 such deliveries have been conducted including 317 cesarean section.
7. **Comprehensive Child Survival Program:** Under this scheme IMNCI training is being given to ASHAs, ANMs and other workers with the help of FOGSI. Currently this scheme is operational in 17 districts spread over 17 divisions. So far 458 MOs, 812 ANM/HV & 4068 ASHAs have been trained. Training in Infant & Young Child Feeding is also conducted under this program in all the districts.
8. **Bal Swasthya Poshan Mah Strategy:** This is a month long program to be conducted twice a year. The first such program was held in December 2008.
9. **ASHIRVAD School Health Program:** In this program, 50 lakhs children are covered. The program was launched on 1 October 2008 and expected to cover 40 schools per block in all 813 blocks. This will comprise of health check up, health card for every student, and distribution of deworming drugs and Iron Folic Acid Tablets.
10. **Village Health & Nutrition Day:** To be observed twice a week at each health facility on Wednesday and Saturday. The activities will have emphasis on routine immunization and nutritional rehabilitation.
11. **SALONI: Swasth Kishori Yojana:** This scheme has been launched from 12 December 2008 and covers 10 lacs school going girls and 5 lacs non school going girls in 10 to 19 years age group. The non school going girls will be covered by locally selected NGOs. The package consist of counseling and personal hygiene and distribution of Iron & Folic Acid tablets and deworming drugs.
12. **Scheme for Adolescent Counseling for Health:** In order to provide information and counseling to 15 to 19 years of adolescents regarding reproductive & sexual health, nutrition and personal hygiene. The scheme is currently being implemented in 18 districts. The counseling centers will be opened at sub center level as Youth Information Center, at block level as Youth Information and Counseling Center (1 male and 1 female counselor)

CONCLUSION

The above analysis based on secondary data depicts that in India, there has been a gradual shift in the organization, structure, and delivery of health care services. Starting from the 1990s till now, reforms have focused on coordination between different sectors, involvement of Panchayati Raj Institutions in planning and monitoring health programmes, and making health services equally available to all. Health care is financed primarily by State Governments, and State allocations on health are usually affected by any fiscal stress they encounter. Besides chronic under funding, the sector has been plagued with instances of inefficiencies at several levels resulting in waste, duplication, and sub optimal use of scarce resources adversely effect. the public health sector's ability to provide health care services to the people.

Thus it can be concluded that the challenge of quality health services in remote rural regions has to be urgently met.. In order to do this, a comprehensive approach is needed that encompasses individual health care, public health, sanitation, clean drinking water, access to food, and knowledge of hygiene, and feeding practices. Health sector reforms need to broadly address reorganization and restructuring of the existing government health care system with the involvement of communities in health service delivery and provision, financial reforms, Health Management Information Systems-e- health, quality of care & public-private partnerships. Transformational approaches are desired in public health care system for an **accountable, accessible, and affordable health** for people, specially the poor and the underprivileged.

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ORGANIZATIONAL CITIZENSHIP BEHAVIOR OF MEMBERS OF SELF HELP GROUPS AND ITS IMPACT ON GROUP PERFORMANCE

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ABSTRACT

This paper attempts to evaluate impacts of group performance by examining the Group Organizational Citizenship Behavior (GOCB) of selected SHG's engaged in Group based (GB) and Individual based (IB) in Coimbatore city. Out of total 120 SHG members, 60 each from Group Business (SHG-GB) and Individual Business (SHG-IB) were personally interviewed. There is significant difference between the performance of SHG (GB) and SHG (IB). The influence of attributes such as Altruism, Individual initiative, and Courtesy were high for SHG (GB) whereas in case of SHG (IB), it was of civic virtue and conscientiousness. For individual based SHG, creating awareness about the success stories of group based SHG, importance of group/team dynamics, and group behaviors for better performance of SHG need to be conducted. Interventions like trainings need to be organized for all the members at regular intervals for developing team work, leadership skills and taking group initiative. In case of Group based SHG, capacity building activities like trainings need to be conducted to develop the recent technical knowhow, entrepreneurial marketing, communication skills and confidence about the particular business.

KEYWORDS

Group behavior, Performance, Self Help Group.

INTRODUCTION

Organizational Citizenship Behavior (OCB) acts as an invisible catalyst and influences the performance of any organization. The concept of OCB was first introduced by Smith et al (1983) through an empirical study to explore various causes of OCB. Later, Organ (1988) conceptualized OCB as individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system and in aggregate promotes effective functioning of an organization. In recent years, even groups in organization are emerging as important managerial tools and as a result scholarly attentions are being devoted to group effectiveness and its performance (Gersick, 1988). Many organizations have also recognized the importance of small groups owing to increased complexities of internal and external environments, where the organization competes (Kearney et al., 2009). As the influence of groups on organizational outcome increases, research on group dynamics has increased dramatically. A potential explanation provided by the literature and various research studies has shown that group can perform better when group members contribute above their formal role requirements like "Extra Role Behavior" (ERB). This particular outcome from the group has generally been labeled as Group Organizational Citizenship (GOC) behavior.

Thus Group Organizational Citizenship Behavior (GOCB) is normative level of organizational citizenship behavior performed within a group (Ehrhart, 2004). Basically OCB encompasses five different attributes of a member in a group namely Altruism (helping selfless concern for the welfare of others), Civic virtue (developing oneself knowledge, skill, and attitude attending meeting/function of common interest), Conscientiousness (working extra long days, never bending the rules and regulations), Courtesy (preventing work related problems with others), and Sportsmanship (complaining about trivial matters always focuses on what's wrong, rather than the positive side).

REVIEW OF LITERATURE

A large body of literature theoretically and empirically documented that there is a strong positive relationship between OCB and unit level performance. Research has also shown that OCBs helped the managers to assess managers' decision regarding training, promotion, reward and perception. This also influenced in how much an employee's performance contributed to the financial performance of an organization (Allen and Rush, 1988). Managers evaluated the performance of employees; they apparently factor citizenship behavior into their assessments (Podsakoff et al., 2000). Chen et al (2005) found that GOCB is positively associated with group performance and negatively related to turnover intentions. According to Fleenor (2006), there is a relationship between organizational citizenship behavior and organizational performance because, without changing the behavior of employees, no organization can perform well and particularly civic virtue is related to organization's performance. Podsakoff and Mackenzie (1994) have done research on OCB dimensions like altruism, civic virtue, conscientiousness, sportsmanship and objective performance and found that they were all significantly related to manager's ratings of overall performance of sales agents in case of insurance industry. Podsakoff et al (2009) performed a meta analysis and observed a strong positive relationship between OCB and unit level performance and also examined the consequences of OCB at the individual and organizational level. Thus the above past studies revealed that there exists a positive relationship between GOCB and group performance.

OBJECTIVES OF THE STUDY

There are many researches on the application of GOC behavior concepts to public and private organizations, but very little work has been done in case of Self Help Groups (SHG). This study thus assesses the extent by which the behavioral factors like OCB would contribute to group performance and how it leads to the sustainability of the SHGs. The present study has been attempted in Coimbatore district with the following specific objectives:

1. to analyze the relationship between GOC behavior attributes and group performance of SHG's engaged in group as well as individual businesses; and
2. to compare and measure the GOC behavior between the SHG (Group Business) and SHG (Individual Business)

METHODOLOGY

The study was conducted in Coimbatore city. There were about 20,000 SHG's functioning in the city. For this study, 5 SHG's in each category were purposively selected based on the secondary details obtained from the Rural Development and Panchayat Raj Department, Coimbatore. There were 120 group members in the 10 SHG's selected @ 12 in each SHG involved in Group Business (SHG-GB) and Individual Business (SHG-IB).

SHG (GB) is defined as a Self Help Group with members who help mutually and collectively among themselves in order to accomplish the tasks or business in group. In case of SHG (IB), members instead of helping each other, behave independently in carrying out their own independent businesses. Even though each member needs cooperation, members did not seek for help and were not willing to support their colleagues. Members joined together only for the purpose of getting loan from bank. Once the bank loan is obtained, these group members carried out their businesses individually. While selecting the SHG group, it was ensured that all selected SHG groups were in performing stage of Group development process as indicated by Chou (2011) where one could expect high levels of GOCB in the performing stage of a group.

MEASUREMENT AND RELIABILITY

Group Organizational Citizenship Behavior was measured with the organizational citizenship behavior scale developed by Podsakoff and Mackenzie (1989). Later, a modified version of the measure was used and validated by Podsakoff et al (1990). The items included in this scale were based on the definitions of the five dimensions of organizational citizenship behavior as described by Organ (1988), namely altruism, civic virtue, courtesy, conscientiousness, and sportsmanship.

Regression analysis was done to identify the relationship between dependent variable "Group performance" and independent variable defined as the dimensions of Organization Citizenship Behavior". Koys (2001) also in his study used OCB as an independent variable and organizational performance as the dependent, rather than organizational performance influencing employee's behavior.

Functional form of the regression analysis indicating the relationship between dependent and independent variables are given below:

$$Y = \beta_0 + \sum_{i=1} \beta_i X_i$$

i=1

where dependent variable Y is the performance of SHG and independent variables were Altruism, Civic Virtue, Conscientiousness, Courtesy, Individual initiative and Sportsmanship which are represented as X₁, X₂, X₃, X₄, X₅ and X₆ respectively. β_0 is intercept and β_1 to β_6 coefficients to be estimated.

The variables were measured using a five point rating scale ranging from strongly agree to strongly disagree with neither agree nor disagree as the middle point. The score values obtained from member of SHG was considered. The instruments developed by Podsakoff and Mackenzie (1994) and Fiedler (2004) respectively were used in this study. The measurement items for different dimensions are listed in Annex. I.

RESULTS AND DISCUSSION

The demographic characteristics of the group members indicated that all the respondents were female members. In terms of the age of the sample respondents, majority of them (50 per cent) were in the age group of 40 to 49 years in both SHG (GB) and SHG (IB).

TABLE 1: Z-TEST: PERFORMANCE OF SELF HELP GROUPS

Particulars	SHG (GB)	SHG (IB)
Mean	4.5375	4.1875
Variance	0.08	0.05
Observations	60	60
Hypothesized Mean Difference	0	
Z score	7.64	

Parametric test statistics (Z test) to compare means of both the SHG (GB) and SHG (IB) presented in Table 1 shows that there is significant difference between the performance of SHG (GB) and SHG (IB). The mean value of the performance of SHG (GB) is greater than that of SHG (IB) implying a better performance of SHG (GB) than SHG (IB). This might be due to the fact that the higher level of group cohesion, helping behavior and team network existed in case of group business based SHG than that of SHG (IB). This was also supported by Chang and Bordia (2001) that group performance is positively related to group cohesion. According to Enricoisevi (2010), Organizational citizenship behavior leads to performance improvement only if the level of effort is high. On contrary, as effort decreases, the Organizational Citizenship Behavior produces a loss in effectiveness. The best performance is reached by the group which is able to judge the colleagues and to reserve help, only toward those members providing more effort. Ng and Van Dyne (2005) examined a cross level and group level model of helping behavior in work groups and discovered that co-operative norms influenced helping behavior.

Table 2 exhibits the regression estimates and coefficients for Organizational Citizenship behavior with performance of SHG (GB).

TABLE 2: GOCB AND PERFORMANCE IN SHG (GB) (n=60)

Variables	Coefficient	Standard error	t value
Intercept	0.526	0.301	
Altruism	0.244**	0.066	3.690
Civic virtue	0.085 ^{NS}	0.073	1.162
Conscientiousness	0.175**	0.067	2.621
Courtesy	0.221**	0.075	2.939
Individual initiative	0.271**	0.088	3.080
Sportsmanship	0.028 ^{NS}	0.066	0.418
R ²	0.87		
F	57.04**		

** Significance at 1 per cent level, NS – Non significant

Among the different dimensions of GOCB, Altruism, Individual initiative, Courtesy, and Conscientiousness were significant at one percent level and influence more towards performance of group based SHG. Civic virtue and Sportsmanship behavior were found to be insignificant. The coefficient of multiple determination was 0.87 and it indicated that 87 percent of the variation in the dependent variable was influenced by the independent variables included in the model.

Table 3 exhibits the summary of the regression statistics for Group organizational Citizenship behavior and performance in SHG (IB).

TABLE 3: GOCB AND PERFORMANCE IN SHG (IB) (n=60)

Variables	Coefficient	Standard error	t-value
Intercept	0.947	0.447	
Altruism	0.083 ^{NS}	0.089	0.935
Civic virtue	0.362**	0.083	4.348
Conscientiousness	0.246*	0.107	2.299
Courtesy	0.112 ^{NS}	0.064	1.758
Individual initiative	0.081 ^{NS}	0.064	1.264
Sportsmanship	0.055 ^{NS}	0.091	0.602
R ²	0.59		
F value	12.63**		

** Significance at 1 per cent level

* Significance at 5 per cent level

NS – Non significant

Among the different dimensions of GOCB, Civic virtue and Conscientiousness were significant at one per cent and five per cent levels respectively and their influence were more towards performance of individual based SHG. Altruism, Courtesy, Individual initiative and Sportsmanship behavior were found to be insignificant. The coefficient of multiple determination was 0.59 and F value was significant at one per cent level.

From Tables 2 and 3, it could be inferred that there existed differences in the attributes of GOC behavior of members in SHG (GB) and SHG (IB) influencing performance of the group members. It could also be observed that influence of attributes such as Altruism, Individual initiative, and Courtesy were high for SHG (GB) whereas in case of SHG (IB), it was of civic virtue and conscientiousness. Subsequently, group performance level differs according to the increase or decrease in the different attributes of GOC behavior. It could also be inferred that in either of the groups, GOC behavior influenced the level of group performance of SHGs.

IMPLICATIONS

The study indicated possibilities of improving the performance of both types of Self Help Groups. For individual based SHG, creating awareness about the success stories of group based SHG, importance of group/team dynamics, and group behaviors for better performance of SHG need to be conducted. Interventions like trainings need to be organized for all the members at regular intervals for developing team work, leadership skills and taking group initiative. In case of Group based SHG, capacity building activities like trainings need to be conducted to develop the recent technical knowhow, entrepreneurial marketing, communication skills and confidence about the particular business.

CONCLUSION

Different dimensions of GOCB viz., altruism, Civic virtue, Conscientiousness, Courtesy, Individual initiative and Sportsmanship are influencing the performance of members of Self help Group. GOC Behavior not only contributes to achieve group performance but also helps in sustainability of the group through empowerment among the members in the group.

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ANNEXURE

ANNEXURE I: MEASUREMENT ITEMS OF DIFFERENT DIMENSIONS OF ORGANISATIONAL CITIZENSHIP BEHAVIOR AS USED BY PODSAKOFF AND MACKENZIE (1994) AND FIEDLER (1993)

Sl. No	Particulars	SA	A	NA nor DA	DA	SDA
Altruism						
1	Help others who have been absent					
2	Help others who have heavy work load					
3	I help orient new people even though it is not required					
4	Willingly help others who have work related problems					
Civic virtue						
1	I attend functions that are not required, but help the group image					
2	I keep abreast of changes in the group					
3	I read and keep up with group announcements, memos and so on					
4	I often assess what is best for the group					
Courtesy						
1	I try to avoid creating problems for group members					
2	I consider the impact of my actions on group members					
3	I attend voluntary functions					
4	I help organize get-togethers					
Conscientiousness						
1	I don't spend time on personal calls during group meeting and work time					
2	I don't engage in non work related talk					
3	I will come to work early if needed					
4	I obey group rules and regulations even when no one is watching					
Sportsmanship						
1	I often consume a lot of time focusing about trivial matter					
2	I often focus on negative side, rather than the positive one					
3	I tend to make "Mountains out of mole hills"(make problems more than they are)					
4	I often find fault with what the group is doing					
Performance indicators						
1	Regular saving activities and proper repayment of loan					
2	Improvement of technical skills					
3	Attending meeting/training					
4	Stayed in the group over a long period of time					

SA- Strongly Agree, A-Agree, NA nor DA- Neither Agree nor Disagree, DA- Disagree, SDA- Strongly Disagree

A COMPARATIVE STUDY TO ANALYSE THE REQUIREMENT OF AN EFFECTIVE AND VALUE-BASED HIGHER EDUCATION SYSTEM WITH REFERENCE TO INDIA

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ABSTRACT

Education is not only an instrument of enhancing efficiency but it is also effective tool of widening and augmenting democratic participation and upgrading the overall quality of an individual by increasing social values. The Indian higher education system continues to be bogged down by the challenges of indefinite access, poor quality and inequity. A country with value based education system responds more effectively and promptly to the challenge and opportunities of the globalization. The thrust of an effective and value based quality education system at higher level has been recognized by the academicians as well as research scholars. This research paper tries to explore the present scenario of higher education system by describing, comparing and analyzing the data; and suggesting remedies to improve it for correcting sectoral and social imbalances, reinvigorating institutions, crossing benchmarks of excellence and extending the frontiers of knowledge. It also acknowledges the challenge of rising numbers of students, social inequalities and real issue of quality teaching-learning in higher education system. The paper is purely based on secondary data and information has been collected with effect from independence. Academic programmes, policy statement, education projects and publications of UGC are analysed by applying various statistical tools to highlight the challenges and prospects for future progress through an effective and value based higher education system in India.

KEYWORDS

financial innovation, gross enrolment ratio, higher education system, India, knowledge economy.

INTRODUCTION

The objective of education, in broad, is to create an appropriate population of such men and women who could understand the world well enough and are able to bring about a change in the most important issues relating to nation like leading to adequate health and education services, a better environment, elimination of ignorance which ultimately makes a society and nation, strong and developed. That is why the value of higher education system is felt essential to national, social and economic development and no more a luxury.

Rich countries are expending a very high proportion of GDP on education than poorer ones. Higher education system in India is the first largest in the world. India has also the world's largest set of young people and, this youth can prove as an asset to country only when there is an investment in their talents and potentials. But, if invested in wrong way on denying this investment will make this population a big and hazardous liability in spite of asset. Hence, there is a great requirement of value-based higher education system in India.

Education is an effective tool of widening democratic participation and improving the overall quality of individual and social life. As compared to its population, it is not much significant and thus is tremendous scope of its improvement to create proper balance in the society. The Indian higher education system continues to be bogged down by the challenges of indefinite access, poor quality and inequity. The rapid expansion of higher education in India has been at the cost of its quality. A country with value based education system responds more effectively and promptly to the challenge and opportunities of the globalization. India is in transition to a knowledge based economy and its competitive edge will be determined by the abilities of its people to create, share and use of value based knowledge more effectively. It can be believed that with some financial innovation and regulating reforms, we can significantly strengthen India's higher education system and propel country into becoming a knowledge superpower. Accounting to the 'BRIC' report released by Goldman Sachs, India is projected to become one of the leading economies in the world and value based quality education is identified as a key enabler to achieve this goal. In India, there are three agencies that evaluate the quality of institutions and programmes. These are National Assessment and Accreditation Council (NAAC), National Board of Accreditation and University Grant Commission (UGC). But all the agencies has failed to protect the students from fraud and abuse. There is a lack of public awareness and no appropriate system is prepared to collect and compile the statistical information in a systematic way.

In India, more education has been on general education which has resulted in large numbers of educated people remaining unemployed. But, the planners should recognize this aspect of education should take initiative for 'vocalisation of education' as a great initiative. Higher education, in India is mostly owned by public sector. Hence, the state has a big role to play in making literacy rate high. But expenditure on education (lower than 1% of GDP) is very low in India.

THE PURPOSE

The purpose of this paper is to know the existing higher education system in India by analyzing the data, to compare it with the data of some advanced countries and to provide suggestions and recommendations for effective implementation of value based higher education system.

THE DATA AND METHODOLOGY

The paper is solely based on secondary data and information collected with effect from independence from different sources like books, journals, reports of various organisations and commissions under Government of India and resources available in various websites e.g. www.ugc.ac.in, www.education.nic.in, www.aicte.ernet.in etc. Academic programmes, policy statement, education projects and UGC reports are analysed by applying various statistical tools to highlight the challenges and prospects for future progress through value based effective higher education system in India.

Now, it is necessary to understand the current scenario of higher education system prevailing in India, locate the errors and then find the solutions to remove them.

CURRENT SCENARIO OF HIGHER EDUCATION SYSTEM

Regulatory bodies as University Grant Commission (UGC) and All India council for Technical Education (AICTE) have responsibilities for regulation, co-ordination and development of higher education in India. Accreditation bodies as NAAC and NBA evaluates the quality of institutions for a certain states. The overall responsibility of all these bodies is of Central Govt. which plays a key role in giving a definition to public policy for higher education in country with the help of other ministries and departments. State Governments also provide guidelines for proper functioning of higher education institutions in states through government departments, state councils and advisory boards.

India still does not seem aware about the value of education as govt. funding for higher education is still below 1% of G.D.P. (0.69%) which is absolutely not a good sign for education growth and lower than other countries such as the US (2.9%), UK (1.3%) and China (1.5%). India is one of the lowest expending countries on higher education in world (\$1,162 per student). As a share of the GDP, the allocations have registered a slight hike from 0.69% of the total budget (in 2011-12 RE) to 0.73% in 2012-13 BE. Under XIth plan, value based quality education at higher level has received a boost with more funds being allocated for

the purpose (planned amt. Rs 2500 billion). The overall budgetary provision in respect of initiatives to be launched for actively the stated goals and objectives in respect of access, equity, quality and value based education estimated by UGC as Rs. 1, 84,740 crore for the period of 2012-17. Despite 2012-13 being the first year of the 12th Five Year Plan, there seems to be hardly any focus on prioritising public provisioning for education by the Union Government. The present total government spending (Centre and States combined) on education accounts for about 3.7 % of GDP (as of 2009-10), which is very much less than the benchmark of 6 % of GDP that had been recommended more than 40 years ago. In this regard, the Union Government has not taken adequate measures towards increasing the country's total budgetary spending on education significantly. For education, the outlays in Union Budget 2012-13 have gone up very marginally from 4.65 % as a proportion of the total Union Budget (in 2011-12RE) to 4.97% in (in 2012-13BE). For University Grants Commission (UGC), the allocations in this year's budget do not reflect the government's stated commitments to adequately finance higher education. From Rs 8927 crore in 2011-12 RE, it has gone to Rs 10350 crore in 2012-13 BE.

The data tells that, India is spending too much little amount on higher education than it could do to increase education growth. Still, there is time to be aware about the value of higher education and about its importance in development of a country. Govt. must increase public expenditure or take corrective steps to do it to make the higher education system more developed and value based.

QUALITY OF HIGHER EDUCATION

In a London Time Higher Education Supplement ranking of top 200 universities, just one Indian institution was listed, and in Shanghai University ranking of 500 world class Universities listed only 3 Indian Universities. In 2009, a review committee set up by the Ministry of HRD found 88 of the 130 deemed universities to be of poor quality and identified problems such as control of management boards by nominees of the sponsoring trust or government functionaries, low quality of research, and improper practices in admission process. The quality of Indian higher education system can be assumed as of low standard by considering actual facts. Accreditation bodies such as NAAC and NBA evaluates the education institutions. Analysis of examination performance is used by universities to estimate and evaluate the quality of individual colleges. Quality of education depends upon the qualification of teachers students to teacher ratio, designation of the teachers, expenditure per student etc. In 2003-04 qualification of teachers was as under:

TABLE 1: PERCENTAGE DISTRIBUTION OF TEACHERS BY QUALIFICATION IN VARIOUS GRADES OF COLLEGES 2003-2004

Nature of Appointment	Qualification	A & Above	B++ & B+	B only	C++,C+ & C	Non- Accredited	Total
Permanent	Ph.D	35.9	33.0	26.6	28.6	28.8	31.0
	M.Phil.	20.6	19.7	18.4	17.9	20.2	19.4
	PG	43.0	45.9	54.7	52.0	50.7	48.6
	Others	0.4	1.4	0.2	1.5	0.3	0.9
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Temporary	Ph.D	10.1	11.4	6.9	8.2	8.3	9.7
	M.Phil.	7.9	8.6	6.7	8.7	7.3	7.9
	PG	81.2	77.7	85.7	81.5	83.9	81.0
	Others	0.8	2.3	0.6	1.6	0.5	1.4
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Part-Time	Ph.D	9.3	11.5	6.8	13.2	5.8	9.4
	M.Phil.	7.0	6.6	3.5	4.3	8.0	6.2
	PG	83.2	80.4	88.8	81.9	84.1	83.2
	Others	0.6	1.2	0.9	0.6	2.0	1.2
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Teachers	Ph.D	28.1	28.0	21.9	24.9	22.4	25.6
	M.Phil.	16.7	17.0	15.3	15.6	16.5	16.3
	PG	54.7	53.5	62.4	58.1	60.6	57.1
	Others	0.5	1.5	0.4	1.4	0.6	1.0
	Total	100.0	100.0	100.0	100.0	100.0	100.0
No. of Sample Colleges		110	547	298	233	285	1473

Source: Self Assessment Reports submitted with NAAC and NAAC Grades

Students to Teacher Ratio: According to UGC Annual Report, 2004-05 students to teacher ratio in university department was 18:1 while 23:1 in affiliated colleges.

TABLE 2: DISTRIBUTIONS OF THE TEACHING STAFF BY DESIGNATION

Yr.	Professors	Readers	Senior Lecturers	Lecturers	Tutor/Demonstrators	Total
(a) University Departments and University Colleges						
09-10	21, 006 (20.85)	25,308 (25.13)	10,293 (10,22)	38,983 (38,69)	5,151 (5.11)	1,00,741 (100,00)
(b) Affiliated Colleges						
09-10	40,538 (6.77)	1,35,532 (22.64)	84,707 (14.15)	3,22,820 (53.91)	15,126 (2.53)	5,98,723 (100.00)

Source: UGC Annual Report, 2009-10

COMPARATIVE PUBLIC EXPENDITURE WITH REGARD TO HIGHER EDUCATION

When comparative study is done, India is not doing well in higher education as other countries are doing a wonderful job. Here is a comparative study of 8 countries i.e.: UK, Brazil, Russia, China Finland, Sweden, USA and India. Public expenditure of on higher education per student of these countries was as follows:

Countries	USD
Sweden	13,759
Finland	10,836
USA	10,616
UK	10,060
Brazil	2,977
China	2,728
Russia	1,863
India	1,162

Sources: UNESCO, Global Education Digest 2009.

India is also not doing well in attracting foreign students. India needs to improve its quality and should make good provisions to in take the foreign students as these can be a big revenue stream for India.

TABLE 3: ALL INDIA GROWTH OF STUDENT ENROLMENT: 1984-85 TO 2009-10

Year	Total Enrolment
1984-85	34,04,096
1994-95	61,13,929
2004-05	1,06,62,744
2009-10	1,46,24,990
2022-23(with 30% GER)	22,00,00,000 (estimated)

Source: UGC Annual Report, 2009-10

ENROLMENT RATE

The enrolment rate is measured by Gross Enrolment ratio (GER), Net enrolment ratio (NER) and Enrolment of Eligible Ratio (EER). GER measures the access level by considering the ratio of persons enrolled in various programmes to total population in age group of 18 to 23. The NER measures the level of enrolment for age specific groups listed in age group of 18 to 23. And the EER measures the level of enrolment of persons who completed their higher secondary level education.

TABLE 4: ENROLMENT IN HIGHER EDUCATION BY REGIONS 2001-02 (IN %)

Groups of Countries	Gross Enrolment Ratio
Developed Countries	54.6
Countries in Transition	36.5
Developing Countries	11.3
India	13%(App.)
World	23.2

Source: Selected Educational Statistics (SES), National Sample Survey and Population Census.

TABLE 5: DRAFT REPORT OF WORKING GROUP ON HIGHER EDUCATION FOR 11TH FIVE YEAR PLAN (18-23 YEARS)

Year	Total GER based on SES	Total GER based on Census
2007-08	11.1	16.4
2008-09	11.9	17.3
2009-10	12.9	18.3
2010-11	14.1	19.4
2011-12	15.5	20.6

Other countries such as the USA (81%), UK (54%), Japan (49%) and Malaysia (27%) have much higher enrolment rates. There are high disparities within the country too. The GER for the urban population is almost 20% but for rural areas it is only 6% Also the GER for SC/ST/OBC varies between 6-8%. The CABE report stated that at least 20% enrolment ratio was required for India to become an economically advanced country.

TABLE 6: DISCIPLINE WISE GRADUATES AND POST GRADUATES OUTPUT: 2009-10

S. No.	Level	University Departments	Affiliated Colleges	Total	Percentage	Affiliated Colleges
1	Graduate	12,35,537	1,14,22,835	1,26,58,372 (86.55)	90.24	
2	Post - Graduate	4,90,261	11,90,567	16,80,828 (11.49)	70.83	
3	Research	97,667	20,330	1,17,999 (0.81)	17.23	
4	Diploma/Certificate	95,366	72,425	1,67,791 (1.15)	43.16	
	Grand Total	19,18,833	1,27,06,157	1,46,24,990 (100.00)	86.88	

Source: UGC Annual Report, 2009-10

UGC Annual Report 2009-10 shows at 42.01 of Bachelor's level students obtain degree in arts, 17.83% in commerce, 19.3% in science, 10.33% in engineering/technology and 2.5% in education courses. While 56.6% of Master level students obtain degree in arts, 17.5% in commerce, 13.7% in science and only 2.3% in engineering. According to UGC Annual Report 2004-05, the ratio between male graduates and female graduates is 1.51:1 at Bachelor's level and 1.42:1 at Master's level.

GROWTH OF HIGHER EDUCATION SYSTEM

Before independence, Indian higher education system was very limited enrolling less than a million students in just 500 colleges and 20 universities. Institutional Capacity in Higher Education in the year of 1950 and 2008 is as follows:

TABLE 7

Institutional Capacity in Higher Education		
Institutional Capacity Indicator	1950	2008
Number of university level institutions, including 11 private universities	25	431
Number of Colleges	700	20,677
Number of Teachers	15000	5.05. lakhs
Number of Students Enrolled	1 lakh	116.12 lakhs

Besides growing the size of universities for general and professional higher education, there are many more universities setup in some special disciplines like Agricultural (35 universities), Technological (14), language (11), Medical (9), Law (6), Woman (5), Animal and fishery (4), Others (16).

Source: UGC Annual Report, 2004-05.

According to Annual report 2006-07, the number of universities has increased by 18 times, number of colleges by 35 times and enrolment by more than 10 times.

India has one of the largest higher education systems in the world with over 661 universities 31324 colleges and 15 million students as on August, 2011. With gross enrolment ratio (GER) of 30%, the number of the students will be 22 million by the end of 2016-17.

In 1950-51 the enrolment rate was 0.7%, which increased to 1.4% in 1960-61. First issue relates to the enhancement of access to higher education. There has been a considerable improvement in the enrolment from .7% percent in early 1950's to about 13% in the 2003. The 13 percent is little more than average for Developing countries, which is 11%. But it is too low compared to 23% of world average or 36.5% for countries in transaction or 54.6% for Developed countries.

India have a large higher education system which provides the facility of education and training in almost all aspects of human creative and intellectual endeavors like in natural, mathematical, social sciences, engineering, medicine, agriculture, culture, communication, language, music, IT, management, population science, neuro science, brain research, yoga, drama, foreign trade, rural studies, educational planning and administration aspects etc.

If we see the current status in a overview, the features are there is a tremendous growth in increasing the number of institutions but less attention is paid to the quality of these institutions. Expenditure on a higher education per student is very low. Vocational and career oriented courses should be more appreciated; responsibilities must be performed with dedication by regulatory bodies to upgrade the level of higher education in India.

Current status is not satisfactory in many aspects like a very low enrolment in rural areas is a big issue, vocational education not still getting adequate importance, low quality of teaching staff, little funding in higher education system, India isn't doing good in respect of foreign student to attract towards itself etc.

SUGGESTIONS AND RECOMMENDATIONS

AICTE and University Grant Commission has given sanctioning and affiliation to large number of institutes but were unable to produce competent faculty to teach effectively, which creates a demand supply gap and resulted in low standard quality of faculty. Institutes are engaged in appointing new faculty member on low salaries and heavy teaching load which further deteriorate their quality and they are left with no time for further development, and involving part time faculty which had little or no involvement with the institutes the quality of faculty remained inferior in the sense that they paid not enough attention of knowledge, understanding of concepts, and development of skills. Therefore to maintain the quality in teaching, well paid regular faculty should be appointed.

Developing a curriculum is a challenging task and has to be continuously updated to keep pace with the advancements. Curriculum should be driven and periodically reviewed to match the present scenario.

Research not only leads to updating of knowledge in concerned subject, but also leads to knowledge creation. Promoting a research culture in higher education requires change of mind and need to look beyond just making money. Higher education institutes should inculcate to faculty involved and interest among faculty for research. This can be done by providing a good library support system. University Grant Commission has already taken step in this direction by giving due weight age to research and publication for promotions. This need to be extended and implemented not only in Government universities and institutes, but in all institutes imparting higher education.

Govt. of India should create an independent body for regulating higher education and due importance is given to the fact that it gets adequate independence. A better co-ordination should be ensured between Central Government and State Government. An independent body will be able to take corrective and proper steps to improve the higher education system if given appropriate powers and independence.

Govt. must take some strong steps to attract foreign students in India. Here also, due importance should be given to the fact that our universities are of good standard.

Greater transparency is to be brought about in higher education system. It should be made mandatory for all the institutions to publish their information on their web-sites. If incorrect delayed information is published, there must be a provision of strict penalties.

Structure of higher education system needs to be corrected. There is a big imbalance in ratio of universities to colleges in the country. This ratio has to be corrected by opening more universities both by public and private sector. The standard in regard of quality in these universities must be of high level. Universities and higher education institutions should be provided the internal autonomy.

A scheme is to be developed for installation of infrastructure in classrooms as computer, internet facility etc. A common repository for e-journals, digitized Ph.D. thesis, research papers and e-books should be created and should be provided to all recognized higher education institutions at a nominal cost. Also, a high speed network is to be created to provide connectivity across all education institution in India. By online communication the services of experts can be taken in a wider scope and the students in remote areas can also get the benefit of services of these experts. With the concept of online communication, interaction between students locating in various parts of country is of great value to students. A framework should be prescribed which allows the representation of all the stakeholders in the decision making process in higher education institutions. This will give new creative ideas to upgrade the higher education and will lead to inclusion of poor society in higher education system. Certain restriction on section 25 companies should be removed so that trust and societies can operate in higher education system.

Funds spending on higher education should be increased to improve the gross enrolment ratio since the current spending is very low on higher education in India. Rich countries have achieved their educational goal only because of appropriate spending on education. India should, now understand the value of higher education system and must provide adequate funds to it. Spending on education must be increased at least up to 1.5 % of GDP.

Information and Communication Technology (ICT) should be used in a right direction. ICT can improve the Indian Higher Education System in three ways as greater equity, upgraded quality and better access. The good quality institutions should not be restricted to a few pockets but should be made accessible to students located in various parts of country. Students should be provided the contents useful for their education with access to internet, EDUSAT network is a good initiative in this aspect. Education must be provided to all the students irrespective of their cast and economical background. Cost of education should be cheaper so that even the students of lower incomes family are able to get higher education. This can be done by providing more and more scholarships to meritorious students. Quality of higher education should be improved by applying better and more efficient processes, by giving access to updated contents to students.

Vocational education and skill development programmes must be given an eminent place in higher educational system. The scope and enrolment in vocational education is increasing but at a slower rate. The Government of India should lay down more emphasis on vocationalisation of subjects so that it can fulfil the emerging needs of market by focusing on career oriented skills. The skill development initiative will empower the students of higher education and will provide opportunities to them in getting decent employment after completing their education. Thus, there is a need for increasing the capacity of skill development programmes as these are a very strong tool of valuing higher education and also giving the students employment gaining skills.

CONCLUSION

Higher education system is essential for national, social, and economic development of the country. There is a need of value-based higher education system which empowers youth for self-sustainability by inculcating employment skills and providing decent employment. Non formal education like adult education, value education, promotion of yoga education and practice should be encouraged. Before independence, the scope of higher education was limited, but since the independence India has made a tremendous growth in this aspect. Still, there is a great work to be done in the field of higher education as current higher education system has some major errors. The accreditation bodies like NAAC, NBA are not able in providing a significant value to higher education.

The other big challenge is to increase the public expenditure on higher education for govt., public expenditure on higher education is very low in Indian perspective which is to be increased at a greater speed. Because, the expenditure on education actually the investment, if made in a proper way will give big amount of interest in return in shape of ideal citizens having great knowledge and skill which will ultimately be prove the strongest tool to upgrade and in development of country.

India has a big population of young people as no other owns. India must provide vocational education in higher education and skill development programmes so that this population proves and asset to country in spite of liability. This population can prove liability when appropriate higher education is not given to them which lead to a hazardous situation like unemployment. No country wants to see this situation, only way to escape is to invest heavily in higher education and improving the quality of higher education.

Vocational education is essential to get employment after higher education. Students themselves should also understand the meaning and importance of vocational training. India gives the higher education in many other career oriented areas like agriculture, medical, law, social science, music, animals & fishery, IT, drama etc. Students should choose subject of their own interest and choice in which they can excellence their talents. The other limitation of higher

education system is lack of an appropriate system of scholarships and loan schemes. Meritorious students belonging to weaker sections of society must be encouraged by giving scholarship and also should be given financial support so that they can get higher education.

To achieve educational goals, India needs a flexible education and training system that will provide the foundation for learning value-based higher education and to develop required competencies as means of achieving lifelong learning.

The use of modern technologies is also a prominent concept in higher education. Many more programmes should be set up by Govt. and State Govt. to use the new technologies in higher education with the momentum of reforms to be carry on till the country gets an advanced, efficient and value-based higher education system.

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INEQUALITY AMONG STATES OF INDIA: HUMAN DEVELOPMENT ASPECT

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ABSTRACT

During the last two decades Indian economy has been growing at fairly impressive growth rate of 6 – 7 percent annually. Many research studies indicate increasing regional disparity in both infrastructure and income in India after economic liberalisation (1991). This paper investigates the trend of inequality among fifteen major states of India on the basis four economic indicators: Human Development Index, Per Capita Consumption Expenditure, Population below Poverty Line and Literacy rate. The study draws its conclusion by using a regression model. Results indicate increasing inequality on the basis of per capita consumption expenditure and population below poverty line but not on the basis of human development index. States can be clearly grouped on the basis of literacy rate and significant difference was found among two groups of states having literacy below the national average and literacy above the national average.

KEYWORDS

Economic Growth, Human Development, Inequality, Literacy, Population below Poverty Line.

INTRODUCTION

During the last two decades Indian economy has been growing at a notable pace of 6 – 7 percent annually. This growth is fairly impressive than the growth rate of 3.5 percent per annum in the preceding three decades (see Appendix, Table i). Indian economy has witnessed a growth of 5.4 percent per annum (at 1999 – 2000 Price) during the Sixth Five Year Plan (1980 – 85) and Seventh Five Year Plan (1985-90) where as the growth rate was 5.69 percent (at 1999 – 2000 Price) during the Eighth Plan (1992-97). Meanwhile in the wake of international payment crisis and economic reforms there was a drop in growth rate to the level of 3.1 percent per annum during the period of 1990-92. In subsequent years the annual growth rate picked up and finally during the Tenth Five Year Plan it recorded 7.7 percent, which is impressive by any standards.

Growth in the economy resulted in the improvement of per capita income which was expected to trim down the level of poverty. Considerable fall in the level of poverty is observed by the Planning Commission of India; percentage of population Below Poverty Line¹ (BPL) declined from 36.0 percent to 27.5 percent at national level during the period of 1993 – 94 to 2004 – 05 (see Appendix, Table ii). In the rural area the down fall is much significant from 37.3 percent to 28.3 percent than the urban area where it dropped from 32.4 percent to 25.7 percent during 1993 – 94 to 2004 – 05.

The growth story of Indian economy invites a critical review. New economic policy has favored some groups where as others are yet to be benefitted from it. There is a rising trend in regional disparity in both infrastructure and income (Ghosh & Prabir 2005). From the very beginning of planning phase Government of India (GOI) has been trying to eliminate economic disparity among different sections of the society as well as regions of the country. In the pre economic reform period (before 1991) government had heavy control upon industrial expansion; the clear goal was helping the lagging regions (Sachs et al., 2002). But in the later phase we observe a change in the ideology from government initiative to market mechanisms. Mixed economic structure has inclined towards market led capitalist structure. Confidence has been shifted from strong socially liable public sector to the efficiency of market mechanisms. Proponents of this shift argue that market forces will adjust automatically to deliver goods. Finally we witness a drastic change in the economic policy from closed economic set-up to a highly liberalized economy. Since relatively long period of two decades has been passed after economic reforms (1991) it seems timely to assess its impact on the socio-economic disparity among states of India.

RATIONALE FOR THE STUDY

Many researchers have attempted to analyze the trends of economic growth and inequality in different states of India (Nair 1982, Nair 1993a, Malhotra 1998, Cassen 2002, Planning Commission 2002). Datt and Ravilion (2002) have attempted to establish the relationship between poverty and economic growth at the regional level. In a remarkable exploratory study confined to only one state – Orissa, Nair (1993b) attempted to link the regional development with regional policy. Kurian (2000) has done a detail study on the major states of India. But a comparative inter-state study on the data taken before and after liberalisation to the recent years is uncommon. Present study stretches its scope from pre-liberalisation (1981) to the recent years (2007-08) and analyzes the nation wide data of fifteen major states.

LITERATURE REVIEW

After the period of economic reforms (1991) major states like Gujarat, West Bengal, Karnataka, Maharashtra, Kerala and Tamil Nadu were the major contributors to the growth acceleration in India (Dholakia, 2009). Research findings show increase in regional disparity in the 1990s (Deaton & Dreze, 2002). They concluded that southern and western states are performing better than the northern and eastern states. Divide between urban and rural areas is visible and also within urban areas. Research findings do not support the claim that the nineties have been a period of 'unprecedented improvement'. Research indicates that the policy of economic liberalisation started in 1991 has significantly intensified growth differentials between the states of India (Baddeley et al. 2006). In the early phase of economic reforms poorer states grew slower as compared to wealthier ones but in the later phase there are some evidences of dispersion of income levels across the states (Baddeley et al. 2006). Chakravorty (2003) found solid evidence of inter – regional divergence in his study on the industrial location in post-reform India. There are not enough evidences to show the income convergence in poorer states (Jayanthakumaran 2010). Babu (2002) found uneven growth among states and he suggested a policy framework for overcoming it. As the poor are regionally concentrated Ghosh & Prabir (2005) questioned on the success of poverty removal programs under the new economic policy. The policy of globalisation is widening the regional disparities; Bihar and Orissa are still standing far behind (Economist 2004).

Though we observe massive public investment in the backward regions, disparity has widened (Twari, 2008). Rural India is still deprived from the benefits of country's recent economic growth (Solomon, Bellman 2004). Country's economic achievements have not produced better results in reducing poverty (Roy, 2005). But there are also some contradictory findings. Das et al. (2010) found a convergence of inequality and poverty indicators at both rural and urban levels. They have observed a convergence in the per capita consumption expenditure at urban level but the same is not true at rural level. In his study on regional disparities in economic and human development Dholakia (2003) has noticed a decline in disparity. Cashin and Sahay (1996) have also noted a decline in economic disparity among state of India. Agarwalla & Pangotra (2006) has found that the convergence among states has been faster during the period of 1992 – 2006.

Conclusions on economic disparity are sensitive to what indicators of economic growth are taken into consideration. Singh et al. (2003) found that study of human development indices does not support the increase in regional disparity. Their findings are sensitive to economic performance indicators taken as measures of attainment. Human development indices and consumption & credit indicators do not show increase in the regional disparity (Singh et al. 2003).

¹People who are not able to intake 2100 calories per day in urban area and 2400 calories per day in the rural area are treated as below poverty line (Gaurav Datt as quoted by Datt Sundaram – 2009)

RESEARCH OBJECTIVE

Present study is intended to examine the trend of inequality among major states of India on the basis of economic and human development. The study aims to analyze the inequality among fifteen major states of India by comparing respective figures for selected economic indicators before and after economic liberalisation.

ECONOMIC INDICATORS UNDER STUDY AND SOURCES OF DATA

For analyzing the convergence or divergence among states of India this study is based on economic indicators like: Human Development Index (HDI), Per Capita Consumption Expenditure (PCCE), Population below Poverty Line (BPL) and Literacy Rate. Availability of data is a major problem (Dholakia, 2005) and this is the biggest barrier in the way of significant research dealing with the problems of regional development. Even if data is available with various sources, they are collected by different methods and hence are incomparable in true sense. Planning Commission of India has come up with data on Human Development Index and Per Capita Consumption Expenditure (National Human Development Report - 2001). Economic Survey of Delhi 2007 - 08 has brought out data on Percentage of Population below Poverty Line. We have taken data on literacy rates from census of India 2001.

RESEARCH METHODOLOGY AND HYPOTHESIS

Trend of convergence or divergence in economic development is measured by using a regression model. Many researchers have based their study on major states only (Rao et. al 1999; Kurian 2000). We have confined our study to fifteen major states of India; these are Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

Let us consider an economic indicator X_i at a particular time period t , X_i denotes its value for the i^{th} state for that period, and the value of national average of the same indicator is denoted by X_t at the point of time t . We have calculated the 'state relatives' for all the indicators taken in this study at any point of time by $(X_i / X_t) * 100$ for $i=1$ to 15. We can make two different series of 'state relatives' for two different points of time - initial point t and the terminal point T . To study the disparity among states we can consider cross section regression between 'state relatives' (Dholakia 2005), let us consider Y_i as the value of same indicator for i^{th} state at the terminal point T :

$$Y_i = a + b X_i + u_i$$

To test the cross section regression between X_i^T and X_i^t we require testing following hypotheses:

H0: $a=0$ and $b = 1$ for no change in inequality

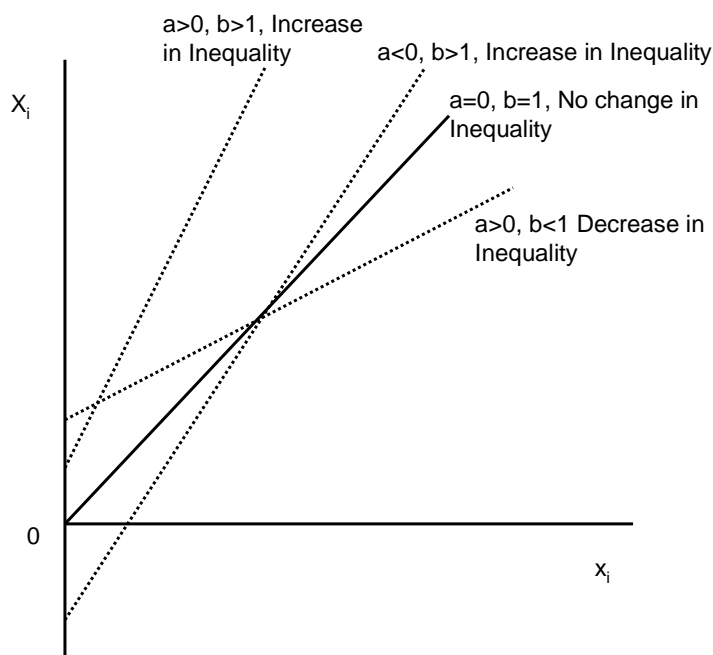
H1: $a>0$ and $b<1$ for reduced inequality

$a<0$ and $b>1$ for increased inequality

$a>0$ and $b>1$ for increased inequality

A limitation of inter-state analysis is the fact that it ignores the intra - State economic inequalities which are much prevalent these days. Availability of current data is also a major restrain over findings.

FIG. 1



COMPARISON OF HDI

We have calculated state relatives of Human Development Index (SR - HDI) at four points of time 1981, 1991, 2001 & 2007 (see Table 1a). There are eight states having SR - HDI more than 100 (for the national average), rest other seven have SR - HDI lower than the national average for all the points of time taken in the study. States which have high SR - HDI are West Bengal, Tamil Nadu, Karnataka, Gujarat, Haryana, Maharashtra, Punjab and Kerala. For the ease of understanding we call this set of states as 'Leading States' and rest others as 'Backward States'. Kerala has been consistently having the highest state relative HDI and Bihar the lowest at all four points of time taken for the comparison; interestingly order of states on the basis of state relatives of HDI remains almost same in a relatively long period of 27 years, except a minor change in the position of Andhra Pradesh, Assam and Rajasthan.

The regression analysis indicates a decrease in disparity on the basis of SR - HDI (see Table 1b). The calculated value of regression intercept and regression coefficient is positive and less than 1 respectively for all the four sets of initial and terminal years and hence we conclude a convergence in states of India.

COMPARISON OF STATE RELATIVES OF PER CAPITA CONSUMPTION EXPENDITURE IN URBAN AND RURAL AREA

For comparing states on the basis of per capita consumption expenditure we analyzed data taken at four points of time 1983, 1993-94, 1999-2000 and 2007-08. We have taken figures for rural and urban consumption separately and calculated state relatives for all fifteen states so that we could get a clear picture of convergence or divergence in the rural or urban India. Our effort was to explore out of urban or rural India which segment is benefited more by the economic reforms. A general observation of Table 2a reveals that Maharashtra has the highest state relative of per capita consumption expenditure in the urban area on

initial three points of time taken in this study but not in the year 2007-08, Kerala leads the series. Punjab has the highest state relative in the rural India in the initial years 1983, 1993-94 but in the later phase Kerala shows the highest figure in the years 1999 – 2000 and 2007 - 08. Interestingly none of the states show the highest state relative in both the segments, it means some states are performing better in urban area and others are performing in the rural area, but not in both.

In the regression equation we find that regression coefficient is more than 1 and the value of regression intercept is negative at all four points of time for the per capita consumption expenditure in the rural area (see Table 2b). This indicates increase in disparity among states; a clear divergence is visible on the basis of state relatives of PCCE in the rural area. Moreover in the urban area the study indicates similar trend of increase in disparity except during the initial year 1999-2000 and terminal year 2007 – 08 when we get a positive value for the regression intercept (21.072) and value of regression coefficient less than 1 (0.817).

COMPARISON OF POPULATION BELOW POVERTY LINE (BPL)

We observe a fall in the population below poverty line from 44.5 percent in 1983 – 84 to 27.5 percent in 2004 – 05 (Planning Commission of India). In the present study we have considered percentage of population below poverty line as an economic indicator to analyze whether this improvement is equally spread all over India or concentrated in some specific regions. Orissa has the highest state relatives for BPL (SR – BPL) at three points of time 1983, 1999-2000 and 2004-05, but in the year 1993-94 Bihar has the highest figure (Table 3a). These two states have significantly high percentage of population below poverty line consistently for the twenty years long period of time taken into this study. On the other hand Punjab and Haryana are the states which have the lowest and the second lowest value for the SR – BPL. It indicates that there is no change in the positions of the states with highest and the lowest percentage of population below poverty line. On the other hand Assam and Kerala have considerably improved their positions during this period of study.

Table 3b indicates convergence among states in the pre reform period of 1983-84 to 1993-94 (regression intercept 'a' = 9.751, regression coefficient 'b' = 0.891) but in the first decade (1993-94 to 1999-2000) of economic reforms the disparity among states of India increased significantly (regression intercept 'a' = -44.777, regression coefficient 'b' = 1.463). In the later phase (1999 – 2000 to 2004 – 05) there is improvement in the situation and states again show a convergence, the value of regression intercept (a = 21.839) and regression coefficient (b = 0.747) help us to conclude the decrease in disparity among states of India. However the overall picture after economic reforms shows increase in inequality. The value of regression intercept 'a' and regression coefficient 'b' calculated for the initial year 1993 – 94 and 2004 – 05 is -18.123 and 1.162 respectively, which shows an increase in disparity among states.

INEQUALITY IN LITERACY RATE

Table 4a shows State wise literacy rate based on 2001 Census in 15 states taken for this study. Kerala has the highest 90.86 percent literacy rate and Bihar is on the bottom of series with 47 percent of literacy rate. States like Uttar Pradesh, Rajasthan, Andhra Pradesh, Orissa, Assam and Madhya Pradesh have literacy rate below than the national average of 64.84 percent. 94.24 percent male population is literate in Kerala where as 59.68 percent in Bihar. In the case of females situation is much poor. Two third of the women are illiterate in Bihar. But in the case of Kerala there is only a difference of 6.52 percent in the literacy rate of males and females. Tamil Nadu, Maharashtra, Punjab, Gujarat, Karnataka, Haryana and West Bengal are states having high literacy against the national average. As far as women literacy is concerned throughout the nation it is less than that of males. This is very common phenomena of Indian social system.

We tested the difference in the level of literacy among two groups of leading and backward states by using Mann-Whitney U test for testing the equality of locations of two populations. Test statistics (see Table 4b) show significant difference in the literacy rate of males across states under study, it is high in the leading states than the backward states ($Z = -2.89$, Sig. at 0.01 levels). Similar difference was found in the literacy rate of females among backward and leading states ($Z = -3.24$, Sig. at 0.01 levels). Taking data on total literacy for both males and females together Mann-Whitney U test shows that literacy rate is significantly high in the leading states ($Z = -3.24$, Sig. at 0.01 levels). It is evident from above findings that on the ground of literacy rate leading states are doing better than backward states. Inequality among states on the basis of literacy rate is visible.

CONCLUSION

India is a country with high level of diversity, no two states or regions have similar socio – economic set ups. Level of economic development also differs in states throughout the nation. There is a wide difference on the basis of Human Development Index (HDI) among 15 major states of India covered in this study. Kerala shows the highest point in the index 0.827 where as Bihar has only 0.476 in the year 2007. It shows a big chasm in economic development of states. Against our objective to measure the convergence or divergence in the economic and human development across major states of the country our findings are different for various indicators of economic development.

While comparing the state relatives of HDI we find decrease in disparity among states of India. A divergence among states is visible on the basis of Per Capita Consumption Expenditure in rural area during the entire period of study. In the urban area the study indicates the similar trend of increase in disparity except during the initial year 1999-2000 and terminal year 2007 – 08 when we noticed a convergence among states of India. Analysis of population BPL indicates convergence among states in the pre reform period of 1983-84 to 1993-94 but in the first decade (1993-94 to 1999-2000) of economic reforms the disparity among states of India increased significantly. In the later phase (1999 – 2000 to 2004 – 05) there is improvement in the situation and states again show a convergence. However the overall picture after economic reforms shows an increase in disparity. Findings indicate inequality on the basis of literacy rate; it is high in leading states than backward states.

The increasing inequality among states of India may cause several social and political problems. Economic divide can accelerate mobility and migration of people from one place to another for earning livelihood, and it can increase pressure of population in some geographic spots. There is a need to generate employment at origin of migration in order to check the migration effectively (Kumar et. al. 2003). The government of India should take it into serious consideration otherwise situations may get worse in coming future.

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TABLES

TABLE 1a: STATE RELATIVES OF HUMAN DEVELOPMENT INDEX (SR – HDI)

S.N. (A)	States (B)	1981* (C)	1991* (D)	2001* (E)	2007** (F)
1	Bihar	78.47	80.83	77.75	77.77
2	Madhya Pradesh	81.12	86.08	83.47	83.49
3	Uttar Pradesh	84.43	82.41	82.2	82.18
4	Rajasthan	84.76	91.07	89.83	89.86
5	Orissa	88.41	90.55	85.59	85.62
6	Assam	90.06	91.33	81.77	81.69
7	Andhra Pradesh	98.67	98.95	88.13	88.07
8	West Bengal	100.99	106.03	100	100
9	Tamil Nadu	113.57	122.3	112.5	112.41
10	Karnataka	114.56	108.13	101.27	101.14
11	Gujarat	119.2	113.12	101.48	101.47
12	Haryana	119.2	116.27	107.83	107.84
13	Maharashtra	120.19	118.63	110.8	110.78
14	Punjab	136.09	124.67	113.77	113.72
15	Kerala	165.56	155.11	135.16	135.13

*Calculated from National Human Development Report, 2001, Planning Commission of India; Available at <http://socialjustice.nic.in/pdf/tab16.pdf> Accessed on Feb 09, 2011

**Calculated from Publius Quintilius Varus, Available at <http://pqvarus.wordpress.com/2010/03/15/indian-statistics-by-hdi>

TABLE 1b: REGRESSION CONSTANT AND REGRESSION COEFFICIENT

Initial Year	Terminal Year	Regression Intercept 'a'	Regression Coefficient 'b'	Conclusion
1981	1991	18.55	0.819	Decreased Disparity
1991	2001	15.091	0.785	Decreased Disparity
2001	2007	0.054	0.999	Decreased Disparity
1991	2007	15.144	0.785	Decreased Disparity

TABLE 2a: STATE RELATIVES OF PER CAPITA CONSUMPTION EXPENDITURE (SR – PCCE)

S.N.	State	1983*		1993-94*		1999-2000*		2007-08**	
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	Bihar	83.49	84.13	77.6	77.07	79.14	70.39	77.46	73.36
2	Orissa	86.8	91.28	78.1	87.88	76.77	72.34	72.41	97.69
3	Madhya Pradesh	90.63	89.49	89.6	89.1	82.59	81.12	82.12	80.84
4	Uttar Pradesh	92.83	83.13	97.3	84.93	96.01	80.78	88.08	76.15
5	West Bengal	93.14	102.49	99.1	103.53	93.5	101.36	90.93	98.64
6	Maharashtra	98.82	113.12	96.9	115.67	102.2	113.84	112.4	116.1
7	Tamil Nadu	99.9	99	104	95.69	105.7	113.64	108	95.78
8	Assam	100.65	96.79	91.7	100.13	87.66	95.22	103.5	98.64
9	Andhra Pradesh	102.92	96.23	103	89.21	93.32	90.47	105.7	105.29
10	Karnataka	105.18	101.39	95.7	92.37	102.8	106.55	106.1	113.31
11	Gujarat	106.18	98.95	108	99.17	113.4	104.29	113.3	99.93
12	Rajasthan	113.55	96.47	115	92.72	112.9	93.08	103.8	85.93
13	Kerala	129.33	107.54	139	107.81	157.5	109.08	179.1	132.33
14	Haryana	132.8	110.95	137	103.47	147	106.67	133.9	110.59
15	Punjab	151.64	111.2	154	111.5	152.7	105.13	164.9	110.93

*Calculated from National Human Development Report 2001, Indicators of Economic Attainment, Page 147.

**NSS Report No.530: Household Consumer Expenditure in India, 2007-08, Page No. 13. Available at: http://mospi.nic.in/rept%20_%pubn/ftest.asp?rept_id=505&type=NSSO. Accessed on Feb 10, 2011

TABLE 2b: REGRESSION CONSTANT AND REGRESSION COEFFICIENT

Initial Year	Terminal Year	RURAL		Conclusion	URBAN		Conclusion
		Regression Intercept 'a'	Regression Coefficient 'b'		Regression Intercept 'a'	Regression Coefficient 'b'	
1983	1993-94	-14.599	1.137	Increased Disparity	-6.694	1.046	Increased Disparity
1993-94	1999-2000	-13.964	1.143	Increased Disparity	-11.236	1.112	Increased Disparity
1999-2000	2007-08	-6.933	1.089	Increased Disparity	21.072	0.817	Decreased Disparity
1993-94	2007-08	-22.079	1.244	Increased Disparity	-12.606	1.162	Increased Disparity

TABLE 3a: STATE RELATIVES OF PERCENTAGE OF POPULATION BELOW POVERTY LINE (SR – BPL)

S.N.	States	1983 - 84	1993 - 94	1999 - 2000	2004 - 05
(A)	(B)	(C)	(D)	(E)	(F)
1	Orissa	146.76	135	180.65	168.72
2	Bihar	139.88	152.79	163.21	150.54
3	West Bengal	123.31	99.13	103.52	89.81
4	Tamil Nadu	116.14	97.38	80.91	81.81
5	Madhya Pradesh	111.91	118.2	143.41	139.27
6	Uttar Pradesh	105.82	113.56	119.34	119.27
7	Maharashtra	97.66	102.47	95.86	111.63
8	Assam	91.65	113.59	138.27	71.63
9	Kerala	90.87	70.69	48.73	54.54
10	Karnataka	85.97	92.18	76.78	90.9
11	Rajasthan	77.47	76.2	58.54	80.36
12	Gujarat	73.71	67.3	53.9	61.09
13	Andhra Pradesh	64.99	61.69	60.42	57.45
14	Haryana	48.04	69.64	33.48	50.9
15	Punjab	36.37	32.72	23.6	30.54

Source: Calculated from Economic Survey of Delhi, 2007 - 08, page 343

TABLE 3b: REGRESSION CONSTANT AND REGRESSION COEFFICIENT

Initial Year	Terminal Year	Regression Intercept 'a'	Regression Coefficient 'b'	Conclusion
1983-84	1993-94	9.751	0.891	Decreased Disparity
1993-94	1999-2000	-44.777	1.463	Increased Disparity
1999-2000	2004-05	21.839	0.747	Decreased Disparity
1993-94	2004-05	-18.123	1.162	Increased Disparity

TABLE 4a: STATE WISE LITERACY RATE BASED ON 2001 CENSUS

Name of the State	Male	Female	Total
Bihar	59.68	33.12	47.00
Uttar Pradesh	68.82	42.22	56.27
Rajasthan	75.7	43.85	60.41
Andhra Pradesh	70.32	50.43	60.47
Orissa	75.35	50.51	63.08
Assam	71.28	54.61	63.25
Mandhya Pradesh	76.06	50.29	63.74
Karnataka	76.1	56.87	66.64
Haryana	78.49	55.73	67.91
West Bengal	77.02	59.61	68.64
Gujarat	79.66	57.8	69.14
Punjab	75.23	63.36	69.65
Tamil Nadu	82.42	64.43	73.45
Maharashtra	85.97	67.03	76.88
Kerala	94.24	87.72	90.86
India	75.26	53.67	64.84

Source: Census of India 2001

TABLE 4b: TESTING THE INEQUALITY OF LITERACY AMONG BACKWARD AND LEADING STATES

Category	States	Number	Mean Rank	Sum of Ranks	Mann-Whitney U	Wilcoxon W	Z	Sig
Male	Backward	7	4.43	31.00	3.00	31	-2.89	0.01
	Leading	8	11.13	89.00				
Female	Backward	7	4.00	28.00	0.00	28	-3.24	0.01
	Leading	8	11.50	92.00				
Total	Backward	7	4.00	28.00	0.00	28	-3.24	0.01
	Leading	8	11.50	92.00				

TABLE i: AVERAGE GDP GROWTH RATES (% PER YEAR AT 1999 – 2000 PRICE)

S.N.	Period	Growth Rate
1	1951 – 52 to 1967 – 68	3.69
2	1968 – 69 to 1980 – 81	3.52
3	1981 – 82 to 1990 – 91	5.40
4	1991 – 92 to 1996 – 97	5.69
5	Ninth Five Year Plan 1997 – 98 to 2001 – 02	5.52
6	Tenth Five Year Plan 2002 – 03 to 2006 – 07	7.77

Source: National Accounts Statistics 2008 (New Series), Central Statistical Organization, Ministry of Statistics and Program Implementation, New Delhi; as quoted the Eleventh Five Year Plan (2007–2012) Agriculture, Rural Development, Industry, Services and Physical Infrastructure, Volume III, Planning Commission, pp (4).

TABLE ii: PERCENTAGE AND NUMBER OF POOR

Year	Poverty Ratio			Number of Poor		
	Rural (%)	Urban (%)	Total (%)	Rural (million)	Urban (million)	Total (million)
1973 – 74	56.4	49.0	54.9	261.3	60.0	321.3
1977 – 78	53.1	45.2	51.3	264.3	64.6	328.9
1983	45.6	40.8	44.5	252.0	70.9	322.9
1987 – 88	39.1	38.2	38.9	231.9	75.2	307.0
1993 – 94	37.3	32.4	36.0	244.0	76.3	320.4
1999 – 2000	27.1	23.6	26.1	193.2	67.0	260.2
2004 – 05 ¹ (Uniform Reference Period)	28.3	25.7	27.5	220.9	80.8	301.7
2004 – 05 ² (Mixed Reference Period)	21.8	21.7	21.8	170.3	68.2	238.5

1 – Comparable with 1993 – 94 Estimates; 2 – Comparable with 1999 – 2000 Estimates

Source: Planning Commission Estimates, published in Databook for DCH; 1st November 2011, page 38

TABLE iii: STATE WISE HUMAN DEVELOPMENT INDEX (HDI)

S.N.	States	1981*	1991*	2001*	2007**
(1)	(2)	(3)	(4)	(5)	(6)
1	Andhra Pradesh	0.298	0.377	0.416	0.539
2	Assam	0.272	0.348	0.386	0.500
3	Bihar	0.237	0.308	0.367	0.476
4	Gujarat	0.360	0.431	0.479	0.621
5	Haryana	0.360	0.443	0.509	0.660
6	Karnataka	0.346	0.412	0.478	0.619
7	Kerala	0.500	0.591	0.638	0.827
8	Madhya Pradesh	0.245	0.328	0.394	0.511
9	Maharashtra	0.363	0.452	0.523	0.678
10	Orissa	0.267	0.345	0.404	0.524
11	Punjab	0.411	0.475	0.537	0.696
12	Rajasthan	0.256	0.347	0.424	0.550
13	Tamil Nadu	0.343	0.466	0.531	0.688
14	Uttar Pradesh	0.255	0.314	0.388	0.503
15	West Bengal	0.305	0.404	0.472	0.612
	India	0.302	0.381	0.472	0.612

*Source: National Human Development Report, 2001, Planning Commission of India, as printed in Handbook on Social Welfare Statistics 2007, Taken from <http://socialjustice.nic.in/pdf/tab16.pdf> Accessed on Feb 09, 2011

**Source: Publius Quinctilius Varus, available at <http://pqvarus.wordpress.com/2010/03/15/indian-states-by-hdi>

TABLE iv: STATE WISE PER CAPITA CONSUMPTION EXPENDITURE (Figures in Rupees per month)

S.N.	State	1983*		1993-94*		1999-2000*		2007-08**	
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Bihar	93.76	139.5	218.3	353	384.72	601.89	598	1080
2	Orissa	97.48	151.35	219.8	402.5	373.17	618.48	559	1438
3	Madhya Pradesh	101.8	148.39	252	408.1	401.5	693.56	634	1190
4	Uttar Pradesh	104.3	137.84	273.8	389	466.68	690.68	680	1121
5	West Bengal	104.6	169.94	278.8	474.2	454.49	866.6	702	1452
6	Maharashtra	111	187.56	272.7	529.8	496.77	973.33	868	1709
7	Tamil Nadu	112.2	164.15	293.6	438.3	513.97	971.61	834	1410
8	Assam	113	160.48	258.11	458.6	426.12	814.12	799	1452
9	Andhra Pradesh	115.6	159.55	288.7	408.6	453.61	773.52	816	1550
10	Karnataka	118.1	168.11	269.4	423.1	499.78	910.99	819	1668
11	Gujarat	119.3	164.06	303.3	454.2	551.33	891.68	875	1471
12	Rajasthan	127.5	159.96	322.4	424.7	548.88	795.81	801	1265
13	Kerala	145.2	178.31	390.4	493.8	765.7	932.61	1383	1948
14	Haryana	149.1	183.97	385	473.9	714.37	912.07	1034	1628
15	Punjab	170.3	184.38	433	510.7	742.43	898.82	1273	1633
	All-India Per Capita NNP	112.3	165.8	281.4	458	486.08	854.96	772	1472

*Source: National Human Development Report 2001, Indicators of Economic Attainment, Page 147.

**NSS Report No.530: Household Consumer Expenditure in India, 2007-08, Page No. 13. Available at: http://mospi.nic.in/rept%20_%pubn/ftest.asp?rept_id=505&type=NSSO. Accessed on Feb 10, 2011

TABLE v: STATE WISE PERCENTAGE OF POPULATION BELOW POVERTY LINE (BPL)

S.N.	States	1983 - 84	1993 - 94	1999 - 2000	2004 - 05
(1)	(2)	(3)	(4)	(5)	(6)
1	Andhra Pradesh	28.91	22.19	15.77	15.8
2	Assam	40.77	40.86	36.09	19.7
3	Bihar	62.22	54.96	42.6	41.4
4	Gujarat	32.79	24.21	14.07	16.8
5	Haryana	21.37	25.05	8.74	14
6	Karnataka	38.24	33.16	20.04	25
7	Kerala	40.42	25.43	12.72	15
8	Madhya Pradesh	49.78	42.52	37.43	38.3
9	Maharashtra	43.44	36.86	25.02	30.7
10	Orissa	65.28	48.56	47.15	46.4
11	Punjab	16.18	11.77	6.16	8.4
12	Rajasthan	34.46	27.41	15.28	22.1
13	Tamil Nadu	51.66	35.03	21.12	22.5
14	Uttar Pradesh	47.07	40.85	31.15	32.8
15	West Bengal	54.85	35.66	27.02	24.7
	India	44.48	35.97	26.1	27.5

Source: Economic Survey of Delhi, 2007 - 08, page 343

A CRITICAL ANALYSIS OF HOUSING SHORTAGE IN INDIA

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ABSTRACT

*The present study based on secondary data obtained from Census of India publication New Delhi .Urban area during 1951-2001 has grown from 62.4 million to 285.3 million. India's population has crossed 1210.19 million as per census of 2011. Urban Population of India has grown from 285.3 million to 377.10 million in 2001 to 2011. **Over the past 10 years or so, the population of India increased at a rate of 1.76% per year.** A rapid rise in population results in higher demand of dwelling units for residential purpose. Thus coupled with the growth in household formation and increased urbanization in search of employment opportunities has resulted in severe pressure on urban infrastructure in recent years. The consequence has been overcrowding and unhealthy living environment, shortage of basic amenities and finally social and economic deprivation.. All major urban centers in our country are gradually experiencing such deficiencies in civic amenities.*

KEYWORDS

Housing shortage, population effects.

INTRODUCTION

Housing is ' the residential environment, neighborhood, micro-district or the physical structure that mankind used for the shelter and the environs of that structure, including all necessary services, facilities, equipment and device needed for the physical health and social well being of the family and the individual'

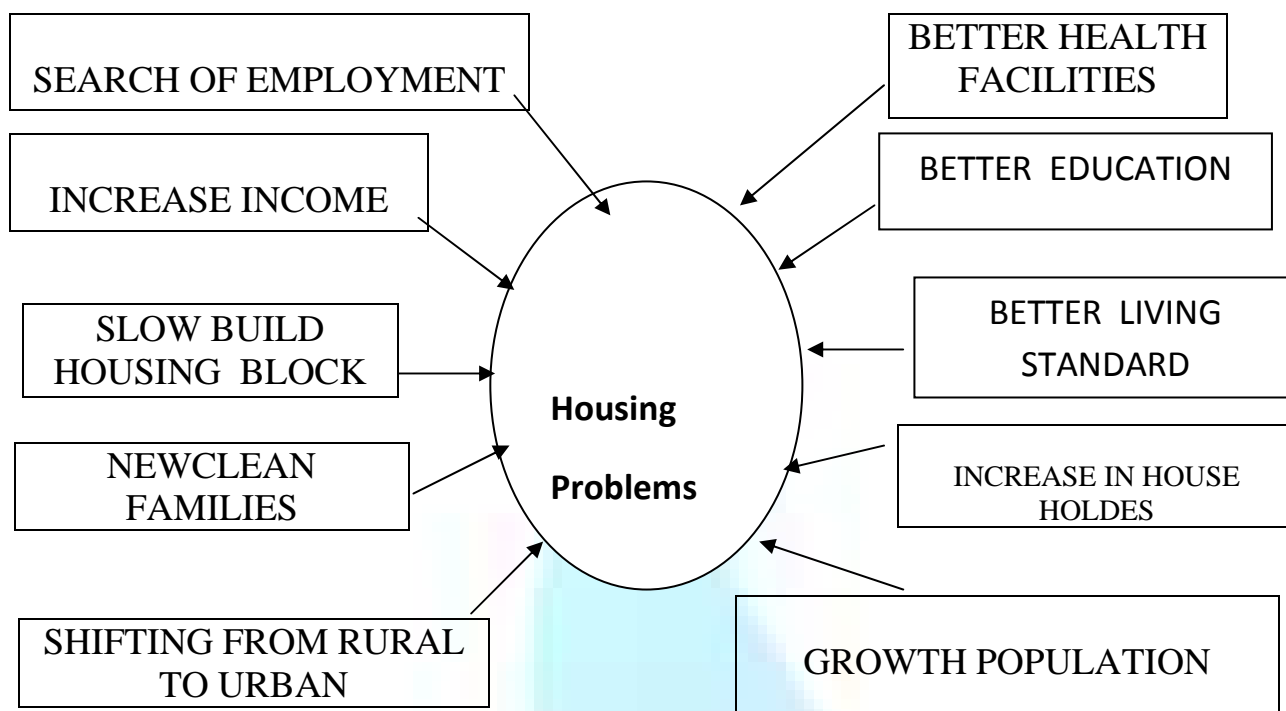
House plays an important role in the shaping the density of people. It is not only shelter but also an asset and wealth of the human being. Housing besides satisfying one of the basic necessities, is an important economic activity and plays a significant role in the socio-psychological development of individual.

Housing is one of basic needs of mankind in the terms of safety, security, self-esteem, social status, cultural identity, satisfaction and achievement. It is one of the major determinants of economic well being. The development of satisfactory housing has always been the priority in both policy formulation and its implementation.

National Housing Policy evolved in 1994 focused on reducing houseless with ultimate goal of providing shelter for all. National Housing and Habitat policy of 1998 calls for launching a 'Housing Resolution' in order to overcome shelter related problem in the country. Government of India through the national agenda declared 'Housing for all' as a priority area and has accordingly decided to focused on housing needs of citizens in general and that of poor and the deprived in particular. Housing thus can be seen emerging as a priority area of government world over.

PROBLEM OF HOUSING

A rapid rise in population results in higher demand of dwelling units for residential purpose. Thus coupled with the growth in household formation and increased urbanization in search of employment opportunities has resulted in severe pressure on urban infrastructure in recent years. The consequence has been overcrowding and unhealthy living environment, shortage of basic amenities and finally social and economic deprivation.. All major urban centers in our country are gradually experiencing such deficiencies in civic amenities.



OBJECTIVES OF STUDY

In the present study an attempt is made to cover two objectives
 (a) To examine the spatial patter of housing shortage in the country
 (b) To suggest the over come of the problem of housing

RESEARCH METHODOLOGY

Research methodology used in the present study is summarized as given below:

- (a) **Sources of Data:** This study involves the collection and critical examination of secondary data Secondary data pertaining to population, housing stock, housing shortage, investment on housing were collected from government reports, census of India, articles published in reputed journals., National Housing Bank, Census of India
- (b) **Pattern of Analysis:** The collected data and information were processed and analyzed by using simple statistical tools like percentage

POPULATION GROWTH IN INDIA

TABLE -1: GROWTH OF URBAN AND RURAL POPULATION IN INDIA (in million)

Year	Population			Decennial Growth rate of population %		
	Total	Rural	Urban	Total	Rural	Urban
1901	238.4	212.6 (89.2)	25.8 (10.8)			
1911	252.1	226.2 (89.7)	25.9 (10.3)	5.7	6.4	0.4
1921	251.3	223.2 (88.8)	28.1 (11.2)	-0.3	-1.3	8.5
1931	278.9	245.5 (88)	33.4 (12)	11.0	10.0	18.9
1941	318.6	274.5 (86.2)	44.1 (13.8)	14.2	11.8	32.0
1951	361.1	298.7 (82.7)	62.4 (17.3)	13.3	8.8	41.5
1961	439.2	360.3 (82)	78.9 (18)	21.6	20.6	26.4
1971	548.2	439.1 (80.1)	109.1 (19.9)	24.8	21.9	38.3
1981	683.3	523.8 (76.7)	159.5 (23.5)	24.6	19.3	46.2
1991	846.3	628.7 (74.3)	217.6 (25.7)	23.9	20.0	36.4
2001	1027.0	741.7 (72.2)	285.3 (27.8)	21.4	18.0	31.1
2011	1210.1	833.0 (68.9)	377.1 (31.1)	17.8	12.3	32.1

Source: Census of India

Last six decades of post independence India has seen enormous growth of urban area in general and metropolitan centers in particular urban area during 1951-2011 has grown from 62.4 million to 377.10 million. The decadal growth of population during last decade was placed at 32.1% in urban areas in 2011 as against 12.3% for the rural areas in 2011. Over the past 10 years or so, the population of India increased at a rate of 1.76% per year. Thus it can be seen that centre have emerged as critical areas as far as population concentration and growth of human settlements are concerned. It has been observed that urban India's population gets doubled after every two decades and accordingly urban areas will be under enormous population stress in years to come. Most of addition in urban areas is due to transfer of rural poverty and accordingly urban areas are fast emerging as centres of poverty. It has been estimated that 40 % of urban population essential consists of people who are below poverty line. With the opening up of Indian economy, its liberalization and globalization level is bound to increase due to massive investment coming up in the large urban centres. Table-1 show the population growth and Decennial Growth rate of population (percent) & Density of population of India in a chronological order in India during the 1951-2011.

POPULATION AND AREAS OF THE STATES INDIA

(i) Population density of India

The table- given below will provide a clear idea about the population density of India, its different states, and union territories: West Bengal ranks as the state with the maximum density of population in India and its area is 88,752 sq km. As stated by the census conducted in 2011, the population density of West Bengal was 1030. In 2011, Bihar had a population of 10,38,04,637 and its density of population was 1102. The state with the lowest population density is Arunachal Pradesh and the Union Territory with the lowest density of population is Andaman & Nicobar Islands. The table-2 and 3 given below offers a clear idea about the population of the 28 states in India.

TABLE-2: DENSITY OF POPULATION OF INDIA IN A CHRONOLOGICAL ORDER (Population and areas of the states in India)

Serial no	Name of states	Capital	Area (sq. km)	Population
1	Andhra Pradesh	Hyderabad	2,75,069	84665533
2	Arunachal Pradesh	Itanagar	83743	1091014
3	Assam	Dispur	78438	31169272
4	Bihar	Patna	94163	103804637
5	Chhattisgarh	Raipur	1,36,034	25540196
6	Goa	Panaji	3702	1457723
7	Gujarat	Gandhinagar	1,96,024	60383628
8	Haryana	Chandigarh	44212	25353081
9	Himachal Pradesh	Shimla	55673	6077900
10	Jammu and Kashmir	Srinagar	222236	12548926
11	Jharkhand	Ranchi	74677	32966238
12	Karnataka	Bangalore	191976	61130704
13	Kerala	Thiruvananthapuram	38863	33387677
14	Madhya Pradesh	Bhopal	3,08,000	72597565
15	Maharashtra	Mumbai	3,07,713	112372972
16	Manipur	Imphal	22327	2721756
17	Meghalaya	Shillong	22720	2964007
18	Mizoram	Aizawl	21081	1091014
19	Nagaland	Kohima	16579	1980602
20	Orissa	Bhubaneswar	155820	41947358
21	Punjab	Chandigarh	50362	27704236
22	Rajasthan	Jaipur	3,42,239	68621012
23	Sikkim	Gangtok	7096	607688
24	Tamil Nadu	Chennai	1,30,058	72138958
25	Tripura	Agartala	10491.69	3671032
26	Uttaranchal	Dehradun	53484	10116752
27	Uttar Pradesh	Lucknow	2,40,928	199581477
28	West Bengal	Kolkata	88752	91347736

Source: Census of India

(C) THE UNION TERRITORY WITH THE HIGHEST POPULATION DENSITY IS DELHI

TABLE-3: POPULATION DENSITY OF INDIA

Serial No.	India/ States/UT	2001	2011
-	INDIA	324	382
1	Jammu and Kashmir	99	56
2	Himachal Pradesh	109	123
3	Punjab	482	550
4	Chandigarh (UT)	7903	9252
5	Uttaranchal	159	189
6	Haryana	477	573
7	Delhi (UT)	9294	9340
8	Rajasthan	165	201
9	Uttar Pradesh	689	828
10	Bihar	880	1102
11	Sikkim	76	86
12	Arunachal Pradesh	13	17
13	Nagaland	120	119
14	Manipur	107	122
15	Mizoram	42	52
16	Tripura	304	350
17	Meghalaya	103	132
18	Assam	340	397
19	West Bengal	904	1030
20	Jharkhand	338	414
21	Orissa	236	269
22	Chhatisgarh	154	189
23	Madhya Pradesh	196	236
24	Gujarat	258	308
25	Daman & Diu (UT)	1411	112
26	Dadra & Nagar Haveli (UT)	449	491
27	Maharashtra	314	365
28	Andhra Pradesh	275	308
29	Karnataka	275	319
30	Goa	363	394
31	Lakshadweep (UT)	1894	2013
32	Kerala	819	859
33	Tamil Nadu	478	555
34	Pondicherry (UT)	2029	2598
35	Andaman & Nicobar Islands (UT)	43	46

Source: Census of India

(D) DENSITY OF POPULATION IN INDIA IN A CHRONOLOGICAL ORDER**TABLE-4: DENSITY OF POPULATION OF INDIA IN A CHRONOLOGICAL ORDER**

Year	Density of population (per sq km)
1901	77
1911	82
1921	81
1931	90
1941	103
1951	117
1961	142
1971	177
1981	216
1991	274
2001	324

Source: Census of India

3. NATIONAL HOUSING ESTIMATES

Several estimates are available of the present housing shortage and projected shortage at a fairly disaggregated level. The latest estimates of housing market, rural and urban have been provided in the Habitat 11 National Report. In the National Report these estimates are presented for 1971, 1981, 1991, 2001, 2011. for three categories of housing typology namely kutcha, semi-pucca and pucca.

(a) Housing Stock

Table-5 indicate As per estimates by the National Building organization (NBO), the housing stock in the country is estimated to have risen by 26.14 percent during the period 1981-1991 from 116.7 million units to 147.2 million units, registered an annual growth of 2.61 percent. The housing stock in the country has increased by 187.2 million units to 245.3 million units during the period 2001 -2011, registered an annual growth 3.10 percent.

TABLE-5: OCCUPIED HOUSING STOCK BY TYPE OF STRUCTURE

Year	Type	Kutcha	Semi-pucca	Pucca	Total
1981	Rural	36.6 (41.1)	33.3 (37.6)	18.8 (21.1)	88.7
	Urban	3.1 (11.1)	6.8 (24.3)	18.1 (64.6)	28.0
	Total	39.7 (34.1)	40.1 (34.4)	36.8 (31.5)	116.7
1991	Rural	35.6 (32.8)	37.1 (34.2)	35.8 (33.9)	108.5
	Urban	3.3 (8.5)	6.1 (15.7)	29.3 (75.8)	38.7
	Total	38.9 (26.4)	43.2 (29.3)	65.1 (44.3)	147.2
2001	Rural	31.3 (23.2)	48.1 (35.8)	55.4 (41.0)	135.1
	Urban	2.7 (5.3)	8.1 (15.5)	41.3 (79.2)	53.1
	Total	34.0 (18.2)	56.5 (30.2)	96.7 (51.6)	187.2
2011	Rural	35.7 (21.4)	70.9 (42.5)	60.3 (36.1)	166.9
	Urban	2.6 (3.4)	15.3 (19.5)	60.5 (77.1)	78.4
	Total	38.3	86.2	120.8	245.3

Sources;(i) Housing Statistics , Census of India-Table on Housing and houseless

(ii) The National Sample Survey Organization (NSSO) in the Ministry of Statistics and Programme Implementation, Government of India, 2002

A study of the housing stock clearly shows that in the terms of typology and material used for the wall and roof, there has been a distinct improvement over the last three decades. More market, sourced material are in used both in urban and rural areas.

Thus the pucca units have constituted 77.1 percent of urban housing stock in 2011 as against 64.6 percent in 1981. In sharp contrast the kutcha units have constituted lower part of the housing stock in both urban and rural areas and the change is significant in rural housing. Government programmes like the Indira Awas Yojana and rural sites and construction assistance for rural landless workers and artisans have contributed to this improvement housing situation.

(b) Growth rate of residential housing stock

India's total population of 12010.10 million as per census of India, 2011 consists of 247.1 million households residing in 245.3 million housing units. The growth rate of residential housing stock increased from 25.6 percent during decade 1971-1981 to 31.03 percent during 2001-2011.

TABLE -6: GROWTH RATE OF OCCUPIED HOUSING STOCK (in million)

Year	Occupied Housing Stock			Decennial Growth rate of occupied housing stock(%)		
	Total	Rural	Urban	Total	Rural	Urban
1971	92.9	74.4 (80.1)	18.5 (19.9)	-	-	-
1981	116.7	88.7 (76.0)	28.0 (24.0)	25.6	19.2	51.3
1991	147.2	108.5 (73.7)	38.7 (26.3)	26.1	22.3	38.2
2001	187.2	135.1 (72.2)	52.1 (27.8)	27.1	24.5	34.6
2011	245.3	166.9 (68.0)	78.4 (32)	31.0	23.5	50.4

Sources:(i) Housing Statistics , Census of India-Table on Housing and houseless

(ii) The National Sample Survey Organization (NSSO) in the Ministry of Statistics and Programme Implementation, Government of India, 2002

(c) Growth of Households in India

Table-7 show that number of households increased from 73.4 million in 1951 to 247.1 million in 2011. The decadal growth of households 28.0 percent during 2001-2011.

TABLE-7: GROWTH OF HOUSING STOCK (in million)

Year	Occupied Housing Stock			Decennial Growth rate of occupied housing stock(%)		
	Total	Rural	Urban	Total	Rural	Urban
1951	73.40	60.60 (82.6)	12.80 (17.4)	-	-	-
1961	83.50	68.60 (82.2)	14.90 (17.8)	13.8	13.2	16.4
1971	97.10	78.00 (80.3)	19.10 (19.7)	16.3	13.7	28.2
1981	123.40	94.10 (76.3)	29.30 (23.7)	27.3	20.6	53.4
1991	151.11	111.59 (73.8)	39.52 (26.2)	22.5	18.6	34.9
2001	191.96	138.27 (72.1)	53.89 (27.9)	27.0	23.9	35.9
2011	247.1	168.0 (68.0)	79.1 (32.0)	28.7	21.5	46.7

Sources (i) Ministry of Housing and urban poverty Alleviation

(ii) Govt. of India –National Building Organization Ministry of urban affair and Employment

(d) Decennial Growth rate of population, households and housing stock

The trends in the decennial growth rate of population, households and housing stock in urban and rural areas are presented in the table 8.

TABLE-8: DECENNIAL GROWTH RATE OF POPULATION, HOUSEHOLDS AND HOUSING STOCK (unit in million)

Year	Decennial Growth rate (%)			
	1971-1981	1981-1991	1991-2001	2001-2011
Urban				
Population	46.2	36.4	31.1	32.2
Households	53.4	34.9	35.9	46.7
Housing stock	51.3	38.2	34.6	50.6
Rural				
Population	19.3	20.0	18.0	12.3
Households	20.6	18.6	23.9	21.5
Housing stock	19.2	22.3	24.5	23.5
Total				
Population	24.6	23.9	21.4	17.8
Households	27.1	22.5	27.0	28.7
Housing stock	25.6	26.1	27.1	31.0

Sources: Table 1, 5, 7

4. HOUSING CONDITION IN INDIA**(a) Housing Shortage in India**

The formula used to calculate Shortage of house is –

Housing shortage = Total No. of Residencies- (dilapidated house used as residence + Temporary use of Houses +Unclassifiable use of House). Data pertaining to number of house, number of dilapidated houses and number of households has been used to calculate the estimated housing shortage in India.

TABLE 9: HOUSING SHORTAGE IN INDIA

Housing Requirement during XI Plan Period		As on 2012
1.	Housing Shortage as on 2007 (Million)	24.71
2.	Households (Million)	75.01
3.	Pucca Houses (Million)	53.49
4.	Semi Pucca Houses (Million)	10.05
5.	Katcha Houses (Million.)	2.56
6.	Addition to households (Million.)	8.71
7.	Addition to housing stock	7.27
8.	Upgradation of Katcha Houses (Million.)	0.38
10.	Additional requirement (Million.) (6-7+8)	1.82
11.	Total requirement (Million units)	26.53

Source (i) Registrar General of India, Ministry of Home Affair

(ii) National Building Organization, Ministry of Urban Affairs And Employment, Govt. of India

Thus it is estimated by the 11th Plan Working Group that taking the business as usual scenario, the total shortage of dwelling unit at the beginning of the 11th Plan period i.e. 2007 will be 24.71 million units. The housing shortage during the plan period (2007-2012) including the backlog has been estimated to be 26.53 million units.(Table-10).

TABLE -10: HOUSING SHORTAGE IN INDIA (unit in million)

Year	Housing Shortage		
	Rural	Urban	Total
1951	6.5	2.5	9.0
1961	11.6	3.6	15.2
1971	11.6	3.0	14.6
1981	16.3	7.0	23.3
1991	14.6	8.2	22.8
2001	13.5	8.9	22.4
2011	17.4	9.1	26.5

Source: (i) Census of India 2011 as per 11th plan (2007-12) planning commission, Govt. of India

(ii) National Building Organization Ministry of urban affair and Employment-Govt. of India

Data on housing shortage in urban and rural areas are presented in table -9. Housing shortage in 1951 was 9 million units comprising of 6.5 million units (72.2 percent) in rural areas and 2.5 million units (27.8 percent) in urban areas has increased to 23.3 million units in 1981 which consist of 16.3 million units (69.9 percent) in rural areas and 7.0 units (30.1 percent) in urban areas but declined during last two decade i.e. 1981-91and 1991-2001 unto 22.4 million units which consist of 13.5 million units in rural areas and 8.9 million units in 2001 and has increased up to 26.5 million units in 2001-2011 which consist 17.4 million units (65.7 percent) in rural areas and 9.1 million units (34.3 percent) units in urban areas in 2011.

(b) Housing stock and Housing Shortage in India

Housing shortage nevertheless is a major concern. The national report has presented estimated housing shortage for three point time 1991, 2001, 2011. In term of the minimum housing requirement criteria (one house per household), the shortage in 6.0 million units and this has slow down to 1.8 million units 2011. (Table-11).

TABLE-11: HOUSING STOCK AND HOUSING SHORTAGE (in million)

Particular	1991			2001			2011		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Population	844.3	627.2	217.1	1027.0	741.7	285.3	1210.1	833.0	377.1
Households	153.2	112.5	40.7	191.9	138.2	53.7	247.1	168.0	79.1
Housing stock	147.2	108.5	38.7	187.2	135.1	52.1	245.3	166.9	78.4
Housing shortage	22.8	14.6	8.2	22.4	13.5	8.9	26.5	17.4	9.1
Minimum Need	6.0	4.0	2.0	4.7	3.1	1.6	1.8	1.1	0.7

Sources: (i) Govt. of India(1996) Second united National conference of human settlement, Habitat-11, India National report p-30.

(ii) Estimates from census final Households table, census primary abstract 2011 NBI and SDS.

Note: Minimum needs is the difference between Households and housing stocks

(C) Distribution of household living in type of structure in India

We can classify the dwellings in some broad categories indicating the type of structure such as pucca, katcha and semi-pucca etc. On the basis of the information available on the type of material used for the construction of walls and roof of the dwellings. Table -11 shows 60.7 percent households living in pucca housing in urban areas in 1981 while 73.0 percent households live in pucca houses in urban areas in 2011.. 40.5 percent households live in katch houses in 1981 in rural areas, while 26.6 percent households living in katch houses in rural areas in 2011.

TABLE -12: DISTRIBUTION OF HOUSEHOLD LIVING IN TYPE OF STRUCTURE IN INDIA (unit in percent)

Type of structure	1981		1991		2001		Rural 2011	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Pucca	22.5	60.7	30.6	72.7	38.4	75.2	43.9	73.0
Semi- Pucca	36.9	21.8	35.6	17.7	31.4	17.4	30.5	16.7
Katcha	40.5	13.5	33.7	9.6	30.2	7.4	26.6	10.3
Total	100	100	100	100	100	100	100	100

Source (i) Registrar General of India, Ministry of Home Affair

(ii) National Building Organization, Ministry of Urban Affairs And Employment, Govt. Of India

(d) Tenure Status of Household

It can be seen from table-13 that the proportion of owner occupant households is much higher in rural areas as compared to urban areas. The proportion of owned households is as high as 94.7 percent in rural areas in 2011 whereas the corresponding figure for urban areas is found to be 69.2 percent.

TABLE-13: DISTRIBUTION OF HOUSEHOLDS BY TYPE OF OCCUPANCY IN INDIA (unit in percent)

Ownership Status	1981		1991		2001		Rural 2011	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Owned	91.2	44.5	94.6	63.1	94.1	67.4	94.7	69.2
Rented	3.5	50.8	2.9	34.1	3.9	28.5	3.4	27.5
Other	5.4	4.6	1.6	2.8	2.1	4.1	1.9	3.3
Total	100	100	100	100	100	100	100	100

Source: (i) Registrar General of India, Ministry of Home Affair

(ii) National Sample Survey Organization, Ministry of Planning

(e) Composition of Household by number of rooms

An interesting aspect of the analysis of housing condition is to examine the composition of existing dwellings according to the number of groups. Table-13 depicts that more than three fourth of households living in one room accommodation has declined significantly from 45.8 percent in 1981 to 32.2 percent in 2011 in urban areas. Thus decline is accounted for by in appreciable increase in the proportion of households living in the houses having two or four rooms.

It follows from the above observation regarding the housing condition in India that a majority of the households in India live in rented houses having one or two rooms and made up of material that can be classified under pucca construction. However, there is a clear tendency on the part of the households to shift from one room house to multi-rooms houses and from rented houses to owned houses.

TABLE-14: DISTRIBUTION OF HOUSEHOLDS LIVING ROOMS IN INDIA (unit in percent)

Ownership Status	1981		1991		2001		Rural 2011	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
One room	44.3	45.8	40.5	39.5	37.5	35.1	39.4	32.2
Two room	28.9	27.8	30.6	30.3	30.2	29.5	32.2	30.6
Three Room	12.3	12.2	13.5	14.8	13.3	17.1	12.7	18.4
Four Rooms	6.3	6.2	6.9	7.4	7.2	8.7	6.6	9.3
Five Rooms	2.7	2.5	3.2	2.7	2.8	3.3	2.3	3.3
Six Rooms	3.0	3.2	3.9	3.8	3.6	4.0	2.5	3.3
Un Specified	2.4	2.1	1.1	0.5	3.4	2.3	4.3	3.1
Total	100	100	100	100	100	100	100	100

Source: (i) National Building Organization, Ministry of Urban Affairs And Employment, Govt. Of India

FINDINGS & SUGGESTION

India is the seventh largest country in the world, covering area of 3287263 square kilometers. The last six decades of post independence India has been enormous growth of urban area in general and metropolitan centres in particular. **It is the second most populous country after China and has population as per latest census 2001 is 1027 million, which account for 16 percent of the world population**, with an unfavorable land man ratio. The rural population accounting for 89.1 percent (212.5 million) in 1901 and has dropped up to 68.8 percent (833.08 million) in 2011. The urban population has grown 10.8 percent (25.8 million) to 31.2 percent (377.1 million) during 1901-2011. **India's population has doubled after two decades.** The rate of decennial growth in urban population during 1991-2011 in 32.1 percent, while the rate of growth in rural population for the same period is 12.3 percent. India is thus one of the largest urban system with 377.1 million people in 2011 and a projected urban population of 618 million by 2025. The World Bank estimates that sub-saharan Africa has urban population 34 percent, Asia is 40 percent urban, Latin America, Europe, North America are more than 70 percent urban. India is 27.8 percent urban, China is 40.9 percent urban.

The growth in households formation during the period 1971-81 was 27.1 percent rise from 97.1 million households to 123.4 million households, while the growth in household formation during 2001-2011 is 28.7 percent rise from 191.9 million households to 247.1 million households. The annual growth of households formation in rural areas during 2001-2011 is 2.15 percent (2.3 percent in 1991-2001), while in urban areas it is 4.6 percent (3.5 percent in 1991-2001) taking the level to 79.10 million households. **The rate of growth of urban households formation continues to be higher than that of rural households formation, including sustained high rate of urbanization, migration of families from rural to urban areas and disintegration of large families into smaller nuclear families.**

As per the estimates by the National Building Organization (NBO), the total housing stock of residential building has been place at 245.3 million units in 2011, consisting of 166.9 million units (68 percent) in rural areas and 78.4 million units (32 percent) in urban areas. The housing stock in the country increased by 31 percent during the period 2001-2011- from 187.2 million units to 245.3 million units.

As per Indian Census 2011, 77.1 percent households in urban areas are living in pucca houses, 19.5 percent in semi-pucca houses and 3.4 percent in serviceable in kutcha houses while in rural areas 36.1 percent households are living in pucca houses, 42.5 percent in semi-pucca houses, 21.4 percent in serviceable kutcha houses. According to the 2011 census, there are 40.6 million person living in slum in 607 town/cities and they account 22.8 percent of the population of these cities.

India continues to face the problem of a shortage of houses units in the country. The housing shortage was 23.3 million units in 1981 and it came down to 22.9 million 1991. The working group on housing group on housing has estimated the housing shortage at the beginning of Tenth Plan at 22.44 million units of which 13.5 million (60.26 percent) in rural areas and 8.9 million (39.74 percent) units in rural areas. Housing shortage has increased up to 26.5 million units in 2001-2011 which consist 17.4 million units (65.7 percent) in rural areas and 9.1 million units (34.3 percent) units in urban areas in 2011.

Majority of the rural areas have remained under-served due majority of inherent constraints as (i) non availability of clear land title (ii) incidence of high stamp duty and registration charge (iii) non allowing agriculture land to mortgaged against housing loan (iv) unservice of unserviceable kutcha houses (v) irregular and fluctuation income. The working group on housing for Tenth Plan has observed that 90 percent of housing shortage pertains to the weaker sections. **The growth rate in the housing stock is higher than the growth rate of households in rural areas during 1991-2001. Thus has resulted in the reduction of housing shortage as well as the ratio of households of housing to housing stock.**

SUGGESTIONS

In this section tentative suggestions are being offered for policy purposes. These are not to be generalized as they are specific to area and time.

- To avoid the tendency of shifting from rural area (villages) to urban area, government should provide housing loan for rural areas at a cheaper rate and state government should make more social housing programmes like Indira Awas Yojana (IAY), Pradhan Mantri Gramin Awas Yojana for landless labour and artisans. There should be low cost housing techniques including existing local methods so as to bring down unit cost.
- Supply of houses is made from the personal efforts of house seekers, co-operative housing societies, public development agencies live development authorities, HUDA in Haryana, housing boards, private builders etc. While personal effort has its own limitations, the efforts of co-operative housing societies, private builders and public development agencies are not sufficient to generate enough houses. **To increase the housing stock and eliminate the housing shortage there is a need to develop huge townships with all infrastructure facilities.** As this require huge investment, only corporate bodies and foreign direct investment (FDI), international firms including Non Resident Indians (NRIs) can embark upon such projects.

Favourable environment is required to be created to ensure the entry of aforesaid agencies in to constructions activity. In this direction, the repeal of urban land ceiling and regulation act by the central government is a welcome step.

3. Stamp act prevalent in different status provide for stamp duty at different rate, which in turn results in suppression of the value of property or evasion of registration etc. This is another handicap for housing finance sector. The central government has to take effective steps to ensure uniformity in stamp duty among the different states. Land titles and for that state may support by waiving / reducing the existing stamp duty and registration charge as a majority of the rural households belongs to poor and EWS categories. However, the main feature of housing shortage in rural areas has been mainly on account of non-serviceable kutch houses. State government should reflect the need of repair / up gradation of katcha and dilapidated houses rather than construction of new houses.
4. Encouragement should be given to the pension, provided fund and insurance sector to invest in real estate. Encouragement should also be provided for creation of real estate mutual fund / real estate investment trusts.
5. The Govt. has to forge partnerships with various strategic partners in the public as well as the private sectors to ensure the vision of "Affordable Housing for All" is realized.
6. Adoption of small lot Zoning in parts of large lot of layouts making it mandatory on the part of developers to divide part of lands being developed in to small plots o make available to poor beneficiaries.
7. Govt. should promote of high density housing in selecting areas in cities through appropriate amendment to zoning and land use regulation to obviate the necessity of costly land acquisition and to avoid high infrastructure costs.
8. Therefore, it is also a need of the hour that such policies and programme have to be formulated and implemented that the benefits of development programme launched by Govt. of India for poverty alleviation, employment generation and having provision may be percolated or trickledown up to the lowest stratum of the society.

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BANK'S EMPLOYEES PERCEPTION ON QUALITY OF WORK LIFE AND ITS RELATION WITH JOB SATISFACTION IN MALWA REGION OF PUNJAB

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ABSTRACT

The aim of this study is to find out about the bank's employee's perception of their quality of work life w.r.t level and organization and to study that whether there is any association between QWL and job satisfaction. Quota sampling method was followed. Survey was conducted and data was analyzed on the basis of responses provided by 250 respondents. A well structured questionnaire was formulated, which was subjected to pilot testing and re-drafted. Data was analysed with the help of factor analysis, mean and t-test. The Karl Pearson correlation was used to understand the relationship between QWL and overall job satisfaction among employees. The findings of the study emphasized that each of the QWL factors on its own is a salient predictor of job satisfaction. The positive correlation indicates that job satisfaction is an important indicator of QWL. The result of study may have practical significance for human resource managers of especially banks to improve staff commitment and productivity and designing their recruitment and retention policies.

KEYWORDS

QWL, recruitment and retention policies and Satisfaction.

1. INTRODUCTION

There have been divergent views as to what really is QWL. It has become an umbrella term for a host of activities and has been defined differently by different people at different times. Quality of work life is a philosophy, a set of principles which holds that people are the most important resource in the organization as they are trustworthy, responsible and the capable of making valuable contribution and they should be treated with dignity and respect (Rose et al. 2006; Staw, 1984). The elements that are relevant to an individual's quality of work life includes the task, the physical work environment, administrative system and relationship between life on and off the job (Cunningham & Eberla, 1990). QWL consists of opportunities for active involvement in group working arrangement or problem solving that are of mutual benefits to employees or employer, based on labor management cooperation. People also conceive of QWL as a set of methods, such as automatic work groups, job enrichment, high involvement aimed at boosting the satisfaction and productivity of workers (Feuer, 1989; Straw, 1984). Glasier (1976) thinks that the term QWL more than job security, good working conditions, adequate and fair compensations, more even than an equal employment opportunity. Furthermore, the concept of QWL is considered as multidimensional (Davis and Cherns, 1975). Walton (1982) provides eight conceptual categories for analyzing the features of QWL. They are; (1) Adequate and fair compensation. (2) Safe and Healthy working conditions (3) Immediate opportunity to use and develop human capacities (4) Future opportunity for continual growth and security (5) Constitutionalism (6) Total life span (7) Social relevance of work life.

2. JOB SATISFACTION

Job satisfaction describes how content an individual is with his /her job. Job satisfaction is individual's overall attitude on his/her job (Robbins, 1999). Dreyer (1964) described job satisfaction "as an end state of feeling." The happier people are within their job, the more satisfied they are said to be. Job satisfaction is an important criterion for the success of an organization. It is closely associated with life satisfaction, job performance, absenteeism; turnover and psychological distress are significantly affected by employee satisfaction (Davis, 1992; and Spector, 1997). According to Locke (1976), job satisfaction is an emotional reaction that "results from the perception that one's job fulfills or allows the fulfillment of one's important job values, providing and to the degree that those values are congruent with one's needs".

3. RESEARCH METHODOLOGY

3.1 TITLE OF THE STUDY

The problem adopted for the research here is- "Employees Perception on Quality of Work Life and Job Satisfaction among Indian Banks". This study is helpful in understanding the various factors of QWL which are considered important by the employees of banks. The study not only aim at examining the roles of various facets of QWL among banks, but also determining that there are certain combination of factors that influence QWL in a bank to a greater or lesser extent. Moreover the study further explored the effect of level and nature of organisation on the QWL of employees; this study also tried to find out the relationship between QWL and job satisfaction and to suggest the measures to improve the Quality of Work Life in the two organisation.

According to Emerson (1962) individuals who are in a position to have others dependent on them are considered powerful, while those who are dependent are considered relatively powerless. QWL increases when the managers are satisfied with their level of organizational climate. The result of study shows that job level is moderately positively correlated with overall empowerment (Dimitriades). A job with high prestige than contribution it means the employees are more agreed with their QWL (Smith, 2007). Drawing from the above, it is predicted that:

H₀ (1). Perception of employees towards factors of quality of work life is independent of level.

1. According to MORI core aspects of working life (ref. 'job positives' above), public sector staff tends to be happier with (a) Job security (b) Being paid fairly and their pay reflecting level of performance (c) Training and development opportunities (d) The feedback they receive from line managers. Public and private sector workers perceive and evaluate their jobs in substantially different ways. Blue collar workers in the public sector are a much more satisfied lot than are private sector blue collar workers. Conversely, white collar government employees are less positive about the social relations and intrinsic aspects of their work than are private white collar workers. Differences such as these suggest that private sector models and assumptions are inappropriate guides for understanding worker satisfaction, alienation, and productivity in public organizations (Michael and Steven, 2010). Therefore, the following hypothesis is proposed:

H₀ (2). Perception of employees towards job satisfaction is independent of organization.

Wittmer 1991 discussed reward preferences for managers as a distinction between public and private sector. Job satisfaction decreases a physician's intention to switch sector. Job dissatisfaction significantly increased the physicians' intentions to leave the private sector. Korean public and nonprofit employees are more satisfied with their jobs than private employees are but are less satisfied with their wages than with job security and job content (Sung et al.2007). Sand Mohammed (1993) discussed factors related to position; co-workers, financial and stability were examined. Findings showed that, private sector employees in general were more satisfied than public sector; also differences were from the existed among private and public sector in some factors, such as financial and coworkers, when private sector employees were more satisfied than public sector employees. On the other hand, public employees showed a higher degree of satisfaction in factors relating to position and stability than private sector. Career satisfaction is greatest for lawyers in corporate counsel, public interest, and government jobs, followed larger firms, and then smaller private firms (Jeffrey et al.). The research find that extent of job satisfaction is not found significantly higher in the private sector organizations as compared to public sector organization. (Joshi, 2001). No significant differences were noted between the sectors with regard to work satisfaction or satisfaction with supervisor or coworkers (Barrie and Kris, 1991). In fact, previous research has suggested that there are differences in levels of employee satisfaction between the sectors (Spaner, 1969).

H₀ (3) The employees level of job satisfaction w.r.t to QWL independent of organization.

QWL is a key indicator of overall quality of human experience in the workplace. The relationship of job satisfaction with work life quality is an important aspect of working life that is often investigated by researchers. Job satisfaction in an important indicator of work life quality (Cohen et al. 2007; Ayree et al. 1992). QWL established a clear objective that high performance can be achieved with high job satisfaction (Khanna, 2006). Job satisfaction is one dependent variable of organizational behavior. It becomes primary one of dependent variable because its demonstrated relationship to QWL factors (David et al. 1988). A review supported a positive linear relationship between job satisfaction and QWL. High QWL has been equated with high employee motivation and also with a high level of employee satisfaction (Lawler, 1975). Sirgy et al. (2001) define QWL as employee satisfaction with a variety of needs through resources, activities, and outcomes stemming from participation in the workplace. They, therefore consider need satisfaction results from workplace experience, as an important contributing factor to not only job satisfaction, but also satisfaction with other life domains. The recent definition by Serrey (2006) on QWL is quite conclusive and best meet the contemporary work environment. The definition is related to meaningful and satisfying work. This issue of meaningful and satisfying work is often merged with discussions of job satisfaction, and believed to be more favorable to QWL. Contemporary researches of quality of work life suggest that data for job satisfaction can replace work quality (Wooden & Warren, 2003). In the scientific management tradition, satisfaction with quality of work life was thought to be based solely on "extrinsic" traits of the job: salaries and other tangible benefits, and safety and hygiene of the work place(David et al. 2001).Therefore, the following hypothesis is posited:

H₀ (4) There is no significant association between quality of work life and job satisfaction.

4.0 RESEARCH INSTRUMENT AND METHODS

This study was restricted to Malwa region of Punjab (India) only. The sample size was 250 employee respondents of banks. It was, for the purpose of this study, decided to select a sample of 125 respondents each from five public and five private sector banks. For the purpose of selection of respondents, quota sampling technique was used. Quota was fixed before getting the questionnaire filled that ratio between managers and officers would be 1:3. The quota was further divided in which ratio of public and private employees were kept 1:1. The study was conducted with pre structured questionnaire. Fifty three items were used to data collection of QWL in terms of job satisfaction and all statements were positive. A five-point scale with 1 being "strongly disagree" and being 5 "strongly agree" was used. To know the satisfaction level of public and private sector banks employees a ten - point scale with 1 being "highly dissatisfied" and being 10 "highly satisfied" was used. The questionnaire was also pre tested on 11 managers to see whether the respondent would face any difficulty in understanding and answering the questions and then re-drafted. The inter item consistency was .936 and Guttman Split-Half Coefficient .899. Thus, these results suggested that the instrument was reliable and valid for use in banks for this study.

4.1 DISTRIBUTION OF RESPONDENTS

A total of 250 banks employees participated in the survey. Majority of the respondents were female employees (52.4%). 55.2% were at the younger age group (26 to 35 years old) and most of them (28.8%) have been working from 2-5 years. Managers made up 26.8% of the respondents and the second largest group was executives 73.2%.

4.2 ANALYSIS OF DATA

In the present study, firstly, the data was coded and tabulated to find the effects of various socio-economic variables on the attitudes of respondents. A factor analysis was carried out to summarize the structure of the sets of variables. The hypothesis formed for the purpose was tested statistically for their significance according the independent-t test. Mean score were calculated by assuring (1) strongly disagree and (5) strongly agree, hence lower mean score indicates disagreement as compared to higher mean score. In addition, independent t-test was used in this study, a default $\alpha = 0.05$ was used to determine the level of significance. To understand the relationship between QWL and job satisfaction among employees Karl Pearson correlation was used, ignoring the possible effect of all other influences. The data was analyzed using SPSS version 14.0 for window through out the study.

4.1.1 FACTOR ANALYSIS

In order to test the suitability of data for factor analysis, the following steps are followed:

Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was .891 for overall sample that indicate that the sample was good enough for sampling. Barlett's test of Sphericity showed statistically significant number of correlations among the variables. (Table1). Hence as revealed by the above parameters the data was found to be fit for factor analysis.

4.1.2 ROTATION METHOD

Rotation component matrix was used for extracting factors and the number of factors to be retained was based on eigen value. All the factors having eigen value > 1 were retained. Fifteen factors may be extracted to give valuable results and these factors accounted for 69.226 % for overall sample of the variance. The results were obtained through orthogonal rotation with varimax method and all factors loading greater than 0.4 (ignoring the sign) were retained and less than 0.4 were dropped.

4.1.3 NAMING OF THE FACTORS

All the factors have been given appropriate names according to the variables that have been loaded on to each factor. The names of the factors, the statement labels and factor loadings are summarized below (Table 3). Table 3 revealed that factor 1 is linear combination of variable number 32, 34, 33, 31, 8, 35, 17 and 27 ($\alpha=9.093$). Factor 2 is linear combination of variable number 20, 19, 21, 15, 40 and 18 ($\alpha=7.810$). Factor 3 is linear combination of variable number 25, 43, 14, 27, 26and 41 ($\alpha=5.945$). Factor 4 is linear combination of variable number 4, 11, 10, 2, 9, 1 and 7 ($\alpha=5.781$). Factor 5 is linear combination of variable number 7, 9, 6 and 5 ($\alpha=4.999$). Factor 6 is linear combination of variable number 39, 38, 46 and 42 ($\alpha=4.898$). Factor 7 is linear combination of variable number 42, 23, 48 and 51 ($\alpha=3.961$). Factor 8 is linear combination of variable number 3, 12 and 13 ($\alpha=3.876$). Factor 9 is linear combination of variable number 36, 49 and 37 ($\alpha=3.678$). Factor 10 is linear combination of variable number 52and 24 ($\alpha=3.674$). Factor 11 is linear combination of variable number 28 and 29 ($\alpha=2.722$). Factor 12 consist variable number 16 ($\alpha=2.421$). Factor 13 consist variable number 50 ($\alpha=2.356$). All the factors have been given appropriate names according to the variable that have been loaded on each factor.

5.0 FINDINGS

To test the statistical significance in the perception of employee's respondents towards factors of QWL is independent of level, t- test was applied. t -test showed a systematic and significant difference in perception of managers and officers. Table 4 shows that H₀ (1) was rejected partially in case of self esteem and self determination, as significance values was $p < 0.05$. Thus it can be said level of employee's influence the importance attached especially to self esteem and self determination. Table 4(a) shows that mean comparisons were used to determine whether there was a significant difference between the managers and officers

respondents with regard to self esteem and self determination. Since the positive value of mean scores of self esteem were more in case of officers respondents than managers' respondents in banks. Thus it can be said officers respondents perceived better QWL w.r.t. self esteem as compared to managers respondents in banks. The higher mean score indicated that managers' respondents showed a greater agreement with Self determination than executives' respondents.

To test the statistical significance in the perception of employees' respondents towards factors of QWL was independent of organization, t-test was applied. t-test showed a systematic and significant difference in perception of public and private sector employees w.r.t self esteem and job security at 0.05 level of significance. Table 5 shows that $H_0(2)$ was rejected partially in case of Self esteem and Job security, as significance value was less than 0.05. Thus it can be said that organization (public/private) of employee's influence the importance attached especially to Self esteem and Job security factors. Table 5(a) shows the positive value of mean scores self esteem and job security were more in case of public sector banks employees than private sector banks employees so it can be said public sector banks employees considered better QWL as compared to private sector banks employees w.r.t self esteem and job security. t-test showed a systematic and significant difference in perception of public and private sector employees w.r.t job satisfaction at 0.05 level of significance.

Table 6 shows that $H_0(3)$ i.e. Perception of employees towards job satisfaction w.r.t overall QWL is independent of organization was rejected, as significance value was less than 0.05. Thus it can be said that organization (public/private) of employee's influence the importance attached to job satisfaction. Table 6 (a) presents, based on the ten point scale used, the minimum job satisfaction rating was 1 and a maximum of 10 and this gives a range of 9. A ten point scale with 1 being "highly dissatisfied" and 10 "highly satisfied" was used as the indication of satisfaction. Mean was used to know difference between the perception public and private sector banks employees' w.r.t job satisfaction. A higher mean value indicated that public sector employees seem to be more satisfied as compared to private sector employees.

To understand the relationship between QWL and job satisfaction among employees null hypothesis was set. To test the hypothesis Karl Pearson correlation was used, ignoring the possible effect of all other influences (Table 7). It was, however, also useful to consider the extent to which a dependent variable like overall satisfaction was related to a number of independent variables as a group. The coefficient of correlation not only described value but also direction. The direction of correlation was positive. It means that QWL have positive impact on job satisfaction. Thus our null hypothesis that QWL has no association with job satisfaction was rejected. The results signify ($p < 0.01$) that there exists correlation between QWL and job satisfaction. This result supports H_a .

5.1 DISCUSSION

This research attempts to find out the differences between the perception of employees of public sector and private sector banks towards various factors of quality of work life. The findings suggest that public sector employees perceive the QWL better as compared to private sector employees. Employees of public sector banks seem to be more agreed with QWL because they have better employment benefits, job security and have also fringe benefits. They have less job stress and more freedom in their job as compared to the private sector banks. Employees of public sector bank have less pressure of time so thereby life remains smooth. Public sector employees are more self regarding as compared to the private sector employees because of better employment benefits. Security of services are more in public sector banks as compared to private sector banks, these may be reasons for their agreement. Another reason may be employees in public sector banks can not be retrenched where as in private's sector banks employees can be easily retrenched when private banks suffer a loss. This finding is consistent with what was found by other researcher Perry and Rainey (1988) who considered the dimensions of ownership, funding and mode of social control to distinguish public sector from private sector and Wittmer (1991) discussed reward preferences for managers as a distinction between public and private sector. In particular, the gross emoluments for public employees are quantitatively higher, especially in the case of satisfaction with employment losses. In the case of "work for collective interest" factor the private sector employees are better as compared to public sector employees. Usually in public sector banks, the salary is not connected with performance, hence the productivity of team work is poor, whereas in private sector performance linked incentives scheme is there which encourages people to work in groups rather than individual. It leads to optimum utilization of available resources and hence we can say that private sector employees assigned more importance to work in collective interest as compared to public sector banks.

The study further reveals that that there is significant difference in employee's perception about QWL while taking into consideration their level and organization.

It is found that perception of employees towards "Equitable and growth environment" is independent of level and organization

"Self esteem" has been perceived to be second most important factor. It is found that there seems to difference of perceptions regarding self esteem w.r.t organization and level. Public sector banks employees considers better QWL as compared to employee respondents' of private sector banks employees' w.r.t self esteem. This finding is consistent with esteem needs of Maslow's hierarchy, esteem from prestige, recognition, acceptance, attraction, status, reputation, attention and appreciation.

"Organization culture", "organization climate and effectiveness", "Opportunity for continued growth", "decision making," "Opportunity for continued growth" has been perceived to be the most important factors. It is found that perception of employees towards this factor is independent of level and organization.

It is found that there seems to difference of perceptions regarding job security w.r.t organization. This finding was in consistency with the literature. The reason behind it may be in public sector, services are insured about the emoluments and job security but in private sector it is capacity of the employer to pay and performance of the employee.

A positive correlation exists between QWL and job satisfaction. The direction of correlation was positive which showed that QWL measures have positive impact on job satisfaction. The results signify that there exists correlation between QWL and job satisfaction.

5.2 CONCLUSION

The result of this study supports the proposition that the level of QWL is related to the job satisfaction with which the individual believes his or her success criteria have met, especially if the individual places great importance on these criteria which include pay, respect, employee involvement and influence, career and personal growth and family life balance supports the materialistic work ethic that place strong emphasis on corporate power, income and personal growth as parts of their careers. Various studies on QWL have been carried on in India and abroad and it has been found that QWL is the degree of excellence brought about work and working conditions which contribute to the overall satisfaction at the individual level but finally at the organizational level. In addition, a set of three component dimensions job security, self esteem and self determination of the QWL had also been identified as very significant aspects where the satisfied and dissatisfied group of employees did differ. Lastly, the nature of correlation between the job satisfaction and QWL dimensions reveal that the Quality of Work life significantly contribute towards increasing satisfaction or dissatisfaction as experienced by the employees in their concerned job depending largely on the perceived positively or negativity of the relevant dimensions respectively. This finding is consistent with results of another study indicated a significant relationship was found between QWL and job satisfaction (Locke, 1976).

6.0 RECOMMENDATIONS

1. Self esteem needs of private sector banks employees should be fulfill by giving them better emoluments, autonomy, empowerment and job security.
2. The private sector bank should seek more participation from employees in order to provide participative management which improves QWL so that employees feel that their views and ideas should be valued and considered.
3. The private sector bank should provide more authority to employees to do their job effectively.
4. Today the concept of employee involvement is getting boosted up. The employees should be given participation in organizational decision making process. This will certainly develop a sense of belongingness in them.
5. Naturally, human beings require more and more autonomy. Proper amount of autonomy should be given to employees. They should be assigned tasks full of involvement, challenge and risk. It will be surely improving their performance also.
6. Whenever an employee does a good task he/she should be rewarded as well as praised. This will undoubtedly uplift the morale of employees and encourage them to show better performance.
7. Advancement opportunities should be provided to the employees for professional as well as personal growth.

8. There should be employment security in private sector banks. If job will provide security to its employees they will feel satisfied and will be more effective and efficient in performance. So organization should provide job security to its employees they will generate good business for the organization hence profiting the organization. Organization should always not be focused only to generate business from employees but should also take care of satisfaction of employees to their better performance. Flexibility and independence offered to employees so that they can work according to their own will and more interest. And if one works with his own interest he will perform better than one who is working under pressure. So organization should supervise wisely and provide them flexibility and independence to work.

6.1 LIMITATIONS AND SCOPE FOR FURTHER RESEARCH

The present study suffered from some limitations like small sample size and limited area of investigation which might not be true representative of the whole population of the banking sector. So, before generalization, there is a need to conduct an in-depth study covering larger sample size and broader areas of investigation. Further research should be conducted in order to identify other factors that could contribute to bank employee's QWL. Yet in spite of the plethora of research on the subject, the efforts on the part of researchers to identify the factors of QWL in the Indian context have not been encouraging. In summary, the limitations of individual job satisfaction had been pointed out in the literature for assessing the QWL and there had been a little attempt in the past to measure QWL in terms of job satisfaction in Malwa region of Punjab. So this study is an attempt to further develop theoretical underpinnings to the available literature on QWL. Study recommends that further study can be done on impact of QWL of bank's employees on their productivity and/or job commitment.

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TABLES

TABLE 1: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.891
Bartlett's Test of Sphericity	Approx. Chi-Square	5649.162
	Df	1326
	Sig	.000

TABLE 2: NAMING OF FACTORS

Factor Name	Item No	Total (Eigen value)	% of explained Variance	Variables	Factor Loading
Equitable and growth environment	32	4.728	9.093	Advancement opportunities	.757
	34			Grievance handling procedure	.722
	33			Rules are equally applicable to all.	.634
	30			The management consults employees	.627
	31			Hard work and achievements are recognized appropriately	.607
	8			Gross emoluments commensurate with ability to pay	.501
	35			Gross emoluments commensurate with its ability to pay	.498
	17			Performance appraisal and promotions	.452
	27			Advancement opportunities	.413
Self esteem	20	4.061	7.810	Advancement opportunities	.741
	19			Conditions on job	.734
	21			Quality of work performance	.610
	15			Meaningful training programs	.574
	40			Most of activities at work are challenging and innovative	.470
	18			Conditions on job	.406
Organization's culture	25	3.091	5.945	Celebration of functions	.703
	43			Operations of routine and repetitive nature	.592
	14			Suggestions made by employees	.480
	41			People or staffs are enough to get all the work done	.465
	26			Management is always helpful	.423
	27			Advancement opportunities	.422
Job security	4	3.006	5.781	No need to worry about the termination	.744
	11			Technological changes	.639
	10			Fringe benefits and welfare measures	.607
	2			Income from job	.527
	9			Work load	.500
	1			Gross emoluments	.413
	7			No requirement to stay at work place beyond work hours	.404
	7			no requirement to stay at work place beyond work hours	.743
Time pressure	9	2.600	4.999	Work load	.610
	6			Work schedule allows to As per conveniences	.583
	5			State of mind remains Peaceful	.407
	39			The amount of paper work in this organization is reasonable	.686
Organization's effectiveness	38	2.547	4.898	In this organization employees are insured against life hazards like health accidents	.595
	46			Enough information to set the job done.	.541
	42			Help and equipments	.460
	22			Standards of work	.661
Self determination	48	2.514	4.834	.Enough time to get the job done during office hours.	.551
	51			This organization supports institutions engaged in the promotion of education, culture, etc .in the society.	.752
Decision making	23	2.060	3.961	Least interference from the boss.	.438
	3			Fringe benefits and welfare measures	.658
	12			planning and implementation	.618
Fringe benefits and welfare measures	13	2.016	3.876	Work assigned as separate whole task	.470
	36			Family and social obligations	.721
	49			freedom to decision making	.472
Social and physical environment	37	1.912	3.678	freedom to decide	.405
	52			particular about attendance, conduct, etc.	.708
	24			work in collective interest	.556
Union-management relations	28	1.653	3.178	Union-management relations	.753
Career planning	29	1.416	2.722	career planning and development cell	.840
Opportunity for continued growth	16	1.259	2.421	Development of new skills and abilities	.787
Discipline enforcement	50	1.225	2.356	unjust and unfair competition	.856

TABLE 3: MEAN SCORE OF PUBLIC AND PRIVATE SECTOR BANKS

Statements	N	Organization	Mean	Std. Deviation
Gross emoluments	Public sector bank	125	4.3520	.91806
	Private sector bank	123	3.8780	.94596

TABLE 4: INDEPENDENT SAMPLES TEST BETWEEN LEVEL AND FACTORS

Factors		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Equitable and growth environment	Equal variances not assumed	2.542	.112	-1.218	123.230	.226	-.17382644	.14273594
Self esteem	Equal variances not assumed	1.427	.234	2.101	206	.037	.32226753	.15336214
Organization's culture	Equal variances not assumed	2.091	.150	-1.391	132.653	.167	-.1923699	.13827484
Job security	Equal variances not assumed	.002	.963	-.139	110.280	.890	-.02087429	.15045875
Time pressure	Equal variances not assumed	.0005	.946	.321	104.932	.749	.04939173	.15402736
Organization's effectiveness	Equal variances assumed	4.281	.040	-1.376	121.073	.171	-.19779274	.14370030
Self determination	Equal variances not assumed	3.248	.073	-2.061	143.519	.041	-.27493234	.13337224
Decision making	Equal variances not assumed	.552	.458	.763	122.546	.447	.1094189	.1433438
Fringe benefits and welfare measures	Equal variances not assumed	.283	.595	.681	113.244	.497	.10107169	.14847978
Social and physical environment	Equal variances not assumed	2.694	.102	-.660	141.228	.510	-.8919676	.13517247
Challenge in job	Equal variances not assumed	1.268	.261	-.186	117.676	.853	-.2721630	14607548
Union-management relations	Equal variances not assumed	.001	.975	1.425	155.200	.156	.18490310	.12977411
career planning	Equal variances not assumed	.520	.472	1.834	198.349	.068	.21160240	.11538491
Opportunity for continued growth	Equal variances not assumed	.611	.435	1.128	195.065	.261	.13200285	.11701950
Discipline enforcement	Equal variances not assumed	1.477	.226	1.017	205.603	.310	.11303844	.11116869

* The mean difference is significant at the .05 level.

TABLE 4 (a): MEAN SCORES OF SELF ESTEEM AND SELF DETERMINATION W.R.T LEVEL

variables	Level	N	Mean	Std. Deviation	Std. Error Mean
Self Esteem	Officers	150	.0898631	1.06175413	.08669186
	Managers	58	-.2324045	.78007034	.10242825
Self determination	Officers	150	-.0766638	1.06880039	.08726719
	Managers	58	.1982685	.16812128	.10085927

TABLE 5: INDEPENDENT SAMPLES TEST BETWEEN ORGANIZATION AND FACTORS

Factors		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Equitable and growth environment	Equal variances not assumed	17.196	.000	-1.073	206	.285	-.15027443	.14008936
Self esteem	Equal variances not assumed	2.930	.088	3.390	206	.001	.46350355	.13671782
Organization's culture	Equal variances not assumed	11.824	.001	-.868	206	.386	-.12171541	.14022388
Job security	Equal variances not assumed	.449	.503	6.219	206	.000	.80159637	.12890091
Time pressure	Equal variances not assumed	.576	.449	.376	206	.707	.05280771	.14043189
Organization's effectiveness	Equal variances not assumed	.062	.803	-.307	206	.759	-.04306516	.14044803
Self determination	Equal variances not assumed	1.552	.214	-.391	206	.696	-.05497031	.14042786
Decision making	Equal variances not assumed	.772	.381	-.051	206	.960	-.00711249	.14047921
Fringe benefits and welfare measures	Equal variances not assumed	.547	.460	1.507	206	.133	.21058718	.13971176
Social and physical environment	Equal variances not assumed	12.895	.000	-.397	206	.692	-.05576498	.14042634
Challenge in job	Equal variances not assumed	1.204	.274	-.585	206	.559	-.08204825	.14036372
Union-management relations	Equal variances not assumed	2.344	.127	.432	206	.666	.06066129	.14041649
Career planning	Equal variances not assumed	2.213	.138	1.398	206	.164	.19547384	.13981834
Opportunity for continued growth	Equal variances not assumed	.196	.658	.420	206	.675	.05903139	.14041986
Discipline enforcement	Equal variances not assumed	1.800	.181	-1.151	206	.251	-.16116723	.14003057

* The mean difference is significant at the .05 level.

TABLE 5 (a): MEAN SCORE OF SELF ESTEEM AND JOB SECURITY

Factors	Organization	N	Mean	Std. Deviation	Std. Error Mean
Self esteem	Public bank	119	.1983260	1.10087309	.10091687
	Private bank	89	-.2651775	.77645905	.08230450
Job security	Public bank	119	.3429908	.88865162	.08146256
	Private bank	89	-.4586056	.95997942	.10175761

TABLE 6: INDEPENDENT SAMPLES TEST BETWEEN TYPE OF ORGANIZATION AND JOB SATISFACTION

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Job satisfaction	Equal variances assumed	6.000	.015	4.450	242	.000	1.16645	.26213
	Equal variances not assumed			4.475	234.154	.000	1.16645	.26064

* The mean difference is significant at the .05 level.

TABLE 6 (a): LEVEL OF JOB SATISFACTION W.R.T OVERALL QWL OF PUBLIC AND PRIVATE SECTOR BANKS EMPLOYEES

	ORGANISATION	N	Mean	Std. Deviation	Std. Error Mean
Job satisfaction	PUBLIC BANK	125	8.0320	2.26451	.20254
	PRIVATE BANK	119	6.8655	1.78944	.16404

TABLE 7: CORRELATIONS BETWEEN QWL AND JOB SATISFACTION

		Job satisfaction	Quality of work life
Job satisfaction	Pearson Correlation	1	.194(**)
	Sig. (2-tailed)		.006
	N	244	202
Quality of work life	Pearson Correlation	.194(**)	1
	Sig. (2-tailed)	.006	
	N	202	208

** Correlation is significant at the 0.01 level (2-tailed).

STUDY OF CONSUMPTION PATTERN OF COSMETIC PRODUCTS AMONG YOUNG MALES IN DELHI

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ABSTRACT

The study was carried out to investigate young men consumption behaviour and attitudes towards cosmetics in Delhi. The research first sought to explore how different variables influence Delhi's male consumer cosmetic purchasing decisions. This study also examines in some depth the influences of self-esteem and customer decision making on the male consumer behavior in purchasing skin care products in Delhi. However the study also tries to identify what are the key determinants in Delhi's young men cosmetic purchasing behaviour. The empirical research was conducted using a quantitative method. The sample target was between the age group of 18 years to 34 years who live in Delhi. These "young" representatives contribute to the major chunk of millennials (Born after 1982). Thus this study would help companies to strategise effectively for this segment of the market. Primary data was obtained by the usage of questionnaires, an instrument for collecting information about the Delhi's male consumption behaviour and attitude towards skin care cosmetic products. The result indicates that the Delhi's male cosmetic consumption behaviour was strongly influenced by cultural and personal factors. The main influencing factors of male consumption behaviour are the price, celebrity endorsement, features, easiness to use the products etc.

KEYWORDS

Cosmetic market, Male consumption behaviour, Self concept, Self-esteem

1. INTRODUCTION

Today's society is a modern society in which beauty is not only meant for women. The abundant studies of this era shows the shifting sex role, the various marketing stimuli and media influence, metrosexuality as a global trend all these have stimulated men to adjust themselves to new lifestyle and attitudes. It is an unquestionable fact that men increased demands for superior living standard, healthiness and well being. However the physical attractiveness necessary to everyone as it plays an important role in enhancing the self confidence level and successfully tracking carriers. Today more of men are becoming aware about their looks and willing to improve their ideal appearance. So as to enhance and maintain their desirable looks, men tend to be no longer hesitating to opt and utilize cosmetics. This increase awareness is the keystone of the worldwide exceptional boom of men's grooming market. When we compare the Indian male cosmetic market with the women's cosmetic market we observe that the Indian male cosmetic market is a specialized niche market and it is into its growing stage, still the contest among different brands is intense due to the market's diversity and growing prospective. A considerable number of popular brands have productively built their image based on their own differential advantages. Indian men are apparently too modest to spend money in grooming products in contrast with consumers in European countries. However limited research has been done in the area of Indian men's attitudes towards grooming products and consumption behaviors. Because of the less research in the area of male buying behaviour, some cosmetic companies failed to achieve the target in the male cosmetic market. Men living in Delhi are supposed to be active, keen on fashion, and passionate about how to efficiently manage their self-images. The involvement of International firms is increasing in India that indicates the growth potential of this Indian male cosmetic market. RNOS said that Indians are more beauty conscious and their newfound awareness of cosmetic products is driving growth.

According to RNOS, within the cosmetic market the skin care and the color cosmetic segment is the fastest growing segment. These segments are expected to grow with an annual growth rate of 13 percent to 20 percent by 2012. This market is blooming and seems to be everlastingly up to the years. As said by the beauty experts that this new market is not just a fashion or a trend but it are a strong attractive market that has high potential to grow up and develop (Euromonitor, 2007). Within a short span of time beauty care experts assume that men's beauty care market will reach 15% of that of women's market (Courtin, 2003). The demand for men beauty care product may be due to new generation's behaviour that have more feminine characteristic. Due to the demand from the market for men beauty care product companies have launched new product line to reach to customer's expectation. Men customers would have more various alternatives to choose.

2. LITERATURE REVIEW**2.1 Global Scenario of Male Cosmetics Market**

Cosmetic industry is not limited to only women. The time is changing and so the thoughts. The male consumers are becoming more conscious towards their looks and hence give rise to a new industry which is the male grooming industry. As males were becoming more conscious about their looks and image in the past few years that leads to increase in sales of male grooming products by 18 percent globally between 2006 and 2011 (Mermelstein & Felding, 2007). This change is becoming a new trend and the male grooming industry is expected to blossom since consumers are increasingly adapting to western styles. The gap has shorten now a days between men and beauty care products, their demand for skin care products are revealed to fulfil their pleasure and wellness start from, cream their skin, feed the skin nutrition, antiaging treatment, body and hair cares, spa centres or even beauty institutions (Cole, 2008). Male customers have to look for the products in particular place such as perfumery, cosmetic counter and drug store (Lamb, 2008). According to Chunhapak (2008) people with different income have different selection of products. Moreover people with high income group are ready to buy expensive products. According to Blanchin (2007) the relation between men and beauty care can be seen as simple relation to his appearance. Men want to feel good so as to reach mental and physical equilibrium and thus seek to improve their self-image through skin care products and hence adapt themselves to the different roles in their lives (Aaker, 1999). Sirgy (1982) argue that consumers will be motivated by positively valued products that promote a positive self-image.

Although this market is expected to show potential growth, but still male personal care is a niche market and in comparison with women's beauty industry it is far smaller sector around the world. Mintel Group stated in 2006 that "Men's toiletries have failed to achieve the explosive growth anticipated since the late 1980s." (Mintel, 2006) Many studies concluded that male consumers are increasing and have changed their attitudes to pay more attention towards their physical. In addition, advanced products innovation, more effective promoting manners, and new product launches have contributed to a continuing growing of global male cosmetics market. The male grooming industry reached to a value of \$21.7 billion, to a total of 8% of the global cosmetics and toiletries market in

2006. The global male grooming industry in 2008 was valued at \$26 billion that accounts about 8% of the en-tire global cosmetics and toiletries market. U.S. was the largest single market for male cosmetics that has a sale of \$4.7 billion in 2008. Moreover the Western European market for men's care grow remarkably and valued at \$8.5 billion, accounting for 31% of the total market in which Unilever Group, Procter & Gamble Company, and Energizer are the players.

Global men's toiletries market, in 2009 was valued approximately \$18.1 million with a growth rate of 3.9%. (*Datamonitor, 2010*) According to *Datamonitor*, in years 2004-2009 the global men's toiletries market grew at a compound annual growth rate of 4.2%. (*Datamonitor, 2010*) In 2010, for sales of men's grooming products not all regions saw a marked increase as foretold. *According to Euromonitor*, it is forecasted that global sales of men's grooming will raise upto \$3.5 billion by 2011. (*Davies, 2007*) Moreover *Datamonitor Group* forecasts that by 2014, the male toiletries market will reach a value of \$22.1 million at global level, leading to a rise of 22% since 2009. (*Datamonitor, 2010*) the overall trend is that the global male cosmetics market is continuously growing and developing. It is important for marketers to search for men's needs and behaviors for personal care products in order to grab potential opportunities in the market and to have an upper hand in this competitive business.

2.2 The Indian Scenario of Cosmetic Market

In the last couple of decades the Indian cosmetics industry has seen a rapid growth. The cosmetic and beauty products range has widen tremendously in the Indian market since last couple of years. The manufacturers of the beauty care products in India has also faced a great demand of cosmetic products that falls under low or middle priced beauty care products since the demand in India is always for economically priced products. Currently cosmetics business market analysis predict that many international companies are now outsourcing cosmetics to India and hence the cosmetics market in India is growing at 15-20% annually which is twice as fast as that of the U. S. and European markets. The cosmetics market growth rate reflects increase in demand for beauty care products in India (*Alexander, 2010*). The modern, urban Indian women are increasingly becoming more conscious about their looks and life style, with great stress on lightening of skin. The skin care cosmetic products have shown a solid growth in the last few years, in which more than half the market is comprising skin lightening creams.

According to the latest Euromonitor report on the Indian cosmetics and toiletries market, the color cosmetics market stands at \$113.4 million and skin care at \$346.9 million (*Emerging Markets: A New Spin, 2007*). The Japanese are the Largest Asian buyers of cosmetics products, but the growth rate is reaching to a stable level. China, accounts for the second largest country in Asia Pacific that is witnessing an increased demand because of improving lifestyles and increase disposable income of the population. The South Korean cosmetic market is growing at a faster rate. The younger populace is looking for general skin care and hair care products while the older generation has more specific needs for their cosmetics products according to *Lovejeet Alexander. Antoinette (2004) and L'Oreal report (2010)* said that younger generation tend to open to skin care products more than older generation. Brand is the word which is considered to be the most important element in this competitive market and it differentiate the company from other reputed companies brand (*Clifton, 2004*). *Amanda (2004)* revealed that men between age group from 18 to 24 were driving appeal spending and are spending more and more on appearance products. *Briney (2004)* describes an interesting trend among Indian cosmetic consumers, while other global countries are taking to the traditional Indian herbal and ayurvedic applications for beauty solutions. Indian consumers are more and more looking to international brands of cosmetic products as lifestyle improving products, in the belief that using international make them feel much better and make them feel to be a part of upper class group.

2.3 The Indian Male Cosmetics Market

Indian market had few dedicated products to offer men. Soon after Khan's commercial, Emami Group entered the men's fairness cream market. Market talk was that a noticeable proportion of sales of Fair & Lovely, a women's cream, were from men. Emami decided to push the opportunity. In 2005, Emami created history by launching Fair and Handsome, a fairness cream for men, which still dominates the space with close to 70% market share. The company calls this brand the world's No. 1 fairness cream. The company achieved sales of \$13 million in 2008-09. In 2007, Hindustan Unilever launched Fair & Lovely Menz Active but it could not gather much share. Over the past year, multinationals such as Beiersdorf (*Nivea for Men*) and L'Oréal (*Garnier PowerLight*) launched a series of products for men's skin care. The market was soon offering male fairness creams, hair care products beyond dyes, scrubs and face washes. Today, the male grooming segment in personal care is ready for its next round of product expansions and additions. Now, as the segment evolves, there is a queue of Bollywood actors including Shahid Kapoor and John Abraham who are endorsing male grooming products. The men's personal care segment is estimated at over \$200 million, with Gillette having the largest market share. In the personal care category, skin care products are the most popular, offering significant room for growth. In India, fairness creams dominate the space with more than a 45% share, followed by moisturizers at 22%. Now, the market seems to be looking beyond fairness creams. Emami is poised to expand its Fair and Handsome brand to include products such as shaving cream and foam. In five years, Fair and Handsome has become a Rs.100 crore brand, growing at 45% per annum and contributing 15% to Emami's revenues. "The trend is shifting toward the mainstream and there are other brands entering the segment with extensive product launches in the fairness category, along with a number of product extensions," says Harsh Vardhan Agarwal, director, Emami. Hindustan Unilever is currently advertising Fair & Lovely MAX Fairness for Men. It has also extended its Vaseline brand to the men's grooming segment with the introduction of the Vaseline for Men skin care range, including fairness creams, face wash, body lotions and body washes.

The popularity of fairness products saw Garnier launch its men's grooming range, PowerLight, in May 2009. *According to a recent study by Hindustan Unilever*, men in India's southern states are most enthusiastic users of skin whitening creams and consume the most of the fairness products, although the love for fair skin is spread evenly all across the country. "Inspired by the changing grooming behavior of Indian men, in May 2009 we entered the men's grooming market with Garnier Men. Within three months, Garnier Men became the number two player in the men's skin care market, which is currently less than five percent of the total skin care market but growing fast. Within that, fairness comprises 85 percent, cleansing 10 percent, and body, sun care and hydration 1 percent each. The potential lies in converting male users of women's skin care products to products developed specifically for them," says Dinesh Dayal, chief operating officer, L'Oréal India. The Indian cosmetics market, which was traditionally a stronghold of a few major players like Lakme and Pond's, has seen a lot of foreign entrants to the market within the last two decades.

2.4 The Self Concept

According to Purkey (1988) self concept can be defined as "the totality of a complex, organized, and dynamic system of learned beliefs, attitudes and opinions that each per-son holds to be true about his or her personal existence." (*Purkey, 1988*) The self concept summarizes the beliefs a person holds about his own attributes and how he evaluates the self on these qualities. (*Solomon, 2009*) It is a multi-dimensional conception with regard to a person's perception of "self" related to numerous traits including academics (and non-academics), gender roles and sexuality, racial identity, and many others. (*Burns, 1979*) Thereby in daily life consumers' attitudes towards themselves are reflected by their self-concepts. Kolter presented that the basic self concept premise refers to a person's possessions contribute to and reflect his identities. Hence in order to understand consumer behavior, marketers are supposed to firstly understand the relationship between consumer self concept and possessions. Many purchasing decisions will be influenced by those attitudes. (*Kolter, et al., 2005*) Numerous psychologists and sociologists have made essential contributions to the research of self concept theory.

Vigneron and Johnson (1999) report that people's need for appearance and materialism was increasing and hence human being wanted to satisfy the need to look and feel good. This created a boom in the cosmetic industry across the world. Customer behaviour is an ongoing process when individual or group select, purchase, use or dispose of products, services, idea and experiences to satisfy needs and desire (*Askegaard, 1999*). *Askegaard (1999)* noted that people do not buy the products to play in our lives go well beyond the task it performs. Men purchase the ideas and images that are associated with the products, to produce a desired identity and self-image (*Fiona & Elke, 1998*). *Kellner (1992)* proposes that the various meaning associated with the products are used to mitate the "fragmented self-image of individuals who want to display and experience situational images felt to be appropriate at a particular time".

2.5 The Concept of Self-Esteem

The original definition of self-esteem has been given by James and he initially pointed the way with a formula to ex-plain the principle of self-esteem "as a ratio found by dividing one's successes in areas of life of importance to a given individual by the failures in them or ones „success/prentensions." (*James, 1890, quoted in Burns, 1979*). It is determined by the ratio of our actualities to our supposed potentialities; a fraction of which our pretensions are the denominator and the numerator our success." (*James, 1890, p. 64, quoted in Burns, 1979*) *According to James* it is argued that self esteem will be determined by the position people

holds in the world contingent on his success or failure. (Burns, 1979) *Coopersmith (1967)* also described self-esteem as “the evaluation that the individual makes and customarily maintains with regard to himself,” and in a nutshell it refers to “a personal judgment of worthiness that is expressed in the attitudes the individual holds.” (Coopersmith, 1967) According to Burns, Self esteem is the making of conscious appraisal refers to the essential of oneself or of aspects of oneself. A person's attitudes towards self esteem originated from being keeping with specified criterions, reward for meeting his own and others' desires for him. (Burns, 1979) Persons with high self esteem accept themselves generally whereas those with low self esteem have little acceptance of themselves, and they tend to perform imperfectly or attempt to avoid failure, embarrassment, or rejection. (Solomon, 2009) Consumer's self-esteem could be affected by marketing communications.

2.6 The Concept of Consumer Behavior

Consumer behavior is defined as “the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.” (Solomon, 2009) All exchanging issues could affect the consumer before, during, and after a purchase. A consumer refers to “a person who identifies a need or desire, makes a purchase, and then disposes of the product during the three consumption process.” (Solomon, 2009) Good business requires marketers to understand the role of consumption activities in the daily lives of consumers. (Arnould. et al., 2004)

2.7 Factors Affecting Consumer Behavior

Purchasing behavior is the result of the complex interaction of all the cultural, social, personal and psychological characteristics. These characteristics are essential for marketers to identify interested purchasers and to satisfy their needs better. In this context, to develop marketing strategies, marketers are supposed to understand many of those factors to understand consumers with unique cultural backgrounds, and needs of consumers in various markets. (Kolter. et al., 2005)

2.8 Understanding The Buyer Decision Process

Most buyers pass through a series of stages to reach a purchasing decision. According to Kolter, typically five steps are involved in consumption decision process: need recognition, information search, and evaluation of alternatives, purchase decision and post purchase behavior. This model implies that marketers should pay attention to the whole purchasing process rather than just purchase decision. Moreover as some purchase decisions are less significant, some of these steps might be skipped by a consumer. Information search is seen as the most significant part of the high-involvement decision-making process. Thus marketers are suggested to utilize a great deal of media sources and various communicating manners to serve potential consumers. (Fill, 2002)

2.9 Male consumer behavior

In a common sense, gender plays an essential role in the study of consumer behavior. Gender identity is always linked to those differences in psychological characteristics, norms, attitudes, and behaviors. (Arnould, et al., 2004) In western societies, people stereotypically linked such sex-typed characteristics as aggressive, tough, muscular, dominating, instrumental, (Burns, 1979) independent, assertive, and competitive with males. (Arnould, et al., 2004) Further, traditionally it was strongly believed that men and women think and behave in quite different ways. For instance it seems that physical attractiveness plays a significant role in creating a happier and better-adjusted man via the obtainment of many positive feedbacks and acceptance of others. (Burns, 1979) Nonetheless in women's eyes, appearance is not regarded as the most essential attribute applied in judging whether a man is attractive or not. Their ideal men are supposed to possess financial stability, emotional strength, loyalty, security, and a good sense of humor. (Tungate, 2008)

Sex role is in terms of a person's conceptualization of his own degree of masculinity or femininity. (Burns, 1979) Many studies found that men tend to achieve agentic goals while women are more likely to pursue communal goals. (Solomon, 2009) That is why male's purchasing is strongly driven by functionality and performance of products. (Tungate, 2008) In addition patterns of responses to market stimuli may be shaped by differences in sex-role orientation. (Solomon, 2009) As time goes on, evolution of sex roles occurs with continuous change of societies. In the past, people regarded males and females as producing and consuming ones respectively. Within a family, women were traditionally playing the main purchasing roles while men were expected to work hard, create values, and achieve goals. (Tungate, 2008) With the rise of feminism, women gradually obtained more opportunities to work outside. Obviously nowadays they are turning more independent due to their growing economic power. Consequently men are more involved in housework and family's purchasing. Not surprisingly as many studies proved that man also shows more feminine-associated interests in shopping and looking good. It implies that a trend towards behavior around the world might be caused by shifts in sex roles. Additionally Solomon argued that western's cultural definition of masculinity is “evolving as men try to redefine sex roles while they stay in a ‘safe zone’ of acceptable behaviors bounded by danger zones of sloppiness at one extreme and effeminate behavior at the other.” (Solomon, 2009) Further, the sex role association is diminishing for many traditional male or female-oriented products. (Schiffman, et al., 2010). In recent years, the word metrosexual, which refers to a straight and urban guy who is keen on fashion, home-design, gourmet cooking, and personal concerned products, is mostly in use of defining new types of males. (Solomon, 2008) The term was original coined by a British gay writer named Mark Simpson in 1994. (Tungate, 2008) Media and advertisements then were broadly employed by marketers in portraying an ideal metrosexual model. As a result this type of non-traditional male has at a time been the main objective for marketers to target.

In the real world today, as Enter Genevieve Flaven stated “men have entered a great period of exploration.” (Tungate, 2008) Many studies proved that males want to maintain their traditional manliness, but they also attempt to adapt themselves to new lifestyles and attitudes. Moreover according to Mintel “Today's men are far more likely to adopt a regular grooming routine consisting of shave, shower, deodorize, hair styling and fragrance than ever before.” (Tungate, 2008) It is convinced that men are more concerned about their appearances. However there are still some problems marketer's needs to consider when they create marketing strategies. First, men are found to be loyal to products and they feel averse to try new brands. So familiarity is a crucial driver when it comes to male cosmetics purchasing. (Tungate, 2008) Second, men prefer straightly doing the buying job rather than browsing in shopping malls. Besides, men prefer simply pack-aged products to complexly packaged ones. Last but not least, women's suggestions are still significant for men to select and purchase personal care products.

3. RESEARCH HYPOTHESES

Based upon the finding from various researchers, this study is under taken to associate and analyse the male cosmetic products for their relationship with different factors associated with these cosmetic products in Delhi (India). The different factors associated with usage of these products are: Usage of various skin care product, purpose of using skin care product, factors affecting purchasing pattern of skin care product and Brand of skin care product. The following hypotheses are verified:

- H_{Null}: There is no relationship between age group and brand of various skin care product.**
H_{Alternate}: There is a relationship between age group and brand of various skin care product.
- H_{Null}: There is no relationship between age group and purpose of using a skin care product.**
H_{Alternate}: There is a relationship between age group and purpose of using a skin care product.
- H_{Null}: There is no relationship between income of the person and place of buying a skin care product.**
H_{Alternate}: There is a relationship between income of a person and place of buying a skin care product.
- H_{Null}: There is a relationship between income of a person and the brand of skin care product used by a person.**
H_{Alternate}: There is a relationship between income of a person and the brand of skin care product used by a person.

4. LIMITATION OF THE STUDY

First, due to the time and financial limitation, the research was only focused on young men who live in Delhi. Although the target group may be considered as the most representative one, accuracy of the results might be influenced to examine Delhi's men cosmetics consumption as a whole. The target group chosen is under the age group of 18 years to 34 years.

5. RESEARCH METHODOLOGY

Secondary data was derived from bibliographic and internet sources. The empirical research was carried out by the author in December 2011 in Delhi. Quantitative method was used in the research. Primary data was obtained by using questionnaires as an instrument for collecting information about Delhi's male consumption behaviors and attitudes towards cosmetics.

5.1 Population and Sample

The sample taken was between the age group of 18 years to 34 years who are living in Delhi. A total of 200 questionnaires were collected from the respondents but 25 were found incomplete. The analysis was done on the remaining 175 completed questionnaires. The questionnaires were analyzed by applying cross tabulation and co relation analysis through SPSS software version 16.

5.2 Instrument

The instrument used was a questionnaire which consists of 12 closed descriptive questions and 1 open question. The questions cover ground of respondents' purchasing behaviors and attitudes towards cosmetics, brand choices, and different motivators on buying decisions.

6. FINDINGS

1. Table 1 and figure 1 show that among the sample covered 54.3 percent male consumers are those who are using a skin care product since last 2 to 3 years.
2. Table 2 and figure 2 show that 75.4 percent male consumers feel that physical appearance is important for them in today's world. Hence they are using a skin care product.
3. Table 3 and figure 3 indicates that 50.9 percent of the male consumers were using the skin care cosmetic product for facial care. This implies that today men also want to look fairer and handsome for that they were using these skin care cosmetic products.
4. Table 4 and figure 4 imply that among all the income group Nivea is the most preferred brand.
5. Table 5 and figure 5 also imply that Neiva's products are more famous among all the age group people.
6. Table 6 and figure 6 indicates that the purpose of using all the brands of skin care cosmetic product is facial care however most of the male consumers use products from Nivea.
7. Table 7 and figure 7 show that 69.7 percent male cosmetic consumers spent less than 1000 rupees per month on their cosmetic product. One of the major reasons for this is that the target audience covered under the study were students.
8. Table 8 and figure 8 indicates that 41.1 percent people were those who buy cosmetic product form specialized cosmetic store. This shows that male consumers were conscious about the originality of the product hence they want to buy their cosmetic product specially form the cosmetic store.
9. Table 9 and figure 9 show that 44.6 percent male consumers were those who use products made by Nivea.
10. Table 10 gives very interesting results. From here we conclude that price, packaging, brand, features, advertisement, easiness to use, availability and celebrity endorsement are the important factors which plays important role in male purchasing behaviour of a skin care cosmetic products. While smell of the product and friends recommendations were not so important. However price and easiness to use the product were two most important factors that influence the male purchasing behaviour.
11. By applying correlation analysis between age group and brand of various skin care product table 11 shows a relationship. Hence we can say that different age group people prefer different brand of skin care cosmetic product.

H_{Null 1} is rejected as; Z calculated < Z critical (α = .05)

12. By applying correlation analysis between age group and purpose of using a skin care product table 12 shows there is no relationship. Hence it can be said that purpose of using a skin care product is not affected age group.

H_{Null 2} is accepted as; Z calculated > Z critical (α = .05)

13. By applying correlation analysis between income of a person and place of buying a skin care product table 13 shows there is no relationship. Hence it can be said that the place of buying a skin care cosmetic product has no significance with the income of a person.

H_{Null 3} is accepted as; Z calculated > Z critical (α = .05)

14. By applying correlation analysis between income of a person and brand of skin care product table 14 shows there is no relationship. Hence it we can say that among the Delhi male cosmetic consumers income doesn't play any role while choosing a brand.

H_{Null 3} is accepted as; Z calculated > Z critical (α = .05)

7. CONCLUSION

In today's scenario the male cosmetic market is an emerging market. The study tries to find out various factors that influence the purchasing behaviour of a male consumer. India is one of the emerging markets in the field of male grooming industry. The study was conducted in the capital of India that is Delhi. Among the various interesting findings one major finding is that the price plays a very important role in purchasing behaviour of a male. The study was carried out since very limited research has been done in this particular field and cosmetic companies have not exact idea about the consumption behaviour of Indian males regarding cosmetic products. The findings of the study help cosmetic companies to make their strategies so as to capture the male cosmetic market segment.

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TABLES

a. Duration of using a skin care cosmetic product.

Q3

	Frequency	Percent	Valid Percent
1-2 years	34	19.4	19.4
2-3 years	95	54.3	54.3
3-4 years	38	20.8	20.8
Above 4 years	10	5.7	5.7
Total	175	100.0	100.0

TABLE: 1

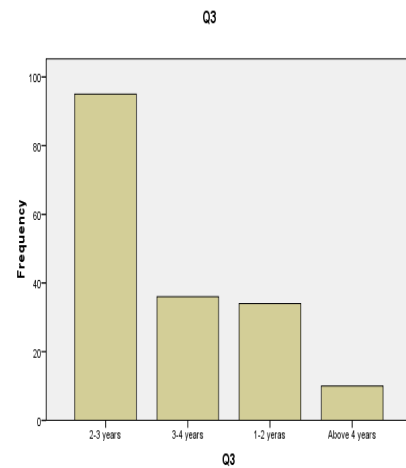


FIGURE: 1

b. Importance of physical appearance for male consumers.

Q4

	Frequency	Percent	Valid Percent
Not Important	4	2.3	2.3
Les Important	7	4.0	4.0
Important	132	75.4	75.4
Very Important	32	18.3	18.3
Total	175	100.0	100.0

TABLE: 2

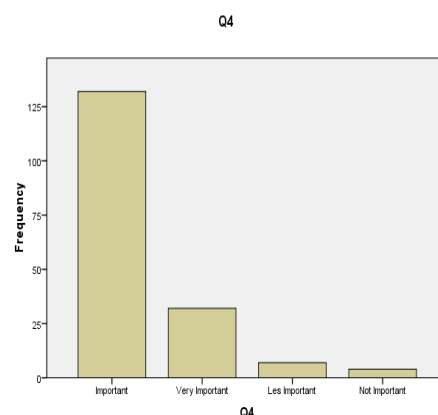


FIGURE: 2

a. Purpose of using a skin care cosmetic product.

Q5

	Frequency	Percent	Valid Percent
To feel Better	11	6.3	6.3
To look young	6	3.4	3.4
For facial care	89	50.9	50.9
Occupational requirement	28	14.9	14.9
To attract women	8	4.6	4.6
For medical purpose	16	9.1	9.1
To improve your self-image	14	8.0	8.0
For being fashionable	5	2.9	2.9
Total	175	100.0	100.0

TABLE: 3

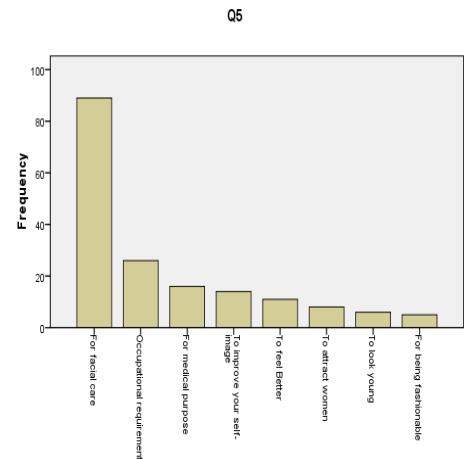


FIGURE: 3

a. Relation between brand and income of the person.

	L'Oreal	Olay	Nivea	Axe	Garnier	Emami	Fair & Lovely	Clarins	Total
Q13 Below 10000	28	9	45	4	14	2	4	1	107
10000-20000	7	5	20	0	5	1	1	0	39
20000-30000	2	4	6	1	0	0	0	1	14
30000-40000	1	1	3	0	1	0	0	0	6
40000-50000	3	1	2	0	0	0	0	0	6
Above 50000	0	1	2	0	0	0	0	0	3
Total	41	21	78	5	20	3	5	2	175

TABLE: 4

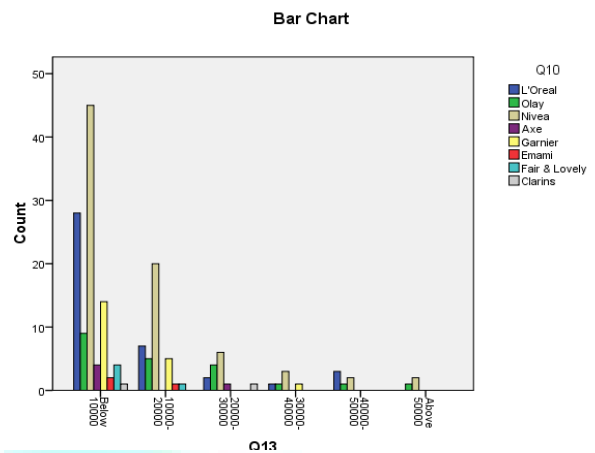


FIGURE: 4

c. Cross tabulation between age and brand of the cosmetic product.

	L'Oreal	Olay	Nivea	Axe	Garnier	Emami	Fair & Lovely	Clarins	Total
Q11 18 years to 22 years	1	1	7	0	3	1	2	1	16
22 years to 26 years	24	14	45	4	12	1	2	0	102
26 years to 30 years	7	4	18	1	3	1	1	0	35
30 years to 34 years	8	1	7	0	2	0	0	1	19
Above 34 years	1	1	1	0	0	0	0	0	3
Total	41	21	78	5	20	3	5	2	175

TABLE: 5

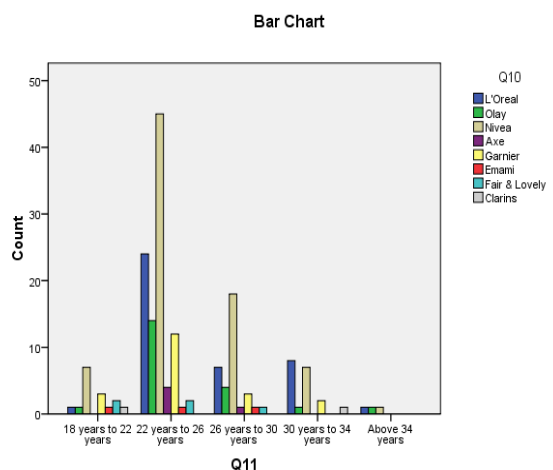


FIGURE: 5

d. Cross tabulation between brand and purpose of use of cosmetic product.

	To feel Better	To look young	For facial care	Occupational requirement	To attract women	For medical purpose	To improve your self-image	For being fashionable	Total
Q10 L'Oreal	3	1	24	7	2	2	1	1	41
Olay	1	1	11	3	1	2	2	0	21
Nivea	3	2	37	13	4	9	8	2	78
Axe	1	0	3	0	0	0	0	1	5
Garnier	3	2	10	2	0	1	2	0	20
Emami	0	0	1	0	1	0	1	0	3
Fair & Lovely	0	0	2	1	0	1	0	1	5
Clairs	0	0	1	0	0	1	0	0	2
Total	11	6	89	28	8	18	14	5	175

TABLE: 6

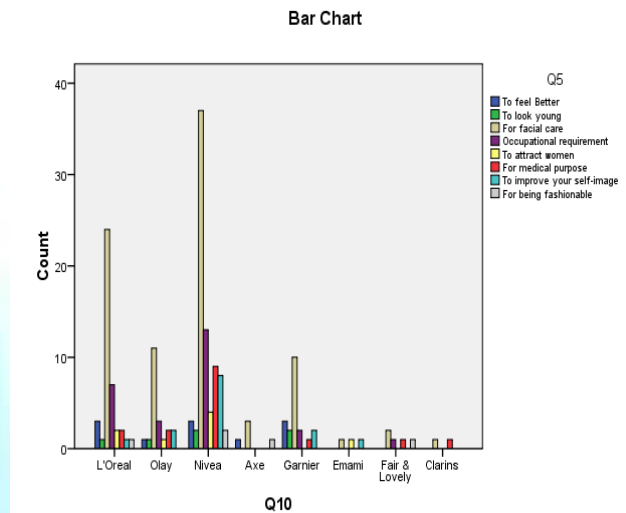


FIGURE: 6

e. Expenditure by the young males on cosmetic products.

Q6

	Frequency	Percent	Valid Percent
0-1000 rupees	122	69.7	69.7
1000-2000 rupees	37	21.1	21.1
2000-3000 rupees	13	7.4	7.4
3000-4000 rupees	3	1.7	1.7
Total	175	100.0	100.0

TABLE: 7

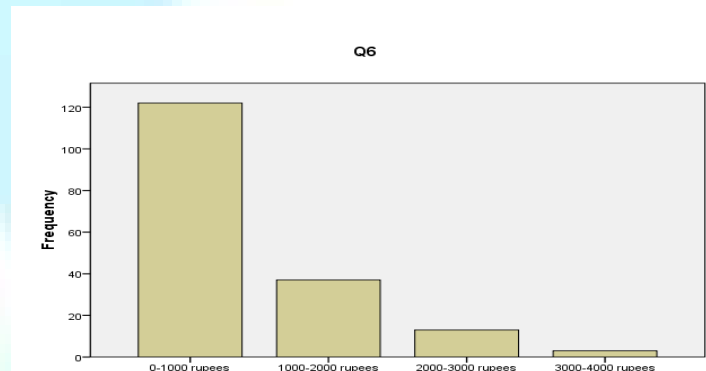


FIGURE: 7

a. Place of purchasing cosmetic product.

Q7

	Frequency	Percent	Valid Percent
Cosmetic Store	72	41.1	41.1
Departmental Store	34	19.4	19.4
Pharmacy	53	30.3	30.3
Internet	9	5.1	5.1
Others	7	4.0	4.0
Total	175	100.0	100.0

TABLE: 8

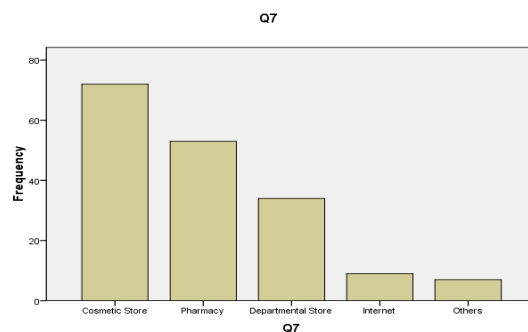


FIGURE: 8

a. Brands used by the male cosmetic consumers.

Q10			
	Frequency	Percent	Valid Percent
L'Oreal	41	23.4	23.4
Olay	21	12.0	12.0
Nivea	78	44.8	44.8
Axe	5	2.9	2.9
Garnier	20	11.4	11.4
Emami	3	1.7	1.7
Fair & Lovely	5	2.9	2.9
Clarins	2	1.1	1.1
Total	175	100.0	100.0

TABLE: 9

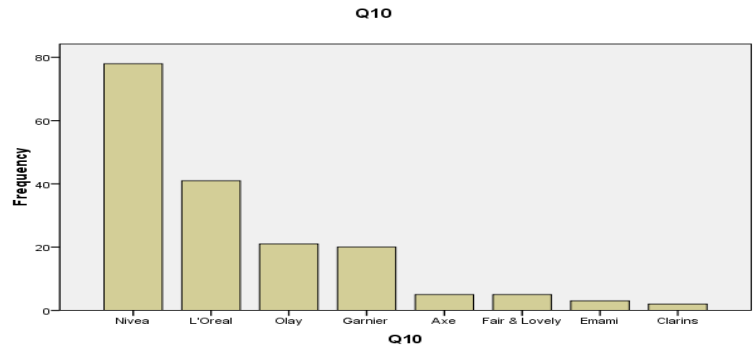


FIGURE: 9

f. Factors which young male consumers feel are important for a male cosmetic product.

	a. Price		b. Packaging product			c. Brand		d. Feature		
	e. Small of the		f. Advertisement			g. Easy to use		h. Availability		
	i. Celebrity endorsement		j. Recommended by friends							
	Percent Q8a	Percent Q8b	Percent Q8c	Percent Q8d	Percent Q8e	Percent Q8f	Percent Q8g	Percent Q8h	Percent Q8i	Percent Q8j
Not Important	4.6	6.3	2.9	1.1	5.7	4.0	2.9	3.4	3.4	14.9
Less Important	8.6	16.6	5.7	4.0	74.8	10.3	4.0	5.1	18.9	73.7
Important	26.9	69.7	66.3	73.7	10.9	71.4	33.1	69.1	58.9	8.0
Very Important	60.0	7.4	25.1	21.7	8.6	14.3	60.0	22.3	18.9	3.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE: 10

a. Correlation between age group and brand of various skin care product.

Correlations			
		Q10	Q11
Q10	Pearson Correlation	1	-.174 [*]
	Sig. (2-tailed)		.021
	N	175	175
Q11	Pearson Correlation	-.174 [*]	1
	Sig. (2-tailed)	.021	
	N	175	175

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

TABLE: 11

g. Correlation between age group and purpose of using a skin care product.

Correlations			
		Q11	Q5
Q11	Pearson Correlation	1	-.096
	Sig. (2-tailed)		.208
	N	175	175
Q5	Pearson Correlation	-.096	1
	Sig. (2-tailed)	.208	
	N	175	175

TABLE: 12

h. Correlation between income of the person and place of buying a skin care product.

Correlations

		Q13	Q7
Q13	Pearson Correlation	1	.012
	Sig. (2-tailed)		.870
	N	175	175
Q7	Pearson Correlation	.012	1
	Sig. (2-tailed)	.870	
	N	175	175

TABLE: 13

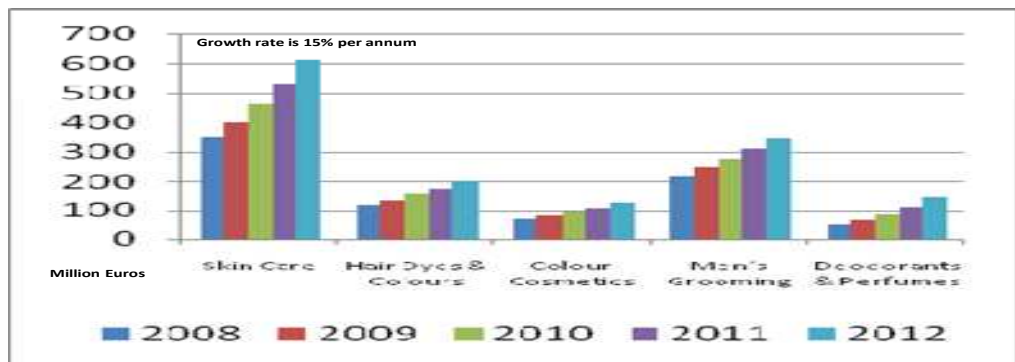
i. Correlation between income of a person and the brand of skin care product used by a person.

Correlations

		Q13	Q10
Q13	Pearson Correlation	1	-.091
	Sig. (2-tailed)		.232
	N	175	175
Q10	Pearson Correlation	-.091	1
	Sig. (2-tailed)	.232	
	N	175	175

TABLE: 14

Projected market for cosmetics in India



Source: italiaindia.com



FIGURE: 10

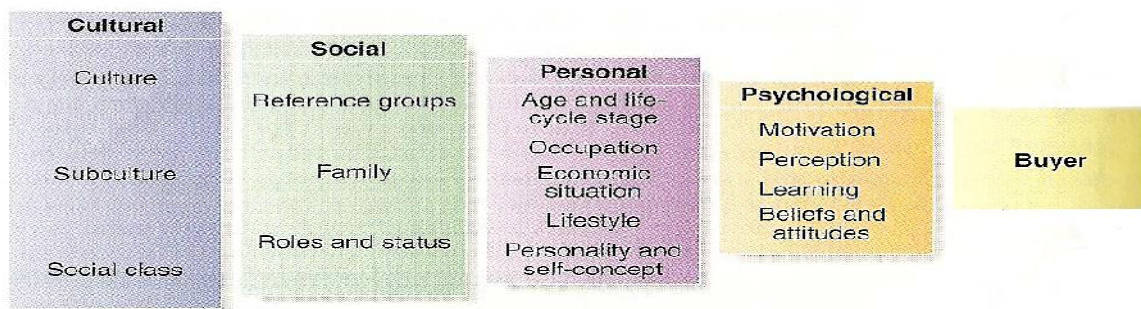


FIGURE 11: FACTORS INFLUENCING BEHAVIOR

Source: Kolter, P. et al. (2005)

Q11 vs. Q10

ANOVA

Q10		Sum of Squares	df	Mean Square	F	Sig.
Between Groups		32.511	4	8.128	3.521	.009
Within Groups		392.426	170	2.308		
Total		424.937	174			

TABLE: 15
Q11 vs. Q9

ANOVA

Q9					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.577	4	.644	.716	.582
Within Groups	152.932	170	.900		
Total	155.509	174			

TABLE: 16
Q12 vs. Q5

ANOVA

Q5					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.667	4	2.417	.866	.486
Within Groups	474.482	170	2.791		
Total	484.149	174			

TABLE: 17

Q13 vs. Q7

ANOVA

Q7					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.858	5	1.372	1.079	.374
Within Groups	214.856	169	1.271		
Total	221.714	174			

TABLE: 18

SELF HELP GROUP IN SOCIO ECONOMIC TRANSFORMATION WITH SPECIAL REGERENCE TO COIMBATORE

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ABSTRACT

In recent years, countries across globe face copious hindrances in gearing their economic development and rigorously plan and evolve various economic activities. The process of globalization together with faster development in information and communication technological revolution put them under a great pressure. Today, competition among countries seems to be increasingly very stiff. We are aware that countries are classified as developed and developing countries. Although economic growth is measured in various dimensions, the reality of the growth of a nation lies not only in economic growth, but in the status of its women. Further, a country cannot be called as "developed", if half of its population is deprived of its basic needs, livelihood, access to knowledge, and political voice. In short and simple words, women must be a part in all aspects of the development activities and programmes of a country. To ensure that women from merely populating numbers to becoming a strategic presence in decision-making all categories of women-especially the marginalized, under-represented and excluded groups-must actively be part of the development process. This must be an engendered process to develop and strengthen links between economic growth and gender justice. Keeping this in mind the governments both at the centre and the state developed various programmes exclusively for women in order to empower them and also to major extent to have financial and economic freedom in their life. The paper highlights a little piece of information and insight about Self Help Group, and the means they become energized at the current context.

KEYWORDS

Self Help Group, Poverty, Empowerment, Formation, SHG initiatives, Economically Active, Savings.

INTROUCTION

Today the world is under the shove of globalization and information technological revolution and hence the globe has shrunk to a tiny village. In this context, India is a small slice and is rich enough to eat out; many drive new cars and witness shops for luxuries at malls with glittering styles, millions in the vast, countryside improved a lot but are still struggling for survival. "Poverty is one of the greatest problems in India. Government India is keen in taking a bundle of steps to eradicate, but still poverty has spread to the deep-roots almost in all backward and rural areas. Nearly two thirds of India's population live in rural areas, of them 170 million is poor. Although many rural people are migrating to cities, three out of four of India's poor people live in the vast rural parts of the country. For more than 21 per cent of them, poverty is a chronic condition.

POVERTY IN INDIA AT A GLANCE

Central and State Governments are keen in the process to eradicate poverty in the country by embryonic apt strategies. It is worth to state, one must have knowledge about the problems well before the time while they identify the means to overcome the problems. Table 1 exhibits the state of poverty level in India.

TABLE 1: INDIA AT A GLANCE

INDIA AT A GLANCE 2009			
POVERTY and SOCIAL	India	South Asia	Lower Middle Income
Population, mid-year (millions)	1,155.30	1,568	3,811
Population Mid Year (Percentage)	74		
GNI per capita (Atlas method, US\$)	1,220.00	1,082	2,316
GNI (Atlas method, US\$ billions)	1,405.70	1,697	8,825
Average annual growth, 2003-09			
Population (%)	1.4	1.5	1.2
Labor force (%)	2	2.2	1.5
Most recent estimate (latest year available, 2003-09)			
Poverty (% of population below national poverty line)			
Urban population (% of total population)	30	30	41
Life expectancy at birth (years)	64	64	68
Infant mortality (per 1,000 live births)	50	55	43
Child malnutrition (% of children under 5)	44	41	25
Access to an improved water source (% of population)	88	88	87
Literacy (% of population age 15+)	63	61	80
Gross primary enrollment (% of school-age population)	113	108	107
Male	115	110	109
Female	111	105	105

Source: http://devdata.worldbank.org/AAG/ind_aag.pdf

Note: 2009 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

* The diamonds show four key indicators in the country (in bold) compared with its income-Group average. If data are missing, the diamond will be incomplete.

It reveals that virtually India plays a dominant role with an account of 74 percent of its total population live in poverty, when compared with South Asia. Nearly 41 percent are urban population fall under lower middle income class and out of the total population 30 percent of the urban population is below the poverty line. The labour force growth rate is found to be 2 percent whereas it is 2.2 percent in the case of South Asia. Poverty is one of the greatest problems for a country in its development process. It must find the means to eradicate or atleast to reduce the growth of poverty.

Self help groups have become more active and are spreading into cultural, political and bureaucratic spheres. Its prime process is in improving and lifting up financial and economic conditions. As an impact of active process, there is a rapid change in the lifestyle, saving, and economic freedom, and hence experienced that the poverty level is controlled to certain extent.

Another critical issue India faces today is malnutrition and hunger which is on rise due to poverty. Almost three-fourths of the rural population is severely affected, most of whom are children and women. World Reports indicates that one out of every five persons in the developing countries is chronically undernourished. The report further indicates that 74 percent of the poor in developing world live this region, and are mainly concentrated in rural areas. The other fact is that, in most Asian countries, 50 of the rural population solely depend and lead their life only through the income generated from agricultural sector.

INDIAN POPULATION ENGAGED IN ECONOMIC ACTIVITIES

TABLE NO. 2: INDIAN POPULATION AN OVERVIEW AND ECONOMIC ACTIVITIES (FIGURES IN LAKHS)

Indian Population an overview and economic activities															
	2004	2005	% Inc	2006	% Inc	2007	% Inc	2008	% Inc	2009	% Inc	2010	% Inc	2011	% Inc
Total Population	11229.91	11400.43	1.5	1157039	1.5	1173972	1.5	1190864	1.4	1207740	1.4	1224614	1.4	1241492	1.4
Total Male	5814.94	5900.86	1.5	598636	1.4	607142	1.4	615618	1.4	624083	1.4	632547	1.4	641015	1.3
Total Female	5414.97	5499.57	1.6	558402	1.5	566830	1.5	575246	1.5	583657	1.5	592068	1.4	600477	1.4
Rural Population	8029.97	8126.65	1.2	822090	1.2	831257	1.1	840156	1.1	848778	1.0	857109	1.0	865130	0.9
Urban Population	3199.94	3273.78	2.3	334948	2.3	342714	2.3	350708	2.3	358963	2.4	367505	2.4	376362	2.4
Agricultural Population	5747.48	5783.93	0.6	581885	0.6	584421	0.4	587206	0.5	589823	0.4	592277	0.4	594571	0.4
Non Agricultural Population	5482.44	5616.5	2.4	575154	2.4	589551	2.5	603658	2.4	617918	2.4	632337	2.3	646921	2.3
Total economically active population	4396.86	4491.37	2.1	458974	2.2	466877	1.7	476257	2.0	485793	2.0	495467	2.0	505276	2.0
Male economically active population	3167.4	3223.19	1.8	327928	1.7	334722	2.1	341039	1.9	347404	1.9	353806	1.8	360242	1.8
Female economically active population	1229.46	1268.19	3.2	131045	3.3	132155	0.8	135218	2.3	138388	2.3	141661	2.4	145034	2.4

Source: http://devdata.worldbank.org/AAG/ind_aag.pdf

Note: 2009 data are preliminary estimates. This table was produced from the Development Economics LDB database.

A country can economically prosper if its significant portion of population engaged in various economic activities. Table 2 illustrates the economically active population among men and women. It point out the population is spread in rural and urban areas. In the year 2005 and 2011, there is no significant change in the percentage of male and female population in the country. Both male and female populations accounts for 52 percent and 48 percent respectively. On the other hand, due to changes in agricultural sector and urbanization, the rural population has fallen down from 71 percent in 2005 to 70 percent in 2011. Whereas in case of urban population, there was a rise from 29 percent to 30 percent in the year 2005 and 2011 respectively. In effect to these changes the agricultural population has fallen down from 51 percent in 2005 to 48 percent in 2011. In reverse, the non agricultural population has increased from 49 percent in 2005 to 52 percent in 2011.

The percentages of population engaged in economic activities have increased from 39 percent in 2005 to 41 percent in 2011. The male population engaged in economic activity participation has rose from 28 percent in 2005 to 29 percent in 2011. Likewise the female population has also started to participate in the economic activities. The share of female population engaged in economic activity also raised from 11 percent in 2005 to 12 percent in 2011.

Hence, the governments must focuses on Agricultural and rural development on the most priority basis in their national development policies and programmes. If it is aimed perfectly and evolved appropriate strategies it could eliminate the problems of food insecurity and rural poverty. At present these facts are being considered as fresh attention by policy makers not only at country levels but also at regional levels.

Today it was realized by the planners involved in planning and implementing development process that bottom up approach is much effective than the top down approach. It was realized that this could help in poverty alleviation programmes. This may be conducted in association with non-governmental organizations and self help local groups.

It was also identified by various reports there are four critical areas of inequality between men and women in India:

- Economic participation and opportunity-outcomes on salaries, participation levels and access to high-skilled employment.
- Educational attainment-outcomes on access to basic and higher level education.
- Political empowerment-outcomes on representation in decision-making structures and
- Health and Survival-outcomes on life expectancy and sex ratio.

At this juncture Government of India and its states had begun to encourage the formation of Self Help Group and extend their supports with a view to gear up its growth at all levels. Self Help Group is one among the key elements in improving and strengthening the economic development and economic activities in the country.

SELF-HELP GROUPS AS AN INSTRUMENT FOR ECONOMIC EMPOWERMENT

Before getting into the subject matter a clear understanding about what a Self Help Group is a must. Its key role in gearing up the economic development, various functions and activities, not but the least the problems faced by these Self Help Groups.

What is self-help group (SHG)?

Self Help Group (SHG) is a group of village-based financial intermediary usually composed of between 10-15 local women. The group may either a registered or unregistered group having homogenous socio-economic backgrounds, willfully joining together with an attitude to save their money, make use of such funds to contribute to a common fund with an intention to meet their emergency needs on the basis of mutual help.

ORIGIN AND CONCEPT OF SHGS

ORIGIN

The evolution of Self Help Group is from the neighbourhood country of India. SHG originated from the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus.

In India though the first SHGs was started and formed in 1975, it was started to take off during the year 1986-1987. Self Help Groups, although initiated in India for the first time in 1984 by the Mysore Resettlement and Development Agency (MYRADA), have caught on rapidly with encouraging support from organizations such as the National Bank for Agricultural and Rural Development (NABARD). Subsequently, at the instance of the Reserve Bank of India (the central banking institution), commercial banks started promoting SHGs.

CONCEPT OF SELF HELP GROUP

The concept of SHG is based on the following principles:

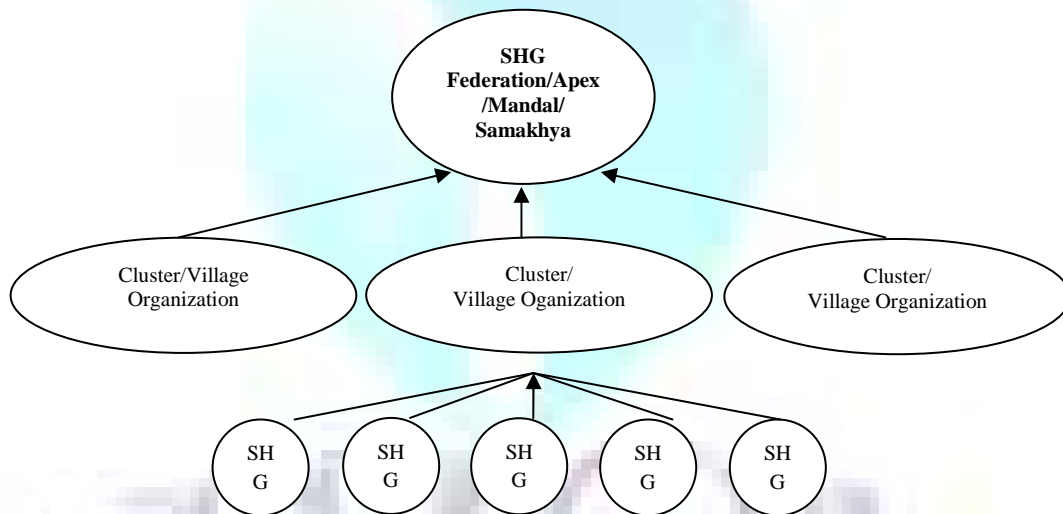
- One of the most powerful tool among the several that are available for the socio economic development for the poor is the Self Help Group coupled with mutual help.
- Highly responsive and efficient Participative financial services management.
- The very vital need for the poor is not only credit support, but they also need savings and other services;
- Poor can save and are bankable and SHGs as clients, result in wider outreach at a low transaction cost with much lower risk costs for the banks;
- They can create a common fund through contribution as small savings on a regular basis;
- The working system is highly flexible and democratic in nature.
- Loaning is done chiefly on good faith with minimum documentation and without any security;
- The loan amounts are normally very small, reasonable, frequent and for a short period.
- Default of repayment is very rarely happen and repayment is made in prompt and in time.
- Periodic meetings non-traditional savings.
- Lending rate of interest is affordable, varies from group to group and loan to loan. But still the interest rate is little higher than the banks but lower than the money lenders.

SHG MOVEMENT IN INDIA

It was very much difficult and tedious to determine the date of the actual conception and propagation of SHGs, however the formation of small groups among rural and urban people for the purpose of savings and credit is well established in India. In the earlier periods, NGOs played a crucial role in innovating the SHG model and began to implement the same to develop the process fully. The policy makers observed and worked with development organizations and bankers and discussed with them the possibility of promoting these savings and credit groups at a larger level in 1980. Out of untiring effort and due to simplicity in the formation of SHGs, it paved a strong platform for the widespread reach across the country. State governments created revolving loan funds in order to fund SHGs. Later in the 1990s, SHGs were considered as more than just a financial intermediation but as a common interest group, working on other concerns as well. Due to the widespread of SHGs across the country it paved way for the formation of SHG Federations that are more sophisticated form of organization that involve several SHGs forming into Village Organizations (VO) / Cluster Federations and then ultimately into higher level federations (called as Mandal Samakhya (MS) in AP or SHG Federation generally). The distinction between SHG Federations and SHGs is, the former is a more formal institutions and the latter is an informal one. Many of these SHG federations are registered as societies, mutual benefit trusts and mutually aided cooperative societies. SHG Federations resulted in several key benefits including:

- Stronger political and advocacy capabilities
- Sharing of knowledge and experiences
- Economies of scale
- Access to greater capital

FIGURE 1: ILLUSTRATIVE SHG FEDERATION



The federations so formed have presented some key benefits to SHGs as a result of their greater scale. But, at the same time there are some drawbacks, or constraints.

Government of Tamilnadu initiated and introduced Mahalair Thittam. In this Mahalir Thittam, federations of SHGs are formed at Village Panchayat Level called Panchayat Level Federation (PLF). These federations, identified the pool of talents and resources and began exploit the economies of scale in production and marketing, which offered many benefits to the members of SHGs immensely. The fededation also guide and monitor the functioning of SHGs in all Village Panchayats and strengthening them is the key for ensuring sustainability and self reliance of SHGs. Two representatives from each SHGs coming under a panchayat / group of villages that contain 20 – 50 members

INITIATIVES BY SHG

FIG. 2 – VARIOUS INITIATIVE OF SHGs

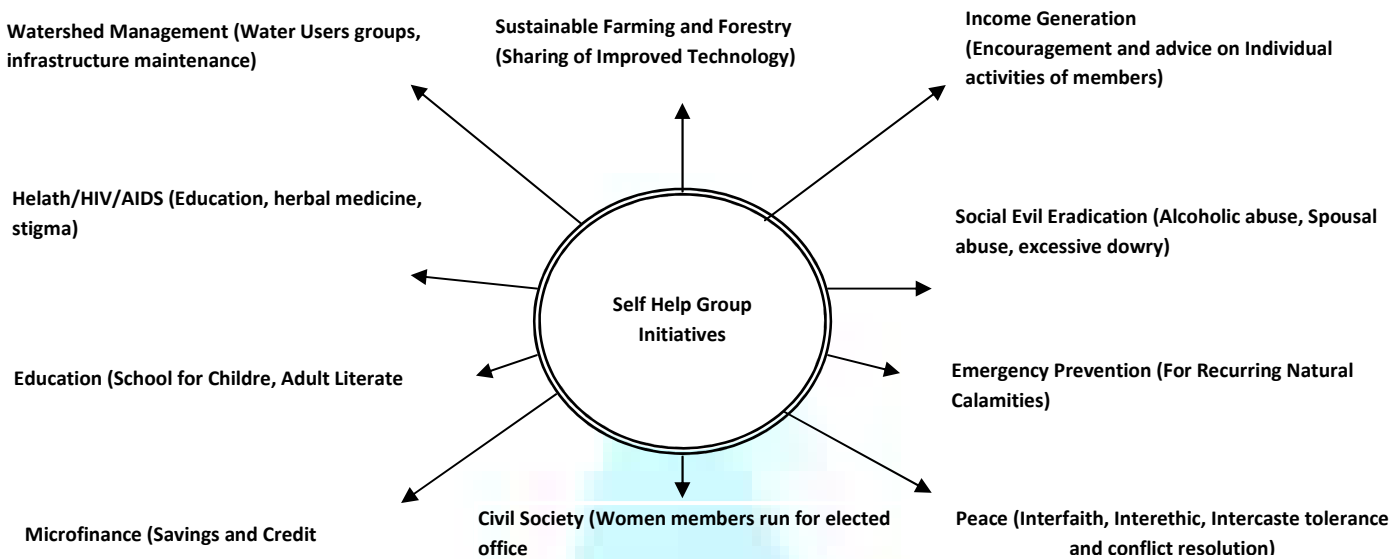


Figure 2 illustrates various initiatives carried out by Self Help Groups. They are engaged in water shed management, farming and forestry with use of improved technology. One of key initiatives of these SHGs is Microfinance, through which they are able make considerable savings and avail credit facilities from commercial and other financial institutions. Further they are also aggressively fighting against various social evils such as dowry harassment, alcoholic abuse, spousal abuse and so forth. By looking at the above it could be noticed that they operate under different issues in order to empower themselves in socio economic aspects.

SELF HELP GROUP IN COIMBATORE DISTRICT

In the recent years, the SHG had started attain manifold colours and strides and is very much popular through length and breadth of the country. In Tamilnadu the performance of SHG is highly at an interesting pace and at a faster growth as well. Coimbatore is well known for all kinds of industry and is renowned for especially textiles and engineering goods.

TABLE 3: SHG GROUP FORMATION AS ON 31.03.2010

S. No	District	Rural			Urban			Total		
		Groups formed	Women Enrolled	Savings In Lakhs	Groups formed	Women Enrolled	Savings	Groups formed	Women Enrolled	Savings In Lakhs
1	Ariyalur	5991	95856	3224.00	717	11113	303.14	6708	106969	3527.14
2	Chennai	0	0	00	23620	366110	9948.75	23620	366110	9948.75
3	Coimbatore	9842	157472	5022.78	5037	78073	3502.40	14879	235545	8525.18
4	Cuddalore	13890	222240	8122.87	3815	59132	2171.52	17705	281372	10294.39
5	Dharmapuri	6807	108912	6665.92	1198	18569	581.97	8005	127481	7247.89
6	Dindigul	10776	172416	4398.29	2793	43291	551.71	13569	215707	4950.00
7	Erode	9456	151296	5758.05	5975	92612	3186.70	15431	243908	8944.75
8	Kancheepuram	16457	263312	9342.66	7034	109027	3744.41	23491	372339	13087.07
9	Kanniyakumari	6135	98160	5062.41	7994	123907	6855.79	14129	222067	11918.20
10	Karur	7448	119168	7984.67	2302	35681	3841.53	9750	154849	11826.20
11	Krishnagiri	8687	138992	8562.00	1224	18972	230.50	9911	157964	8792.50
12	Madurai	9707	155312	6659.31	4713	73051	1854.50	14420	228363	8513.81
13	Nagapattinam	11392	182272	7340.93	2216	34348	1589.52	13608	216620	8930.45
14	Namakkal	8406	134496	5773.94	3412	52886	3161.31	11818	187382	8935.25
15	Nilgiris	3510	56160	1985.20	3756	58218	2253.50	7266	114378	4238.70
16	Perambalur	3454	55264	823.46	562	8711	128.94	4016	63975	952.40
17	Pudukkottai	9832	157312	17033.93	1492	23126	4416.09	11324	180438	21450.02
18	Ramnad	8019	128304	6807.90	1909	29589	1278.68	9928	157893	8086.58
19	Salem	10952	175232	4426.96	7512	116436	2740.54	18464	291668	7167.50
20	Sivagangai	8841	141456	4021.12	1492	23126	1862.58	10333	164582	5883.70
21	Thiruvannamalai	14833	237328	4526.00	2814	43617	682.00	17647	280945	5208.00
22	Thirunelveli	11789	188624	5825.63	7196	111538	4033.97	18985	300162	9859.60
23	Thanjavur	13415	214640	8168.70	3893	60341	1933.40	17308	274981	10102.10
24	Theni	6400	102400	3118.78	4560	70680	2109.27	10960	173080	5228.05
25	Thiruvallur	10560	168960	6097.27	6168	95604	2303.71	16728	264564	8400.98
26	Thiruvarur	9279	148464	3726.14	1640	25420	498.60	10919	173884	4224.74
27	Tirupur	7032	112512	4295.50	4720	73160	2896.46	11752	185672	7191.96
28	Thoothukudi	10796	172736	7191.96	4242	65751	2048.34	15038	238487	7514.74
29	Trichy	10415	166640	5466.40	4915	76182	2465.17	15330	242822	5962.94
30	Vellore	13653	218448	3497.77	2835	43942	302.69	16488	262390	9358.56
31	Villupuram	16841	269456	9055.87	2688	41664	718.95	19529	311120	5075.45
32	Virudhunagar	9429	150864	4356.50	2821	43725	1096.89	12250	194589	5453.39
	TOTAL	302092	4833472	184342.92	139219	2157894	74770.12	441311	6991366	256800.99

Source: Government of Tamilnadu Official Website

Table No 3 indicates number of Self Help Groups formed 32 districts of Tamilnadu as on 31.03.2010. It shows the details such as the groups formed in rural areas, urban areas, and savings of SHG. There are 441311 SHGs formed of which 302092 SHGs were formed in the rural areas in the Tamilnadu. The remaining SHGs of 139219 were formed in urban areas. Altogether these SHGs have made a savings to the tune of Rs 256800.99 lakhs with an enrollment of 6991366 women. Table also show that the women enrolled in SHGs is much greater among the rural women rather than urban. The rural groups have 4833472 women who were able to have savings of Rs 184342.92 lakhs. On the other hand, the urban SHGs have 2157894 who able to have savings worth Rs. 74770.12 lakhs.

TABLE NO. 4: SELF HELP GROUPS FORMED BY TNCDW LTD. (AS ON 31.03.2011)

No. of SHGs :	4,91,311
Rural :	3,32,092
Urban :	1,59,219
No. of SHG Members :	76,59,682
Rural :	51,77,028
Urban :	24,82,654
Financial Linkages to SHGs:	
Total Savings of SHGs :	2,973 crores
Revolving fund provided so far :	4,47,081 SHGs
Credit Linkage provided so far :	11,603.83 crores
Federation of SHGs:	
No. of Habitation Level Forums (HLFs) :	11,452
No. of Panchayat Level Federations restructured :	5,085
Support Organisations in the women empowerment & poverty alleviation programmes:	
No. of Banks involved :	21
No. of Bank Branches involved :	6300
No. of NGOs Affiliated :	447
No. of PLFs Affiliated :	334
No. of Training Institutions :	256
Marketing support to SHGs:	
Types of SHG Products :	327
No. of Marketing Complexes in the State	
Main Complexes :	29
Additional Buildings :	22
Complexes at Block/Village Level :	256
Village Haats :	86
SHG Infrastructure:	
No. of SHG Buildings :	12,618
No. of Buildings taken up for Constructions :	1,066
Placement linked skill training for youth :	
No. of Youth Trained so far :	93,762
Youth placed in private sector :	60,407
No. of Training Institutions :	256
Types of Trades :	45

Source: Tamilnadu State Corporation for Women Development

The SHGs growth has reached some more glorious heights in the 2010- 2011 year. Table No.4, shown above gives a clear picture of the performance and growth details of SHGs in Tamilnadu. This was achieved through Tamil Nadu Corporation for Development of Women. As on 31.03.2011, the state has 4,91,311 SHGs. Among this, 3,32,092 are formed in Rural areas and the remaining 1,59,219 SHGs were in urban areas. As far as the number of members in SHGs, out of 76,59,682 members, 51,77,028 were members of SHGs formed in rural parts of the state and leaving the remaining 24,82,654 to the urban. It means of all the total number of members of SHGs, 68 percent of them are from the rural and the remaining 32 percent from the urban areas. According to the source mentioned in the table it could be noticed that almost 91 percent of the SHGs have received revolving fund through various sf from various bank –SHG model of microfinance programme. Altogether the SHGs in the state have successfully created savings to the level of 2,973 crores and with a credit linkage to the value worth Rs. 11,603,83 crorea

TABLE NO. 5: COIMBATORE DISTRICT AND BLOCKS

Sl. No.	Name of the Block	Number of Panchayat village
1	Anamalai	19
2	Annur	21
3	Avanashi	31
4	Gudimangalam	23
5	Karamadai	17
6	Kinathukadavu	34
7	Madathukulam	11
8	Madukkarai	9
9	Palladam	20
10	Periyanaikkanpalayam	9
11	Pollachi(North)	39
12	Pollachi(South)	26
13	Pongalur	16
14	Sarcarsamakulam	8
15	Sultanpet	20
16	Sulur	17
17	Thondamuthur	10
18	Tiruppur	21
19	Udumalaipettai	38

Source: Office of the District Collector, Coimbatore

Table No. 5 above gives the break up details of blocks across Coimbatore District. The district has 19 blocks and has 389 panchayats. Pollachi north has the larger number of blocks with 39, following it is Udumalpet with 38 blocks, and Kinathukadavu with 34 blocks. Sarkarsamakulam block has the least number of the least of 8 blocks.

TABLE NO. 6 - BLOCK WISE SELF-HELP GROUPS IN COIMBATORE DISTRICT AS ON JULY 2010

S.No	Name of the Block	Age Groups (Years)							Total Women Covered
		0-6 Months	6 M-1 Year	1-2	2-3	3-4	4+	Total	
I RURAL SHGS									
1	Karamadai	24	34	115	20	21	830	1044	14844
2	Pollachi North	17	22	8	0	159	661	867	12359
3	Annur	21	0	103	0	0	617	741	10647
4	Pollachi South	20	0	20	24	186	445	695	9990
5	Anaimalai	10	36	37	43	90	402	618	8652
6	Perianaickenpalayam	39	1	50	45	62	398	595	8486
7	Sulur	47	0	43	21	34	350	495	7229
8	Kinathukadavu	14	0	0	0	0	438	452	6510
9	Sulthanpet	59	17	40	28	39	216	399	5820
10	Thondamuthur	0	0	0	0	0	287	287	4018
11	Sarkar Samakulam	9	0	0	0	4	157	170	2497
12	Madukkarai	0	0	0	0	58	106	164	2296
Sub total (1 to 12)		260	110	416	181	653	4907	6527	93348
II Urban SHGs									
a	Town Panchayat	47	23	69	112	209	3168	3628	50792
b	Municipality	31	86	57	0	75	1898	2147	30648
c	Corporation	25	156	264	116	608	2180	3349	46886
Sub total (a+b+c)		103	265	390	228	892	7246	9124	128326
III Grand Total (I+II)		363	375	806	409	1545	12153	15651	221674

Source: Project Office, Project Implementation Unit, Mahalir Thittam, Coimbatore, 2010

Table No. 6 shown above indicate the blockwise distribution of Self Help Group in Coimbatore. There are 15651 SHGs in Coimbatore women enrollment of 221674 in the year 2010 as on July. Karamadai block has the highest number of SHGs 1044 with women enrollment of 14844 members. Total women enrolled in SHGs in the leading blocks of 12 it was noticed that 93,348 have enrolled in the SHGs. Majority of the SHGs to the level of 128326 are from Town Panchayats, Municipality and Corporation of Tamilnadu. As per the statistical information available as on 31.03.2010 as shown in the Table No. 3, women enrollment was 235545 and savings worth Rs. 8525.18 lakhs. As far as the groups formed in the rural areas, it was 9842 SHGS with women enrollment of 157472 whose savings are Rs. 5022.78 lakhs. The urban SHGs formed in Coimbatore district was 5037 having women enrollment of 78703 having savings of Rs. 3502.4 lakhs.

NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT (NABARD)

Like Central and State Governments, NABARD also had taken several strategic measures in 1986-87 to spur the growth of Self Help Group with an intention to eradicate poverty alleviation programme. After long years of such initiatives, fruitful results started to its galore in 1991-92 from the linkage of SHGs with the banks. In Tamil Nadu the SHGs were started early during the year 1989 at combined Dharmapuri District. At present 1.40 lakhs groups are functioning with 23.83 lakhs members. So far SHG formed by women only benefited and utilized bank linkages, but at the recent times men are also eager to form such SHGs. Many self help groups, especially in India under NABARD's SHG bank linkage programme, borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayment.

NABARD estimates 3.2 million SHGs in India, representing 43 million members that have taken loans from banks under its linkage programme to date.

- In the contry, nearly 57% of the SHG are credit linked.
- Assisting in formulation of credit guidelines.
- Assisting in creation of SHG-friendly banking environment in districts and State.
- Solving all field-level bank-related problems of SHGs through prompt intervention.
- Providing refinance support to SHG credit to banks.
- Ensuring inclusion of SHG credit outlay under District Annual Credit Plan and disaggregation into branch-wise credit.

- Promotional assistance to NGOs/SHGs for their capacity building.
- Providing training opportunities to banks, NGOs, and development agencies on SHG related aspects.
- Assist through funding some of the training programmes

MICRO FINANCE

In the current scenario, Micro finance programme perform as key strategy for addressing both poverty alleviation and women's empowerment. Prior to 1990s, credit schemes meant for women were almost negligible. There was a wrong notion by many that the poor people look for loan at subsidized rates of interest on soft terms, they are unskilled, incapable in savings, credit worthiness and hence they have totally neglected. But today the practices of several SHGs reveal that rural poor are actually efficient managers of credit and finance. Hence it was felt that availability of timely and adequate credit is essential for them to run their in their enterprises. Further most of the poverty alleviation programmes such as Self Employment Programmes and Subsidies of credit offered by the governments have received only a little success. Today micro finance was identified as one of the most effective and highly a flexible strategy in the effort of poverty alleviation programmes. Beyond it has also boosted the people's earning power by reaching to the remote parts of the country,

NEED FOR EMPOWERMENT

Every nation across the globe is keen in developing the country as powerful in all dimensions. This could be achieved through empowering its citizens in the country. Empowerment is far away from essentially political; it must be a process involved with personal, economic, social and political dimensions with personal empowerment being the core component in the empowerment process.

Micro-financing to SHGs create lot of avenues for the empowerment and in promoting well being for women. This led to have feel among women as they are strengthened, attained self esteem and self worth, instilled a greater sense of awareness about social and political issues leading to increased mobility. Thus micro-finance programmes enabled women to contribute to the household economy, increasing their intra-household bargaining power. Micro financing through Self-help groups had transformed economic power in the hands of women and considerably reduced their dependence on men. Die lack of education they had to seek help from their husbands or any other educated man/ woman for day-to-day work. The political as well as economic empowerment will not succeed in the absence of women education in skills and vocations they require the most.

Therefore, developing countries are under greater thrust and take effective steps to enroll the members of SHGs in the Schemes of open schooling or any other distance mode to impart education. In current scenario SHGs providing microcredit for economic activities at village level is fast catching up. Many NGOs already operate and are promoted by government sponsored institutions/banks. The most suitable and the ideal form for promoting these SHGs are the Village level cooperative institutions. It is mandatory that the policy reforms should include not only cooperativization, and essential support services but also the strategic alliance between the state, cooperative sector and the private sector.

PROBLEMS ENCOUNTERED BY SHGs

The major hurdle faced by SHGs is the transaction and getting linkage with the financial institutions and lending agencies. The reason is that most of these SHGs are formal but with unregistered status. Some of them are not attached with formally registered NGOs in this regard. SHGs also don't have their own business models for the purpose of promoting themselves in the market and get the support from other agencies and they often rely models framed by Government and other institutions. Though it was found that the performance and growth of SHGs are rapidly increasing in the years, it has also found certain critical areas on which information is lacking to a major extent. There are insufficient information relating to number of SHGs functioning in the state and country. It is also noted that details regarding the number of women and women groups who have credit access is absent. Although several statistical information disclose that the credit availed by SHGs from banks and other financial institutions are increasing year after year, nothing was mentioned about the purpose and the nature of enterprises for which such loans and credit were received by them. It was also observed that there is an unclear lending norm and practices being practiced and hence all these lead to a difficult situation for the assessment of SHGs.

CONCLUSION

Therefore, it is vital on the part of the policy makers and implementing authorities that they should keep an eye on all matters relating to the policy objectives with adequate data for the purpose of monitoring and evaluation. While framing such policies they prioritize their objectives on the socio economic importance and for the economic development of not only the country but also the individuals who live below the poverty line.

Urban and rural sectors should be linked to work together. We must build up the social infrastructure. We should promote self help group and community based groups to manage themselves. Social funds are interested in having networks among the groups to plan and overcome the crisis, which can be solved, together at the local level.

In particular, empowerment of women and the inculcation of financial training and discipline amongst the poor will undoubtedly have long-term socio-economic benefits. The principles of self-help and microcredit thus hold the key to economic and socio-cultural freedom for India's millions of poor, opening the gates of a hitherto untapped reservoir of human enterprise.

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INDUSTRIAL EXPANSION AND GLOBAL WARMING

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ABSTRACT

Over the past few years, there has been lot of concern about the global warming and one of the main causes of the same is attributed to the rapid increase in industrial development that took place in the world over last some decades. Understanding the causes of and responses to global warming requires interdisciplinary cooperation between social, business and natural scientists. The theory behind global warming has been understood by climatologists since at least the 1980s, but the impact of huge industrial establishments has caused concern only recently and there has been the mounting empirical evidence to this effect which has convinced most of us as also the business scientists, politicians, and the general public as well as growing sections of our business community that the industrial expansion is responsible for global warming to a larger extent. With this in view, an attempt is made in this paper to know as to what extent our industrialization has contributed in global warming.

KEYWORDS

Carbon Footprint, Climate change, Global warming, Greenhouse Effect, Industrialization, Kyoto Protocol, Sustainable Environment and Ecosystem.

INTRODUCTION

Global warming is understood to result from an overall, long-term increase in the retention of the sun's heat around earth due to blanketing by "greenhouse gases," especially Carbon dioxide (CO₂), methane, nitrous oxide and fluorocarbons. Emissions of CO₂ have been rising at a speed unprecedented in human history, due to accelerating fossil fuel burning and biomass that began especially with the advent of Industrial Revolution. Industrial revolution was a period from 1750 AD to 1850 AD when changes in agriculture, manufacturing, mining, transportation and technology had a profound effect on social, economic and cultural conditions of the times. It began in the UK and then subsequently spread throughout Western Europe, North America, Japan and eventually the rest of the world. Thus, we the human race have substantially altered the earth's atmosphere. It is reported (Mehta, 2007) that in 2005 the concentration of Carbon dioxide exceeded the natural range that has existed over 650,000 years. Eleven of the warmest years since instrumental records have been kept occurred during the last 16 years and therefore climate change is accelerating. In the 20th century the increase in average temperature was 0.74 degrees centigrade; sea increased by 17cm and a large part of the Northern Hemisphere snow cover vanished. Particularly worrisome is the reduction in the mass balance of the glaciers and this has serious implications for the availability of the water. It is reported that melting of glaciers has contributed as much as 30 per cent of change in sea level in the 20th century. Melting of ice at Antarctica has caused growth of grass for the first time there. The total size of glaciers worldwide has decreased by 50 per cent since the end of the 19th century; something like 500 million people in South Asia and 250 million in China are likely to be affected as a result. The change in climate due to rise in global temperature is causing migration of species of wild animals towards polar and high altitudes. In general, in temperate regions there is an increase in precipitation, rainfall and snow. But in the tropical, sub-tropical and mediterranean regions there is a decline (Pachauri, 2007). A recent scientific survey carried out by the Chinese Academy of Science (2006) has revealed that the world's highest peak Mount Everest is shrinking and is gradually losing its height by nearly 0.1 meter annually due to global warming. The highest mountain in Africa, the Mount Kilimanjaro, has lost most of its snow cover since 1970 due to global warming. Global warming is depleting the fish stocks of African lakes. A rise in sea temperature killed off 90 per cent of coral reef near the surface of the Indian Ocean in only one year while the remaining 10 per cent could die in next 20 years. In the context of our country, the Parbati Glacier in Himachal Pradesh is melting fast. Satellite images taken between 1990 and 2001 indicate that the glacier has retreated 578 meters, the average shrink being 52 meters a year (Roy & Ashtt, 2007). The Gangotri glacier has shrunk more than 850 meters from 1996 to 1999. The Amarnath Shrine Board acknowledged, in May 2006, that the Ice Lingam at the Himalayan Cave was much smaller that year owing to global warming. In the elysian valley of Kashmir, most of the health resorts are experiencing less snow, in winters, during the past two decades for which the cause is attributed to global warming. Owing to environmental changes the Siachen glacier, in Ladakh region of J&K state, has also got affected to a considerable extent. It noteworthy that with the depletion of ozone layer there are obvious climate, atmospheric, ecological and environmental changes the protection of which have received worldwide attention during last two decades. Despite warning signals most countries have not put in required measures to avoid ill effects of climate change. The world has experienced devastating natural disasters on a level that has not been seen for decades due to global climate change brought about by increasing level of CO₂ and GHGs in atmosphere.

INDUSTRIAL EXPANSION AND CLIMATE CHANGE

Global warming has been a pertinent topic of discussion amongst earth scientists, geographers, climatologists, social scientists, economists, commercists, management experts, academicians, planners and administrators. Population, increasing industrialization and sustainable environment (which refers to maintaining environment overtime) are intertwined inseparably. Any increase in global warming will invariably deplete the resources in some proportion resulting in ecological imbalance of high magnitude to adversely affect sustainable development of the world. As stated earlier, global warming is the cause for enhancing the extreme environment temperature. It is responsible for rising sea water level by 0.5ft to 5.0ft due to melting of mountain glaciers and expansion of the oceans (Bhattacharjee, 2010). It may be recalled here that the greenhouse gases are the main culprits of the global climate/ecological change. The greenhouse gases like water vapour, carbon dioxide, methane, nitrous oxide and chlorofluorocarbon are playing hazards in the present times. Over the past 200 years, emissions of these gases due to human activities have accumulated in the atmosphere. As a result, especially since the Industrial revolution, concentration of carbon dioxide has increased by 30 per cent, methane by 145 per cent and nitrous oxide by 15 per cent (Ratkalle, 2007). More or less all specialists of earth/earth scientists have the same opinion now that human actions mainly the discharge of greenhouse gases from smokestacks, vehicles, burning forests/deforestation and rapid industrialization are perhaps the leading power driving the fashion. An atmosphere containing gases that absorb and emit infrared radiation causes the greenhouse effect which regulates temperature on Earth. Just as glass in a greenhouse keeps heat in, our atmosphere traps the sun's heat near earth's surface, primarily through heat-trapping properties of certain "greenhouse gases". Earth is heated by sunlight. Most of the sun's energy passes through the atmosphere, to warm the earth's surface, oceans and atmosphere. However, in order to keep the atmosphere's energy budget in balance, the warmed earth also emits heat energy back to space as infrared radiation. As this energy radiates upward, most is absorbed by clouds and molecules of greenhouse gases in the lower atmosphere. These re-radiate the energy in all directions, some back towards the surface and some upward, where other molecules higher up can absorb the energy again. This process of absorption and re-emission is repeated until finally, the energy does escape from the atmosphere to space. However, because much of the energy has been recycled downward, surface temperatures become much warmer than if the greenhouse gases were absent from the atmosphere. This natural process is known as the greenhouse effect. It may be stated here that climate changes is said to be caused when there is a statistically significant variation in either the mean state of the climate or its variability, persisting for an extended period due to increasing emissions of greenhouse gages such as carbon dioxide, methane, nitrous oxide and chlorofluorocarbons. In simple terms, as these gases trap the solar heat within the earth's atmosphere, the earth's surface temperature increases, leading to change in weather patterns and the earth's ecological balances. The major sources of greenhouse gases are:

- Fuel combustion;
- Energy industries;
- Manufacturing industries and construction;
- Transportation;
- Solid fuels;
- Oil and natural gas;
- Industrial process involving mineral products, chemical industries, metal production of halo carbons and sulphur hexafluoride;
- Agricultural processes such as enteric fermentation, manure management, rice cultivation prescribed burning of savannas and field burning of agricultural residues; and
- Solid waste disposal on land, waste water handling and waste incineration.

It has been observed that the environment temperature is increasing year-after-year leading to climate change. Industries, refineries, excessive electromagnetic wave propagation through air, transport vehicles – road and airways, rapid growth of entertainment equipment like air conditioned machines, refrigerator, television, mobile phone, computer etc are said to be the agents also responsible for the increasing environment temperature. The existing ecological environment has become highly polluted due to the establishment of different industries worldwide (heavy and light), oil-refineries, petrochemical, vehicles – air route and surface route etc. As is reported (Bhattacharjee, 2010) that in manufacturing industry, oil-refineries, petrochemical, chemical industries and heavy industries etc., most of the times residue of these industries, which is generally composed of different poisonous materials in gaseous form- (yielding greenhouse gases and causing global warming) - are either thrown out or burnt in open air after being exhausted through openings of a long heighten chimney. In case of burning residue gases in open air, some part of these residue gases are not completely (100%) burnt, some portion remains in their original condition. These remaining residue gases in unburnt condition/in original condition get mixed up with natural air in environment. These residue gases with the ashes of burnt residue gases with other greenhouse gases, because of their highly poisonous character spread numerous diseases in animals and botanic life including humans especially in the surroundings of these industrial plants (say 3~4 Km radius from the exposure of the residue gases or the burning residue gases) are responsible to raise environment temperature rapidly to a large extent.

The whole process of the global warming as influenced by the massive industrialization could be understood with the help of the concept of Carbon footprint as explained below:-

CONCEPT OF CARBON FOOTPRINT

Carbon footprint is a measure of the amount of CO₂ emitted through the combustion of fossil fuels; in case of an organization, business or enterprise/ industry as a part of their everyday operation; in the case of an individual or household as a part of their daily lives; or in case of a product or commodity in reaching the market. In other words, the total amount of GHG emission caused directly or indirectly by an individual, organization/ industry events or products is called "Carbon Footprint" of that entity. A carbon footprint is expressed as tons of carbon dioxide (CO₂) or tons of carbon emitted usually on yearly basis. A ton of carbon dioxide is released when we for example travel 5000 miles in an airplane or drive 2,500 miles in a medium - sized car, or cut down and burn a tree that was about 1 foot in diameter and 40 foot tall. It may be pointed out here that Carbon footprint consists of two parts – The Direct/ Primary footprint and Indirect/ Secondary footprint;

- The Primary footprint is a measure of direct emissions of CO₂ from the burning of fossil fuels including domestic energy consumption and transportation (e.g. car and Plane); and
- The secondary footprint is a measure of the indirect CO₂ emissions from the whole lifecycle of products that are used. These are associated with their manufacture and breakdown. For a country, the total amount of CO₂ release is associated with the carbon footprint of the individuals and business houses that belong to that country.

REMEDIAL MEASURES AT GLOBAL LEVEL

Periodic surveys and researches have proved that the global warming due to greenhouse gases causing changes in the world climates is increasing day-by-day. It is currently recognized as an important global issue. Representatives from over 160 countries have met regularly to discuss ways to reduce greenhouse gas emission. In December, 1997 a conference was organized in Kyoto Japan wherein world nations signed an agreement called as Kyoto Protocol. According to the protocol, the industrialized nations were required to cut their greenhouse gas emissions to an average of 5 per cent below 1990 levels by 2012. The protocol has been ratified by more than 126 countries. But Australia and the US did not support the protocol (Khokhar, 2010).

- Under Kyoto Protocol, United Nations Framework Convention on Climate Change (UNFCCC) members are divided into two groups: Annex 1 countries include mainly the OECD and Eastern European industrialized countries and the Non Annex-I countries are the developing economies;
- Three emission trading based 'flexibility mechanisms' were adopted to help in minimizing the global economic cost of achieving the agreed emission reductions. They are namely a) International emission trading that would involve the transfer of the Assigned Amounts Units (AAU) among the Annex 1 countries; b) Joint Implementation (JI) involves project based activities undertaken between Annex 1 countries; and c) Clean Development Mechanism (CDM) involves emission reduction projects undertaken in non-Annex- 1 countries.

Recently in December 2009, in Copenhagen, important steps towards reducing emission of CO₂ were taken which are expected to go a long way in keeping our environment sustainable. It is pertinent to note that for each tone of CO₂ that an industry in the developing world save by adopting cleaner technology or energy efficiency or shifting to non-conventional sources of energy generation, the United Nation's body on climate change gives a certificate called Certified Emission Reduction (CER) to the concerned industry. The company receiving the CER can sell the surplus credits (collected by surpassing the emission reduction targets) if any, to entities in the developed countries either immediately or through a future market at a price that is mutually agreed upon by both the parties involved in the deal. In the process the entities in the developed countries find it cheaper to buy "offsetting" certificates rather than achieving emission reductions in their own backyard. The following table reveals the carbon dioxide emissions from fossil fuels in ten countries:-

CARBON DIOXIDE EMISSIONS FROM FOSSIL FUELS BURNING

(Top Ten Countries- 2006)

Country Emissions	Total Million Tons of Carbon	Share of Global Per cent
United States	1,656	19.8
China	1,480	17.7
Russia	437	5.2
India	391	4.7
Japan	342	4.1
Germany	221	2.6
Canada	177	2.1
United Kingdom	171	2.0
South Korea	130	1.6
Mexico	123	1.5
All Other Countries	3,249	38.8
Global Total	8,379	100.0

Source: Various studies and Carbonsutra.com, India's first carbon footprint calculator.

It may be stated here that in 2005, an eight-year European study drilling Antarctic ice cores to measure the past composition of the atmosphere reported that CO₂ levels were at least 30 per cent higher than at any time in the last 65,000 years. The speed of the rise in CO₂ was unprecedented, from 280 parts per million (ppm) before the Industrial Revolution to 388 ppm in 2006. Early in 2007, the Norwegian Polar Institute reported acceleration to a new level of 390 ppm. In January 2006, a British Antarctic Survey, analyzing CO₂ in crevasse ice in the Antarctic Peninsula, found levels of CO₂ higher than at any time in the previous 800,000 years. In April 2005, a NASA Goddard Institute Oceanic Study reported that the earth was holding on to more solar energy than it was emitting into space. The Institute's director said: "This energy imbalance is the 'smoking gun' that we have been looking for" (Columbia, 2005).

It is now an admitted fact that climate change affects the entire globe. And therefore, developed and developing countries alike are working together to find solutions to climate change. Towards this end, the initiatives began in June 1992 when the United Nations Framework Convention on Climate Change (UNFCCC) was signed by 154 countries that agreed to stabilize the amount of greenhouse gases in the atmosphere at levels that would not cause harm, the efforts are going on and shall continue for all times to come.

It may be indicated here that Canada and the world will continue to warm, but there are many variables that can affect the speed and magnitude of the changes. Staying informed about climate change, and supporting efforts to slow its progress are things everyone can do. Taking action on climate change can also make our economy more internationally competitive by creating growth and jobs while producing less waste, pollution and greenhouse gases. Our climate may already be changing because of the existing buildup of greenhouse gases in the atmosphere, and we must be prepared to adapt to those changes. While action now to reduce emissions is critical, the existing build-up of GHG concentrations means that some climate change in the coming decades is inevitable and planning must start now on adapting our economy and society to these changes. Adaptation involves taking action to minimize the negative impacts of climate change and taking advantage of new opportunities that may arise. The types of adaptation measures adopted will depend on the impact of climate change on particular regions and economic sectors. Increasing our capacity to adapt reduces our vulnerability to the effects of climate change. However, we must start planning our adaptive responses now and by doing so, we may help to lessen some of the environmental, economic and social costs of climate change.

THE END NOTE

Global warming means increase in world's surface and environment temperature due to greenhouse effect. The greenhouse gas is composed of carbon dioxide and monoxide (CO₂, CO), Chlorofluorocarbons (CFC), sulphuric fluoride, methane, hydrocarbons, water vapor, etc. The impact of global warming has sensitized all the nations. It is as such obligatory on us all to see that we can contribute at individual as well as at group levels to reduce global warming by producing less and less of gases in whatever way we can so as to keep our environment sustainable and live a healthy life. Safeguarding is the way of management of global warming and environment of man's surroundings to prevent its destruction. The aim of safeguarding is to ensure the preservation of ecosystem and quality environment in which human can live in harmony with nature. Without plants and animals we cannot maintain the ecosystem. Detonation of environment is mainly due to indiscriminate development, population explosion, unplanned urbanization and increasing industrialization. The following major areas should be immediately developed to mitigate global warming and reduce the greenhouse gases:

- **Energy:** conversion from coal to gas and renewable power sources including hydro, nuclear, solar and wind is strongly recommended;
- **Transport:** More fuel-efficient vehicles including hybrids and cleaner diesel vehicles should be used. More extensive use of rail and other public transport systems is also recommended.
- **Agriculture:** Improved crop and grazing land management to increase soil carbon storage. Better rice cultivation techniques, livestock and manure management to reduce methane emission;
- **Building/Industry:** More efficient electrical gadgets, better insulation and active solar design for heating and cooling is needed. Architects are experimenting with architectural designs now, so that structures are energy efficient;
- **Reduce, Re-use and Recycle:** Recycle paper, newspaper, beverage containers, electrical equipment and batteries, etc. Reducing, reusing and recycling help to save money, conserve energy, reduce pollution and greenhouse gases;
- **Educate People:** We need to educate people and ourselves about global climate change and its causes. Though the civil society does not respond at all well to moralistic scolding, so we need to use education to enlighten and not frighten;
- **Encourage:** We should encourage neighbors, supervisors, colleagues, and businesses to do recycle more by using recycling bins;
- **Local products:** Buy locally made and locally grown products;
- **Tracking Carbon consumption:** Keep track of your carbon consumption as a way of tracking your progress;
- **Discard Old Appliances:** Replace old appliances and reduce reliance on them;
- **Grow More Plants:** Plants and tree like bamboo grow faster and produce 35 per cent more oxygen than tree like oak or birch and require fewer chemicals and care;
- **Public Transport:** Use public transport. Reduces one's individual greenhouse gas emissions by an average of 1,600 pounds per year;
- **Using Traditional Transport:** Taking the bicycle instead of the car is a very simple solution;
- **Commonsense:** Use your commonsense as a tool against global climate change;
- **Fuel-Efficient Car:** Buy a fuel-efficient car and save upto 20,000 lbs. of carbon dioxide per year. Using a more fuel-efficient car and checking car's air filter monthly can save 800 pounds of carbon dioxide. Also find alternative sources of energy like renewable energy, manufacturing fuel or alternative fuel efficient vehicles etc; and last but not the least
- **Population Control, Planned urbanization and Industrialization:** are also badly needed, if we really want to avert the threats of global warming.

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GLOBAL FINANCIAL CRISIS II: IMPLICATION ON INDIA (BOON OR BANE??)

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ABSTRACT

If we see the beginning of current global crisis, it began in the housing sector of the US economy. Afterwards, it spilled over into the financial sector and thus effecting the other major sectors of the developed and developing countries. This has caused immense hardship for everyone, especially people in the developing countries. Although tentative sign of recovery is seen, but undoubtedly the economic and human costs of crisis is huge.

KEYWORDS

global financial crisis, finance.

INTRODUCTION

While the whole world is experiencing hues and cries, A developing country like India is comparatively stable. Various studies have shown that in developing countries like India, entrepreneurial activities are more vis-a-vis the developed countries where the entrepreneurial activities are less in numbers. Moreover, the consumption pattern of the people in India is such that they tend to compulsorily save a substantial part of their money income, unlike people in developed countries. These factors apparently are not very noteworthy but in the times of turbulence, it undoubtedly means a lot to the economy of a particular nation.

Since India has very efficient entrepreneurs and entrepreneurial talents, these kinds of financial crisis provides several opportunities to them as well. This paper aims at analysing the global financial crisis and churning out the opportunities that can be grabbed. This has two fold benefits. On one hand it is a weapon to fight with the evils of the financial crisis and on the other hand, it opens up various job opportunities when people are getting jobless.

OBJECTIVES

In view of the above discussion, this paper is intended to achieve the following objectives:

- To analyse the impact of global financial crisis II on developed and developing countries
- To find out the threats that this crisis has posed to Indian Economy
- To analyse the factors (strength) of the Indian economy that can convert this threat into enormous opportunities

METHODOLOGY

This paper is based on secondary data. To make it easy, this paper is divided into three parts. At the very outset, a discussion on the evolution of Financial crisis II, is presented and its cascading affects are analysed. The second portion of the study deals with the challenges of the financial crisis II faced by Indian economy. It gives a detailed description of how the economy could have been collapsed. The third part deals with the factors that are responsible to make our economy steady and least affected. It also deals with the facts that have the potential to make this evil, advantageous for our economy.

HISTORY OF GLOBAL FINANCIAL CRISIS II

There has been much discussion on the topic the global financial crisis II which had its epicentre in US. If we go back the discussions we find that basically it was the huge subprime crisis (the mortgage crisis) in US that caused the recession. This subprime crisis pooped on because banks became very generous in granting loans to the borrowers, so much so, that they gave money to borrowers who had lower creditworthiness. Banks did it for greed of earning higher interest rates than prime interest rates.

Not only the individual household borrowers, these loans were sold to other investors such as private equity funds, hedge funds and non- banking finance companies through securitisation. This created the artificial boom which could not survive for longer period of time. Borrowers who were financially weak could not pay back their Instalments and started defaulting. This caused the property prices to fall down pulling further defaults and price crash. This was trapped in a vicious cycle and became difficult to stop.

THE CHALLENGES FOR INDIA

India also could not save herself from this financial downturn. There were many implications in her economy.¹ Indian currency started losing value against dollar. We have had large trade deficits as our imports are greater than our exports. For the imports, we needed dollars and exports being less, the shortage of dollar had to be met by buying dollars from the market. This makes the imports costlier, causing price hike of the commodities which in turn causes inflation in the economy. To fight with this inflation, the Reserve Bank of India, had to keep the interest rates higher. This continuous interest rate hike is worsening the Indian economy. This also hampered the industrial growth. Needless to mention, no one prefers to invest in an economy which has slowing down industrial growth. Resultantly, FDIs in the country dropped significantly. In the exhibit 1 given below, it is clearly shown that there is a drastic drop in FDI as it falls from US\$ million 22,697 to US\$ million 14,939 (decline of almost 34.2%). This is quite alarming.

EXHIBIT 1: FOREIGN DIRECT INVESTMENT FLOWS TO INDIA US\$ Million

1. Year	2. 2006-07	3. 2007-08	4. 2008-09	5. 2009-10	6. 2010-11
7. Total FDI	8. 9,307	9. 19,425	10. 22,697	11. 22,461	12. 14,939

Source: Annual report of RBI (appendix table 19)

Note: Includes FDI through SIA/FIPB and RBI routes only.

Indian stock market is also suffering because of global financial crisis II. Indian stock markets are going through a very tough time. Almost all the industrial sectors experienced a consistent low in their stock prices. The most affected sector apparently is the IT sector as their major revenues come from banking financial institutions. They are in fact the major clients of IT companies. When these clients were facing tough times, it is obvious that they wont be able to give businesses to IT companies. This resulted in retrenchment of IT employees which created havoc. Many of these jobless people were the banks' customers, who had borrowed loans for houses and cars etc. They started defaulting and thus posing threats to banks again. Besides the financial crisis, the employees' retrenchment created a huge turmoil in the market. The trap of vicious cycle started.

¹The gist is taken from the article " Global Financial Crisis II: the challenges for Indian" website: www.deccanherald.com/content/19185/.

The whole economy staggered like cycle stand (as, if any one cycle of the cycle stand falls for any reason, it causes all the cycles to fall).

Real estate sector is badly affected by the financial crisis. The investment banks had lent huge amount of money to real estate companies. When these banks started going bankrupt, many projects of real estate were discontinued which resulted into the crash of real estate market.

India's exports also fell as two of India's largest export market, European union and the US were the victims of financial crisis. In the year 2008 India's exports fell by 70 %. Handicrafts exports fell by 70%. Other sectors like tea and carpets were also down by 20 % and 32 % respectively. Overall export growth went down to just over 10 % from 26.9 %.

OPPORTUNITIES

Global Financial crisis, if, have posed threats and challenges it also had worked to the advantage of India and the reason being its slow and steady development. India is very rich in Human resources particularly in the field of IT and computer science. Indian economy has shown signs of improvement. India as an economy has got an edge over other economies for one of the various strong reasons is its demographic profile. Besides, In terms of software infrastructure, India has got a respectable infrastructure. In the field of Integrated Digital Information, India is just excellent. A detail discussion on these aspects is presented below.

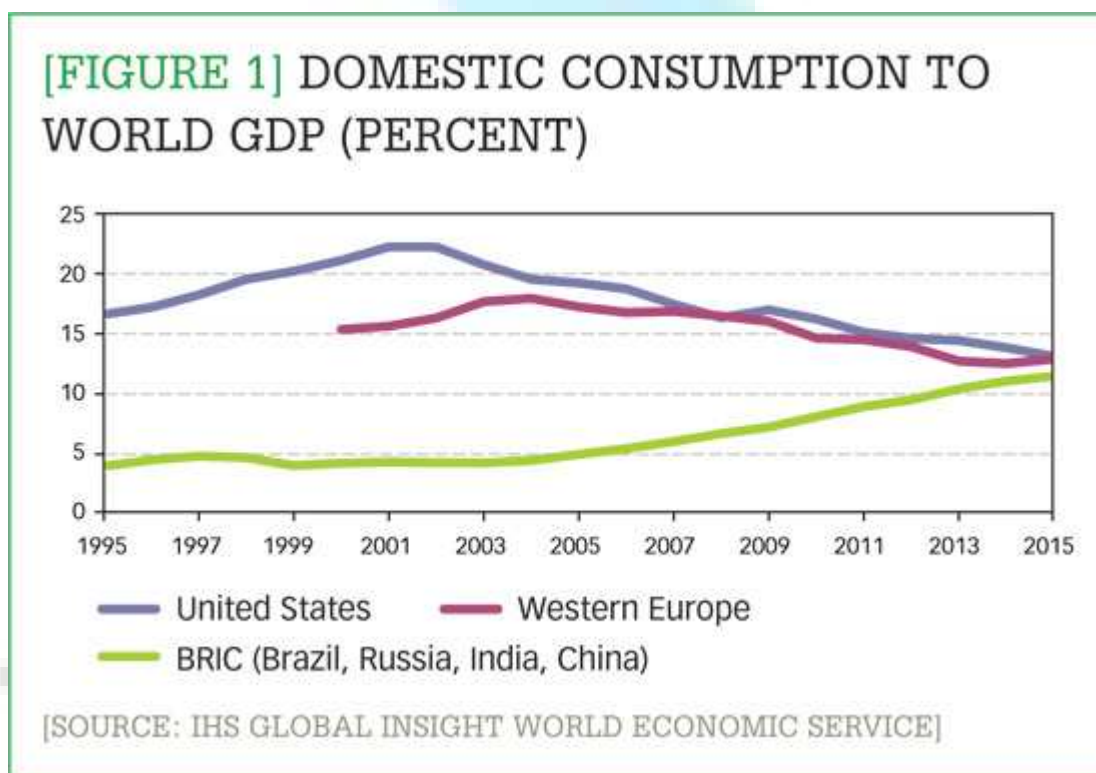
EMERGING CONSUMER MARKETS

Gone are the days when American consumers were the primary driver of world economic growth. Now the consumers in emerging markets are gaining substantial consideration. These new consumers are drawing greater attention of the MNCs. In the Emerging markets like India and China, consumer demand is rapidly growing and thus providing lucrative opportunities to the business corporations especially, the retailers.²The figure 1 presented below exhibits a picture of the domestic consumption of the world GDP. This shows that the growth in GDP of emerging markets like India, China, Russia and Brazil (popularly known as BRIC countries) is growing progressively. Although total and per capita spending of consumers in United States and Western Europe is higher than that of BRIC countries but the trend is not very steady. Since 2007, in fact, the global economy has entered a transitional phase in which Chinese and Indian consumers are exerting increasing influence on international trade.

INDIA AS ONE OF THE MOST PROMISING EMERGING CONSUMER MARKET

India's economic growth has accelerated significantly over the last two decades. Spending power of Indian citizens is also increasing significantly. Real average household disposable income has roughly doubled since 1985. This rise in income has soared household consumption and resultantly a new Indian middleclass has emerged. As per the report of Mckinsey Global Institute (MGI), "If Household income growth follows the same path, Indian Incomes level will almost triple. Average real household disposable income will grow from 113,744 Indian rupees in the year 2005 to 318,896 Indian rupees by 2025, a compound annual growth rate of 5.3%."

India's rising incomes have already had a significant impact on poverty reduction. Viewing the scenario it can be safely said that it would be reduced drastically. The changing consumption pattern and behaviour is also an advantage to India. This is alluring many big MNCs and financial investors to do business with India.



As discussed above India is a country having enormous entrepreneurial talents and instincts. Besides, India is one of the most promising emerging consumer markets encouraging MNCs and financial investors. If we analyse the growth story of India in last few years, she has been lead by her internal consumption rather than through exports. India's exports contribute only 20-25% of her GDP.

Let us see some important facts to validate this. Gross Domestic Product of India is enjoying an increasing trend. In 1989, India's GDP was USD 292.9 billion which has increased to USD 450.5 billion. In the year 2008 (recession hit year) it was USD 1216.0 billion and increased to USD 1377.3 billion in the year 2009. This indicates that even after the trauma of financial crisis, India has that strength to not only fight with the evil but also churning benefits out of it.

² This figure is taken by the article "Emerging consumer markets: the new drivers of global economic growth", By Chris G. Cristopher, J.R and Eric Johson, in CSCMP's supply chain quarterly journal, quarter 4, 2011.

EXHIBIT 1: KEY ECONOMIC RATIOS AND LONG TERM TRENDS

KEY ECONOMIC RATIOS AND LONG-TERM TRENDS					
	1989	1999	2008	2009	
GDP (US\$ billions)	292.9	450.5	1,216.0	1,377.3	
Gross capital formation/GDP	23.7	26.1	34.5	36.5	
Exports of goods and services /GDP	7.1	11.7	23.5	19.6	
Gross domestic savings/GDP	22.6	24.2	29.1	32.0	
Gross national savings /GDP	22.2	26.1	32.1	34.9	
32Current account balance/GDP	2.5	-1.1	-2.4	-2.8	
Interest payments/GDP	1.4	0.8	0.6	0.4	
Total debt/GDP	25.9	22.0	18.5	17.3	
Total debt service/exports	29.4	15.2	8.9	4.2	
Present value of debt/GDP	--	--	--	15.4	
Present value of debt/exports	--	--	--	54.9	
	1989-99	1999-90	2008	2009	2009-13
(average annual growth)					
GDP	5.7	7.5	4.9	9.1	8.7
GDP per capita	3.8	6.0	3.5	7.7	--
Exports of goods and services	11.8	15.9	19.3	-6.7	9.5

EXHIBIT 2: STRUCTURE OF THE ECONOMY OF INDIA

STRUCTURE of the Economy					
	1989	1999	2008	2009	
(% of GDP)					
Agriculture	29.2	25.0	17.6	17.8	
Industry	26.9	25.3	28.2	27.0	
Manufacturing	17.0	14.8	15.5	14.8	
Services	43.8	49.7	54.2	55.3	
Household final consumption expenditure	65.5	62.9	59.9	56.0	
General gov't final consumption expenditure	11.9	12.9	11.0	12.0	
Imports of goods and services	8.2	13.6	28.9	24.0	
	1989-99	1999-09	2008	2009	
(average annual growth)					
Agriculture	3.3	2.7	-0.1	0.4	
Industry	6.0	8.2	4.4	8.0	
Manufacturing	6.5	8.3	4.2	8.8	
Services	7.4	9.2	10.1	10.1	
Household final consumption expenditure	5.7	6.0	12.4	1.7	
General gov't final consumption expenditure	5.9	5.1	10.7	16.4	
Gross capital formation	7.0	12.2	-3.1	16.0	
Imports of goods and services	14.5	15.3	23.0	-7.3	

High Rate of domestic savings and investments: Savings form the backbone for investments. In a very straightforward manner we can say that higher savings foster higher investments and vice versa .As discussed earlier, rate of domestic savings in India is also quite encouraging. If we see the Exhibit.....we find out that Gross Domestic Savings as percentage of GDP at current market prices are continuously increasing. In the year 2000-01 it was 23.7 percent which increased to 33.7 percent in the year 2009-10 despite facing the evil of the financial crisis (as in the year 2008-2009 there can be seen a small dip in the Gross Domestic Savings).

EXHIBIT 3: GROSS DOMESTIC SAVINGS AS PERCENTAGE OF GDP AT CURRENT MARKET PRICES

13. Year	14. Gross Domestic Savings as percentage of GDP at current Market Prices
15. 2000-2001	16. 23.7
17. 2006-2007	18. 34.6
19. 2007-2008	20. 36.9
21. 2008-2009	22. 32.2
23. 2009-2010	24. 33.7

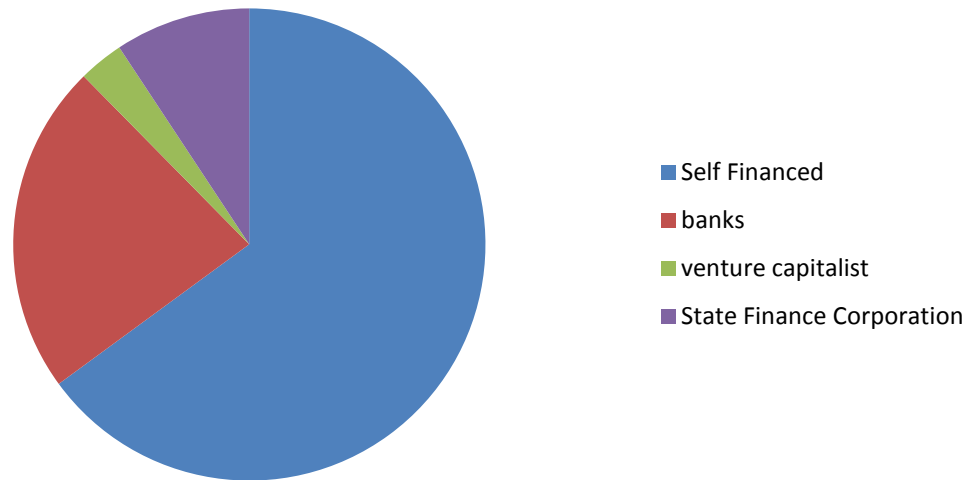
EXHIBIT 4: GROSS DOMESTIC CAPITAL FORMATION AS PERCENTAGE OF GDP AT CURRENT MARKET PRICES

25. Year	26. Gross Domestic Capital Formation as percentage of GDP at current Market Prices
27. 2000-2001	28. 24.3
29. 2006-2007	30. 35.7
31. 2007-2008	32. 38.1
33. 2008-2009	34. 34.5
35. 2009-2010	36. 36.5

Capital information refers to the proportion of present income saved and invested to increase future output and income. It usually results from acquisition of new factory along with machinery, equipment and all productive capital goods. It is needless to mention that an appreciable increase in Gross Domestic Capital Formation elicits higher investments and thus brings prosperity to the nation. Exhibit. projects that the Gross Domestic Capital Formation is also increasing(which is very obvious as an outcome of the increasing Gross Domestic Savings). A meagre fall can be seen in the year 2008-09 (Exhibit.), But it is again catching up. This paves the way to more and more of business ventures.

This is again confirmed by the fact presented in a study conducted by National Knowledge Commission. According to the study conducted by National Knowledge Commission in the year 2008 titled "Entrepreneurship in India", Sources of start-up phase funding for starting a new business, comprises of 63% self Financed, 22% financed by banks, 3% by venture capitalist, 3 % angel investors and 9% of the ventures are financed by State finance Corporation.

Sources of Start-Up Phase funding for starting a business in India



This is clear from the data that people of India have a tendency to save money from their earnings which gives them a considerable financial support if they wish to start their own businesses at any point of time. It plays an important role in capital formation for the nation. This could have been perhaps one of the major reason why a developing country like India could survive this storm of financial crisis steadily vis-a-vis other nations.

FALLING COMMODITY PRICES AND CRUDE PRICES

After the financial crises the prices of the commodities are falling which means lower factor cost (cost of production). This encourages new enterprise creation as well as expansion of the present business enterprise.

INDIA HAS A FAVOURABLE DEMOGRAPHIC PROFILE (YOUNGEST POPULATION IN THE WORLD)

Of the top emerging consumer markets across the globe, India has got an added advantage of having youngest population. Today India has more than 55% of its population below 30 years of age. This can be a weapon in the hands of India, as more young (working age) people means having a more dynamic human resources.

CONCLUSION

India perhaps will remain the "bird of gold" if we believe so. Indian as an economy has tremendous potential and strength. The need of the hour is to realise it and hone it in the right manner. If we see the compounded average growth rate of India of past four to five years, she stands second to only China. India is a country with respectable Domestic Savings and Capital Formation. This is a land of entrepreneurs who are there to bring prosperity for the mother earth. But at the same time we cannot forget that one fourth of our population is still languishing below the poverty line. Now our Government needs to do better. It is the time to wake-up for the policy-makers and tell the foreign investors as to why should they be excited about India.

The five major issues that the world is facing are nation's economic situation, the ageing population, emission (pollution) problems, political unrest and terrorism. The Geographical positioning of India is not very advantageous like US but there are enough encouraging factors that may lead India to become one of the top three powerful economies in the world. Barring two (emission problems and terrorism) of the five major issues, India has got favourable situation as we have a relatively stable economy and most importantly young population in the world.

There is a need to create a huge infrastructure both physical and educational to give a fire to entrepreneurial talents and enable India to march towards a new height.

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FACTORS THAT ENCOURAGE IMPULSE PURCHASE & IMPACT OF VISUAL MERCHANDISING ON THE PURCHASE DECISION OF WOMEN FOR BEAUTY PRODUCTS IN GUJARAT

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ABSTRACT

Bearing a long shiny heritage of cosmetic and beauty, range of makeup products are being used by women since ancient days and Indian women are no exception. Today it appears to be a booming industry in India and moving towards becoming the largest cosmetic consuming market in a next few decades. The cosmetics market in India is growing at 15-20% annually, twice as fast as that of the U. S. and European markets. Many Internationals and National companies are expanding their product range in response to the growing demand of Beauty Products by different strata of consumers. Teenagers have become more conscious about their appearance than ever before and skin whitening products are driving the trend in Indian market. Through this Research the researchers have made a humble attempt to predict the shopping related behavior of women for beauty products and the Impact Visual Merchandising can have on store selection and purchase decision. Quantitative techniques of Research are used in this research and women of major four cities of Gujarat are surveyed through a structured questionnaire. The Research findings reveal that impulse purchase is an excitement creating factor for women while shopping of beauty products. The stores with attractive lighting, eye-catching display and clean- soothing environ surely can hold attention of customers and have more people visiting it compared to their counter parts.

KEYWORDS

Environmental psychology, Hidden Motives, Impulse purchase, Visual Merchandising.

I. INTRODUCTION

Women are considered most difficult to predict and especially it becomes more difficult to understand them when it comes to Beauty items. Therefore to identify the factors that encourage women to make Impulse purchase is a challenge and motivation for the Researchers. Indian women are becoming financially independent and the hidden urge to look superior has given rise to the consumption of Beauty products by significant amount. The interior design of the store can preserve customer interest, lowers their psychological defenses and makes it easy to make purchasing decisions (Kotler, 1974); Therefore, Retailers have accepted that Visual Merchandising in retailing makes significant impact on consumer purchase decisions (Schiffman and Kanuk, 1996). For the price sensitive market like Gujarat anything that can stimulate the customer to buy the product makes lot of sense for any retailer. For instance, Kotler 1973 suggests using atmospherics as a competitive tool in an attempt to attract and maintain a specific target market.

II. LITERATURE REVIEW

A study related to choice behavior among audio apparatus shoppers, Dash et al. (1976) establish that the level of pre-purchase information regarding the brand determined the kind of store chosen. Kenhove et al. (1999) found that store choice is distinguished by the nature of the task. Lately, psychologists have studied environment-behavior relationships, resulting in the swiftly growing psychological discipline known as "environmental psychology" (Donovan and Rossiter 1982). This obedience tries to predict the combined effect of stimuli in a particular environment upon different peoples' feelings and behavior (Mehrabian 1976). Thus, the main apprehension in environmental psychology may be sum up as "(1) the direct impact of physical stimuli on human emotions and (2) the effect of the physical stimuli on a variety of behaviors, such as work performance or social interaction" (Mehrabian and Russell 1974, p. 4). Till recent times, environmental psychology has hardly ever been applied to the retail store environment.

Markin, Lillis, and Narayana admit that space affects customer behavior and that design and atmosphere may be used to contour and modify the behavior of shoppers. Researchers have not been able to document strong effects of store atmosphere for a variety of reasons; 1.the effects evoked by store atmosphere are primarily emotional states that are difficult to verbalize 2. These emotions are temporary and therefore difficult to recall accurately. Also, they influence behaviors within the store rather than more easily identifiable behaviors such as selecting which store to patronize (Donovan and Rossiter 1982).

The ambiance of the shopping environment can manipulate customer attitudes and their perceptions with regards to the overall quality of the store in terms of the exclusivity of the product, service levels (Baker, Grewal and Parasraman, 1994), price (Areni and Kim, 1993) and purchase quantity (Milliman, 1982). The function of ambience in store choice has also been found noteworthy. The shopping experience, as shaped by the store setting, has been found to be significant in building store patronage. (Baker et al., 1992).

III. NEED/IMPORTANCE OF THE STUDY

According to above research studies, some researchers have argued that in-store environment is critical component for store choice behavior. Therefore the research is conducted to explore if visual merchandising can significantly influence shopping related behavior of women for the purchase of beauty products. The factors that encourage women to make unintentional or impulse purchase are also closely examined through this research.

IV. OBJECTIVES

Major Objectives of the study are

1. To study the impact of **visual merchandising** on shopping related behaviour of women for beauty products in state of Gujarat
2. To identify the **hidden motives** of women behind purchase of cosmetic products.
3. To learn the influence made by **Product Display** in encouraging women for impulse Purchase.
4. To evaluate the relative importance of **cleanliness, layout & design of store** on shopping related behaviour of women.

V. HYPOTHESIS

H01. Primary motive behind buying a beauty product is independent of the profession of the respondent.

H02. Primary motive behind buying a beauty product is independent of the educational qualification of the respondent.

H03. Primary motive behind buying a beauty product is independent of the age of the respondent.

H04. There is no significant association between educational qualification of the respondent and the belief that attractive lighting encourages the respondent to enter into store.

H05. There is no significant association between family income of the respondent and belief that sale/clearance signs attract the respondent to look through the beauty products.

H06. There is no significant association between profession of the respondent and the belief that they feel sense of excitement when they make an impulse purchase.

VI. RESEARCH METHODOLOGY

Descriptive in that Single cross sectional research design is used. Primary Data is collected through a pre tested structured Questionnaire. Women staying in Ahmedabad, Baroda, Rajkot or Surat are surveyed. Women, who are above 18 years, Beauty conscious and use beauty products on regular basis, are the sample unit for this research. Non-probability sampling technique, in that convenience sampling is used. Initially, the sample size was kept around 200 but due to reluctance & urgency of the respondents, some responses were not up to the mark and removed so as not to diminish the quality of research. Women were surveyed when they were actually making the purchase of beauty products or out in the market for shopping. Final Sample size is kept 116, Ahmedabad-40, Baroda-34, Rajkot-22 and Surat-20.

VII. RESULT AND DISCUSSION

In the survey, majority of the sample (68%) belonged to the age group 18-25 years. Most of the respondents were college students followed by professionals and housewives. If the Education Qualification is keenly observed then the students who were undergraduates (40%) contributed the major proportion followed by graduates (34%) and post graduates amounting only 26%. Owing to Indian culture, most of the respondents live with their parents followed by roommates and Husband. This in return reflects the fascination among bachelors for beauty. Almost half of the respondents have monthly family income between 20 to 40 thousands compared to only 26% having monthly family income above 60 thousand. This phenomenon even confirms the popularity for beauty products more among the girls of middle and upper middle class families.

CROSS TABULATION

TABLE 1: CROSS TABULATION OF PROFESSION AND PRIMARY MOTIVE BEHIND BUYING A BEAUTY PRODUCT

		Primary motive behind buying a beauty product				Total
		To look different from others.	To become the initiator of a new styling pattern.	To improve looks by overshadowing the negatives.	To follow current fashion trends.	
Profession	Student	12	17	2	29	60
	Business	1	2	1	2	6
	Service	4	5	0	12	21
	Housewife	6	9	1	13	29
Total		23	33	4	56	116

The cross-tabulation shows that out of 116 respondents, maximum respondents are students (60) followed by housewives (29), women doing job (21), Business women (6) and for most of them the primary motive behind purchasing the beauty products is to follow the current fashion trends.

TABLE 2: CROSS TABULATION OF QUALIFICATION AND PRIMARY MOTIVE BEHIND BUYING A BEAUTY PRODUCT

		Primary motive behind buying a beauty product				Total
		To look different from others.	To become the initiator of a new styling pattern.	To improve looks by overshadowing the negatives.	To follow current fashion trends.	
Qualification	Under Graduate	14	21	0	11	46
	Graduate	9	4	1	26	40
	Post Graduate	0	8	3	19	30
Total		23	33	4	56	116

The cross-tabulation shows that out of 116 respondents, maximum respondents are Undergraduates (46) and for almost half of them the primary motive behind purchasing the beauty products is to become the initiator of a new styling pattern. Followed by Graduates (40), Post Graduates (30) and more than half of them the primary motive behind purchasing the beauty products is to follow the current fashion trends.

TABLE 3: CROSS TABULATION OF AGE AND PRIMARY MOTIVE BEHIND BUYING A BEAUTY PRODUCT

		Primary motive behind buying a beauty product				Total
		To look different from others.	To become the initiator of a new styling pattern.	To improve looks by overshadowing the negatives.	To follow current fashion trends.	
Age	15-25	15	22	3	39	79
	26-35	7	3	1	5	16
	36-45	1	3	0	11	15
	46-55	0	5	0	1	6
Total		23	33	4	56	116

Cross tabulation shows that Most of the respondents belong to the age group between 15-25 years and for more than half of them the primary motive behind purchasing the beauty products is to follow the current fashion trends. Followed by age group 26-35 for almost half of them the primary motive behind purchasing the beauty products is to look different from others.

TABLE 4 CROSS TABULATION OF AGE AND COMPANY PREFERRED MOST WHILE GOING FOR SHOPPING

	Age	Company preferred most while going for shopping				Total
		Family members	Friends	Husband	Boyfriend	
	15-25	24	51	0	4	79
	26-35	2	13	0	1	16
	36-45	2	3	10	0	15
	46-55	5	1	0	0	6
	Total	33	68	10	5	116

The cross-tabulation shows that Most of the respondents belong to the age group 15-25 followed by age group 26-35 years and for more than half of them, friends are preferred company for purchase of beauty products. Followed by age group 36-45 and more than half of them prefer husband as preferred company for purchase of beauty products. For the age group 46-55 preferred company for beauty product purchase is their family.

INFERENTIAL ANALYSIS

H01: Primary motive behind buying a beauty product is independent of the profession of the respondent.

Here, significance level of 0.853 has been achieved. This means the chi-square test is showing no dependency between the above two variables at 95% confidence level. Therefore, Primary motive behind buying a beauty product is independent of the profession of the respondent.

H02: Primary motive behind buying a beauty product is independent of the educational qualification of the respondent.

Here, significance level of 0.00 has been achieved. This means the chi-square test is showing dependency between the above two variables at 95% confidence level. Therefore, Primary motive behind buying a beauty product is dependent on the educational qualification of the respondent.

H03: Primary motive behind buying a beauty product is independent of the age of the respondent.

From the chi-square test output table it can be seen that a significance level of 0.020 has been achieved. This means the chi-square test is showing dependency between the above two variables at 95% confidence level.

H04: There is no significant association between educational qualification of the respondent and the belief that attractive lighting encourages the respondent to enter into store.

Here the significance value of the F test in the ANOVA table is 0.770 which is more than 0.05; therefore, null hypothesis is not rejected. Hence there is no significant association between educational qualification of the respondent and the belief that attractive lighting encourages her to enter into store.

From this test, it can be inferred that the attractive lighting encourages every women regardless of her educational qualification.

H05: There is no significant association between family income of the respondent and belief that sale/clearance signs attract the respondent to look through the beauty products.

Here the significance value of the F test in the ANOVA table is 0.00 which is less than 0.05; therefore, null hypothesis is rejected. Hence there is a significant association between family income of the respondent and belief that sale/clearance signs attract her to look through the beauty products.

From this test, it can be inferred that the sale/clearance signs have varied impact on the women of different family incomes. This confirms Price sensitivity of Indian consumers equally applicable for beauty products also.

H06: There is no significant association between profession of the respondent and the belief that they feel sense of excitement when they make an impulse purchase.

Here the significance value of the F test in the ANOVA table is 0.019 which is less than 0.05; therefore, null hypothesis is rejected. Hence there is a significant association between profession of the respondent and the belief that they feel sense of excitement when they make an impulse purchase.

VIII. FINDINGS

- From the analysis, it is found that friends are most preferred when going for shopping with 60 percentages. Thus, **for majority of the respondents, influence of friends' liking affects more in their decision to buy beauty products.** For Almost 41 percentage of respondents, friend's reference is most important factor followed by beautician's advice and Visual Merchandising. So, **majority of the respondents depend upon their friends' advice before buying beauty products.**
- As per the data, around 47 percentages of respondents disagree and only 21 percentages agree that they go for shopping to change their mood. This infers that **majority of the respondents have a clear motive behind their visit for shopping.** Also, around 51 percentages of the respondents agree and only 15.5 percentages of the respondents are disagree to the statement that they feel a sense of excitement when they make an impulse purchase. So, it can be said that **impulse purchase is an excitement creating factor while shopping of beauty products.**
- The researchers found that around 53 percentages of the respondents are neutral and nearly 23 percentages of the respondents agree that they have difficulty in controlling their urge to buy when they see a good offer. Almost 43 percentages of respondents disagree and around 45 percentages of respondents agree for when they see a good deal, they tend to buy more than that they intended to buy. There is no proper conclusion for the above statement as there is only a minor difference in the percentages of the respondents who agree or disagree to it.
- Around 45 percentages of the respondents disagree while nearly 27 percentages of the respondents strongly agree to the statement that they tend to enter a store when they are attracted by an eye catching window display. From this, researchers can infer that **eye catching window display has less impact on store selection for purchase of beauty products.** Nearly 72 percentages of the respondents are Neutral while only 8 percentage of the respondents are Agree for digital displays compel them to enter in a store. So, **majority of respondents are unclear about their exact reaction when they see a digital display.** The researchers found that, nearly 53 percentage of the respondents are agree for they get an idea of what they want to buy after looking through in-store form. Thus, **visual merchandising of the store can play a decisive role in making them positive for the decision of buying beauty products.**
- Also, the researchers found that, around 62 percentage of the respondents agree while around 22 percentage of the respondents disagree for when they see product featuring a new style or design on display, they tend to buy it. So, **product featuring a new style or design on display having a great impact on buying decision.** Nearly 54 percentages of the respondents are agreed for when they see product that they like on in-store form, they tend to buy it. So, **in-store form also has a great impact on buying decision for our respondents.** Around 53 percentage of the respondents are agree while nearly 16 percentage of the respondents are strongly agree for they tend to **rely on store displays when they make a decision to purchase.**
- Nearly 41.4 percentages of the respondents are strongly agree and around 37.1 percentage of the respondents are agree for **cleanliness of particular department/store matters to them at the time of buying.** Only 22 percentages of the respondents are strongly disagree and only 10 percentages of the respondents are disagree for attractive lighting encourages them to enter into store. So, **attractive lighting matters a lot to most of the respondents.**
- 56 percentage of the respondents are agree while nearly 16 percentage of the respondents are strongly agree for If they see an interesting promotional offer (reduced price, sales promotion etc.) On in-store signs, they tend to buy. Nearly 34 percentage of the respondents are agree while around 18 percentage of the respondents are strongly agree for **sale/clearance signs attract them to look through the beauty products.** Around 29 percentage of the respondents are neutral and nearly 24 percentage of the respondents are agree for they are more likely to make an unintended purchase if the product has a sale or clearance sign. Also around 30 percentage of the respondents are disagree for same.
- Majority of the respondents buy a beauty product to follow current fashion trends** with 48 percentages. Followed by nearly 28 percentage of the respondents with a primary motive to become the initiator of a new styling pattern, Around 20 percentage of the respondents buy beauty product to look different from others.

FROM INFERENTIAL STATISTICS

- **From Chi square test** the researchers found that **primary motive behind buying a beauty product** is dependent on the **educational qualification** and **age** of the respondent.

From ANOVA following thing revealed.

- There is a significant association between **age** as well as **profession** of the respondent and the belief that **attractive lighting** encourages the respondent to enter into store.
- There is a significant association between **family income** of the respondent and belief that **sale/clearance signs** attract her to look through the beauty products.
- There is a significant association between **profession** of the respondent and the belief that they feel **sense of excitement when they make an impulse purchase**.

IX. CONCLUSIONS

- The Research demonstrates that impulse purchase is an excitement creating factor for women while shopping of beauty products. Thus, improvements in visual merchandising and promotional offers can result in substantial increase of sales.
- The store should be clean, have attractive lightings to grab the attention of customer. Marketers should focus on making attractive store displays which surely pays off.
- The findings of research suggest that the stores should focus on their spending for other marketing strategies instead of spending for digital displays as it does not affect more compared to other parameters.
- Product featuring a new style or design on display is having a great impact on buying decision. So, marketer should focus more on this aspect and should put attractive clothes on display.

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STUDY GROUPS, GROUPING CRITERIA AND THE SYNERGY IN EDUCATIONAL SYSTEM: A QUALITATIVE RESEARCH AMONG FDP PARTICIPANTS

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ABSTRACT

The application of Tuckman's model in assessing group development fits largely with the experience of the participants. Most of the groups formed as per the instructions from the concerned authority could not come out with fruitful outcome due to various reasons. This includes cheap competition, self-centeredness, immaturity, lack of professionalism, lack of dependence, etc. Subsequent groups conveniently formed based on interest of group members could come out with some meaningful output. Forming a heterogeneous group to derive a hybrid output often finds a disastrous end. This study reveals certain underline concerns while formation of study groups especially in education system. As far as training of executives is concerned, heterogeneity within group would be the best option.

KEYWORDS

Study groups, fdp participants.

INTRODUCTION

S Synergy" the word or jargon often spelt in the corporate world (*The combined power of a group of things when they are working together which is greater than the total power achieved by each working separately - Cambridge Advanced Learner's Dictionary*). Everyone talks about the additional benefits derived out of team or group work. Most of the educational institution especially those are providing professional education in the country, wanted to make use of this benefit of group effort. This is the quality business organizations look for while acquiring an individual into their organization. Most of the modern organizations value group effort than individual capability. To further this requirement in the labour market and improving the learning in institutions we make study groups, as to execute the curriculum objectives by getting maximum out of group cohesion and sharing. However, in reality it becomes counter productive. Neither they share knowledge nor do they learn the art of working in groups. The reason could be of wrong grouping strategy or competitive mentality of group members or ineffective performance measurement or even the problem with the instructor himself in mooring members on task. Though the desired result not derived, it becomes an integral part of any course or training as a ritual.

The intended study initially chalked out to understand the group development process as propounded by **Bruce Tuckman** in **1965** by using semi-structured interviews and participative observation method. The respondents selected from, among different study groups of Faculty Development Programme (FDP) at one of Indian Institute of Management (IIM) in India. This programme is intended for Management Teachers in India and abroad. The researcher also was one among them. Participants grouped into several groups of four to five in each by the institute based on qualification and experience ensuring heterogeneity within group. Thus, formed were different clusters. Interviewing a few participants after few weeks of commencement of programme, the necessity arose to understand the reason for this indifferent attitude of members in groups, which defeat the very purpose of forming study groups.

AIM OF THE STUDY

1. To identify better grouping criteria to derive intended result (synergy) while grouping students/participants as study groups by understanding group cohesion in different stages of group development.
2. To identify the impediments, which defeat the sole purpose of study groups by analyzing the group development processes based on their formation either formally by the FDP office or informally as convenience, based on special purpose and individual likings

REVIEW OF THE LITERATURE

Work teams, a popular form of job design in organizations; represent one of the major changes in management in recent years. The traditional organizational model in which managers think, supervisors push, and workers work is counterproductive in today's complex and rapidly changing environment (Hitch-cook & Willard, 1995).

As a result, businesses recommend that curriculum and teaching methods be modified to better develop students' cognitive, communication, and interpersonal skills through the use of student groups in the learning process (Kunkel & Shafer, 1997). Most of the management schools in India follow this in principle, aiming at imparting these vital skills to make the student effective as soon as they take up their first job in the corporate world.

Formation of study group may be mostly by formal instructions by the concerned and seldom by informal. Group development processes in both these cases follow similar stages as per Tuckman's hypothesis. Bruce Tuckman (1965) came out with four different stages of group development processes, namely

- Forming,
- Storming,
- Norming,
- Performing and
- Adjourning and transforming.

Forming

In the first stages of team building, the *forming* of the team takes place. The team meets and learns about the opportunity and challenges, and then agrees on goals and begins to tackle the tasks. The forming stage of any team is important because in this stage the members of the team get to know one another and make new friends. This is also a good opportunity to see how each member of the team works as an individual and how he or she responds to pressure.

Storming

Every group will then enter the *storming* stage in which different ideas compete for consideration. The team addresses issues such as what problems they are really supposed to solve, how they will function independently and together and what leadership model they will accept. Team members open up to each other and confront each other's ideas and perspectives.

Norming

At some point, the team may enter the *norming* stage. Team members adjust their behavior to each other as they develop work habits that make teamwork seem more natural and fluid. Team members often work through this stage by agreeing on rules, values, professional behavior, shared methods, working tools and even taboos. During this phase, team members begin to trust each other. Motivation increases as the team gets more acquainted with the project.

Teams in this phase may lose their creativity if the norming behaviors become too strong and begin to stifle healthy dissent and the team begins to exhibit groupthink.

Performing

Some teams will reach the *performing* stage. These high-performing teams are able to function as a unit as they find ways to get the job done smoothly and effectively without inappropriate conflict or the need for external supervision. Team members have become interdependent. By this time, they are motivated and knowledgeable.

Adjourning and Transforming

Tuckman later added a fifth phase, *adjourning*, that involves completing the task and breaking up the team. Others call it the phase for *mourning*.

A team that lasts may transcend to a *transforming* phase of achievement. *Transformational management* can produce major changes in performance through synergy and considered more far-reaching than *transactional management*.

Only two articles reviewed by Tuckman and Jenson (1977) substantially deviated from from the four-stage Tuckman model. Dunphy (1968) conducted an empirical study of the development process in self-analytic groups. Dunphy with the help of computer sytem of content analysis identified six development phases for the group:

1. Maintenance of external normative standards
2. Individual rivalry
3. Agression
4. Negativism
5. Emotinal concerns
6. High affection

Individual rivalry, aggression, and negativism are parrallel to Tuckman’s second stage, “storming”.

Emotional concerns and high affection viewed in terms of ‘norming’ stage. However, Dunphy’s model does not include any stage resembling ‘performing’.

Tuckman’s 1965 model was a conceptual statement determined by the literature, it is reasonable, therefore, to modify the model to reflect recent literature. The model now stands forming, storming, norming, performing, and adjourning (Bruce W. Tuckman, Mary Ann C.Jensen, 1977)

This study mainly attempts at identifying the various tussels and impediments faced by the group during various stages of group development. These difficulties could then be analysed for failure or success of different group in serving the desired purpose.

All faculties agreed that students should have teamwork experience, but many did not know where to start. Some tried incorporating group projects and activities in their courses in the past but were discouraged when teams became dysfunctional or when students complained about sharing team grades with nonperforming team members. In some cases ‘poorly designed team work task’ washed away the success (Julie Siciliano, 1999)

Stage 1: Forming (Immature group)	Stage 2: Storming (Fractional group)	Stage 3: Norming (Sharing group)	Stage 4: Performing (Effective team)
<ul style="list-style-type: none"> • Confusion • Uncertainty • Assessing situation • Testing ground rules • Feeling out others • Defining goals • Getting acquainted • Establishing rules 	<ul style="list-style-type: none"> • Disagreement over priorities • Struggle for leadership • Tension • Hostility • Clique formation 	<ul style="list-style-type: none"> • Consensus accepted • Trust established • Standards set • New stable roles • Co-operation 	<ul style="list-style-type: none"> • Successful performance • Flexible, task roles • Openness • Helpfulness • Delusion, disillusion and acceptance

Key aspects of Tuckman’s stages of group development (adapted from Buchanan and Huczynski6)

Sample

Researcher took sample from the participants of Faculty Development Programme (FDP) one of the IIM in India. There were 38 participants in the programme and entire participants divided into 8 study groups. Heterogeneity and proper balancing of experience and qualification of the participants have been taken into account while formation of these groups by the FDP office. Researcher also one of the members in a group and represents the group as participant observer for data gathering. From every group one participant identified as respondent. The selection made by observing the participants groups and identifying the person who has been acting as a coordinator of the group. Seven respondents identified and the researcher himself was representing the eighth group.

DATA COLLECTION METHOD

Participative observation and a semi-structured interview schedule incorporated for collecting data. The semi-structured interview schedule developed based on the Bruce Tukaman’s stages group development model (1965). The questions asked to get details about various experiences felt by the respondents in different stages of group development, like forming, storming, and norming, performing and adjourning stages. Experience felt by the respondents with respect to the group formed formally by the FDP office and in their convenient groups, which informally formed based on special purpose and their liking, were shared. Reseracher did not give any details about the Tuckman’s model and only a brief about the intended study gave to the respondents. This improved the originality and quality of data. Since the purpose of study made clear, respondents were giving genuine responses and they assured of the confidentiality. This was vital since the course left with almost 40 days then. Each interview concluded in about 35 to 45 minutes on average.

The respondents’ names, time duration and interview details jotted down and subsequently transcripts were developed. Researcher did this by keeping the different development stages in focus.

DATA ANALYSIS METHODS

All of the interview transcripts read by the researcher and coded as per the stages of group development model of Tuckman. Five category headings generated from the data and under these; all of the data accounted for. As per the model a good distinct stages said to have ‘emerged’ from the data. However, in some responses certain stages either by- passed or did not reach at all. Coding strictly made in adherence with the Tuckman’s model and it was exactly matching barring few. Responses about both the formal and convenient groups grouped under the same category headings to distinguish the responses based on the grouping norms that are formally by FDP office and informally as convenience.

FINDINGS

Data from interviews of seven respondents from each group along with the participative observation made by the researcher about the group he belongs to and of other seven groups in general outlined below. Responses structured within Tuckman’s framework, and illustrated by verbatim quotes as far as possible. The framework includes the fifth stage of development too that is *adjourning*, which was subsequently included by Tuckman in his original framework based on a detailed review.

‘Forming’

The study groups formed by the FDP office on the second day of commencing the programme. The next day onwards, groups were supposed to make group presentations.

Observation: Group ‘A’ Respondent (five members): I felt that it was an opportunity to understand different things from a group having drawn from a diverse academic background. However, except two none was taking interest to read or share their knowledge. Nevertheless, they were very much interested to gather information from others who share. Some members in the group were not even interested to respond to the pressure. After few days, they were literally withdrawn from the group meeting. They often come out with silly excuses such as some minor health issues. The group reduced to only three members after about three weeks who were representing the group in the class.

As far convenient group is concerned (four members), we were able to manage at satisfactory level though there were some hiccups.

One of the main problems of formal grouping identified by a respondent as the indifferent wavelength of group members:

Excerpt: Group B (five members): "... I think people are not in the same wavelength. Only few people work. It is like 20-80 kind of functioning. Most of them argue to prove their knowledge and to show of their supremacy in the domain. One member is withdrawn from the group activity within the first week itself...sharing is not at all happening."

"...Convenient group formed for specific task is functioning well. We have better understanding in our convenient group. But our formal group meets only when there is a task to be done collectively in the class and the instructor is strict and task is of highly interdependent".

One respondent commended, as people do not listen any one:

Excerpt: Group C (five members): "... Initially our group was highly interactive. However, the problem is that no body listen any one. Every body has their own opinion. Someone do not prepare, come, and ask for details. This kills others time. No sharing is happening and people are highly competitive. One is like a child asking silly doubts and by clarifying his doubts others' time is getting wasted."

"...There is hundred percentage coordination exists in our convenient group. This is formed for doing research which is a part of the FDP."

People are highly egoistic and self-centered:

Excerpt: Group D (five members): "...One of our group members is highly egoistic and left the group before the first meeting itself. Our group is not active. The one with fair knowledge about various subjects do not come at all for the group discussion.

However, he is having all the answer in the class, which goes to his individual credit. He never shares unless specifically called for. Most of them have their individual agenda, which they do not want to sacrifice for the group. Most of the cases it is 20-80 kind of functioning; only few contribute."

".....Convenience group formed thinking of continuing cooperation and upholding expertise in different field are also functioning because of few individuals."

A senior member in a group has categorized this group behavior as reflexive:

Excerpt: Group E (five members): ".....Some of them are not really interested at all and some are egoistic. Members show reflexive behavior. In convenient group most of the work is done by me alone and other give only moral support and some execution."

Someone considered this kind of behavior is the outcome of immaturity of people:

Excerpt: Group F (five members): "...People are not matured enough to be in this profession of teaching. This way of grouping is not at all fruitful. The purpose totally defeated".

"...We formed our informal group not based on any criteria but those who could not enter into any of the group have already been formed, came together and formed a so called convenient group. Its functioning is also ... not fruitful. This is functioning as on 20-80 *pareto* principle".

Since majority of group members are from the same state, there is no scope of diversity- one opinioned.

Excerpt: Group G (four members): "...Absolutely no scope for diversity because three of us are from the same state." In Convenient group also fifty percent of group members are only working."

Excerpt: Group H (four members): ".....Our group is functioning well. We have formed our convenient group for doing specific task, strictly based on the mutual benefits."

'Storming'

Observation: Most of the groups have split into convenient group at this stage. This was mainly due to the freedom given by some of the faculty members to choose partners of own choice for doing projects under particular subjects. The bonding of the groups members were further weekend. In most of the teams, one of the responsible participants was acting as a coordinator. They met only for preparing a particular subject, mainly due to the nature of faculty member. They do hear everything but do not share the anything, but surprisingly in class they were used to come out with excellent points. This is the outcome come of cheap competition due to "grade"- this kills the sole purpose of study groups. I heard one of the group members saying, "There is not a grading for this why you don't tell the topic of yours?" This was the revelation for me. In an occasion, one of my group members told me about the attitude of participants with respect to the grading and not sharing the information known to them.

Excerpt: Group B: "... No body was ready to meet in groups; every body is busy in their individual task. Finally I took initiative to inform every one regarding the discussion time and venue.....Still half the people attend the meeting that to only for few subject where faculty member is strict or they find it difficult to understand by themselves."

Excerpt: Group C: "...Still few members were taking advantage by putting entire responsibility on the shoulder of person who takes initiatives for organizing the meeting. We have no one as a coordinator some one would inform and we sit for few minutes to discuss some points to survive. But in convenient group we meet regularly."

'Norming'

It anticipated by members of the group that might not develop into a functioning group.

Observation: In general, most of the groups had limited achievements due to lack of consensus and competitive mentality. Members meet under instruction from the coordinator or on general information for very few minutes and discuss to the point so that presentation could be if asked by the faculty member. No healthy discussion was taking place. No sharing was happening and only half of the group members used to be there in most of the team.

Excerpt: Group B: "... People from different discipline have different interest and they concentrate on their area of interest and are in the group only for the sake."

'Performing'

Observation: Team members were interdependent only when the task and faculty member is tough. Only for that, particular subject members sit together not otherwise.

Excerpt: Group D: "We sit in groups only for a particular subject. Because the member of faculty may call any of the group to present and he is too tough but good learning takes place."

Excerpt: Group F: "...We used to allot the task of preparing power point to one of the participant, he then comes and discusses it in groups, but in convenient group the work is really getting progress. There too only few members are doing the major task"

'Adjourning and Transforming'

General statement of the groups:

The general opinion is that the formal groups formed by the FDP office not at all functioning effectively. Anyhow, the groups find its end as soon the interdependence among the group gets over, that purely based on toughness of tasks and the attitude of instructor. Nevertheless, the convenient groups activity would continue even after the completion of course, at least until probable publication of one article based on certain research work carried out as a part of course work.

DISCUSSION

The application of Tuckman's model fits largely with experience of the participants. At forming state groups were identified lots of identity crisis. The main problem was identified was the self-centered nature of individuals in the group. People do not want to waste their 'valuable' time for the common good, but only for the individual 'grade'. The height of immaturity had seen all through the courses in few participants.

In the storming stage too, consensus had not achieved. Only few members were actively participating. Most of them split in to convenient group. This was due the flexibility offered by some of the faculty member.

Norming stage experienced highly task-oriented cooperation. The sharing was not taking place. Very few discussions had actually happened only to address ten minutes of presentation in the class if asked for. Groupthink was not at all happening.

Groups even allot task to some individual, he then discuss it with other interested team members in about ten to fifteen minutes. This was the mode of operandi in almost all the group in the performing stage of group development.

Group formed as convenient relatively performed better and they would even probably find some fruitful outcome by way of some publication or other.

CONCLUSION

This study reveals the actual happenings in the study groups. This is a revelation for every faculty member who groups the students in to various study groups by ensuring heterogeneity among the group. Heterogeneous grouping is an excellent idea only when one should be able to identify and fix the contribution of individual member while grading. Otherwise, the sharing will not take place. The entire world is now talking about importance of cooperation. However, effectiveness of learning in-group in professional education is solely depending upon the capacity of member of faculty and grading criteria. This study made it evident that the sharing of knowledge is hardly taking place in the group. This defeats the very purpose of grouping. Convenient groups were performing better in comparison with the formal study groups. We should now decide what should the grouping criteria by which we can ensure anticipated the outcome of the group, that the SYNERGY.

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INCOME GENERATION AND EMPOWERMENT OF DALIT WOMEN IN LUCKNOW DISTRICT

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ABSTRACT

Empowerment of women means enabling or arming them to function independently or authorization that is enduring to equip women with all attributes. This paper deals with empowerment of Dalit Women who are being included in the minority section. The concept is based on setting of standards and trying to achieve the standard. There are many critical factors like education, health, income generation and political participation which directly influence the empowerment but this paper deals with income generating factors. The main task is to ensure dalit women should participate in economic and poverty and gender inequality. There exit a two way link between economic growth and poverty and gender inequality. The aim of the present research is to analyse equal access in decision making and to participated in economic empowerment. The study was conducted on 500 dalit women residing in BKT BLOCK of Lucknow district. The selection of the sample is purposive. In the research paper a comparative analysis of dalit women in Ambedkar gram and non Ambedkar gram was analysed and interpreted. The findings were further discussed in the full length paper.

KEYWORDS

Empowerment, Income generation, Authorization, Attributes.

INTRODUCTION

Empowerment of women means enabling or arming them to function independently or authorization that is enduring to equip women with all attributes. Empowering women exclusively attempt for the removal of gender biases, cultural restriction, provision of adequate facilities. The study deals with Empowerment of Dalit women who are being included in the minority sections. The concept of empowerment is based on setting of standards and trying to achieve the standards. It deals with the totality of having decision-making power of their own. In the present scenario, the influence of Empowerment is very important for the growth and development of Dalit women. It gives them a chance for deciding and controlling things by themselves. The study reveals the BKT Block of Lucknow district which includes 5 Block selected randomly.

There are important critical factor like Education, Health, Income generation and Political Participation of Dalit women, which were taken as a parameter and the impact of these parameter were studied.

Among rural women, there are further divisions that hinder women's empowerment. The most notable ones are education levels and caste and class divisions. Women from lower castes (the scheduled castes, other backward castes, and tribal communities) are particularly vulnerable to maternal mortality and infant mortality. They are often unable to access health and educational services, lack decision-making power, and face higher levels of violence. Among women of lower caste and class, some level of education has shown to have a positive impact on women's empowerment indicators.

Social divisions among urban women also have a similar impact on empowerment indicators. Upper class and educated women have better access to health, education, and economic opportunities, whereas lower class, less educated women in urban settings enjoy these rights significantly less. Due to rapid urbanisation and lack of economic opportunities in other parts of the country, cities also house sprawling slum areas. Slums are informal sprawls, and most times lack basic services such as clean water, sanitation, and health facilities. Additionally, slum dwellers mostly work in unorganized and informal sectors, making them vulnerable to raids by the state, abuse by employers, and other forms of insecurity. Women and children in slums are among the most vulnerable to violence and abuse, and are deprived of their basic human rights. As a result of a vibrant women's movement in the last 50 years, policies to advance human rights for women in India are substantial and forward-thinking, such as the Domestic Violence Act (2005), and the 73rd and 74th Amendments to the Constitution that provide reservations for women to enter politics at the Panchayat level. There are multiple national and state level governmental and non-governmental mechanisms such as the Women's Commission to advance these policies, and the implementation of these policies is decentralized to state and district-level authorities and organizations that include local non-governmental organizations.

ECONOMIC/ INCOME GENERATION

The main task that needs to be undertaken is to ensure that Dalit women should participate in Economic and Income generating activities. There exists a two way link between economic growth and poverty and gender inequality. Disparities in basic rights, access to schooling, credit and jobs and ability to participate are the important evidences that show gender inequality and hindrance and economic growth.

On equal economic opportunities and women's participation in the labour force, India ranked 127th and 122nd respectively. The number of women in the workforce varies greatly from state to state: 21% in Delhi; 23% in Punjab; 65% in Manipur; 71% Chhattisgarh; 76% in Arunachal Pradesh. The diversity of women's economic opportunities between states is due to the cultural, religious, and ethnic diversity of each state. Northern states like Delhi and Punjab lag far behind on gender equality measures, including the alarming sex ratio between men and women (due to son preference and sex-selective abortion), low female literacy levels, and high rates of gender-based violence. In rural India, women's economic opportunities remain restricted by social, cultural, and religious barriers. Most notably inheritance laws embedded in Hindu and Shariat civil codes continue to marginalize women in the household and the larger community. Rural women, particularly of lower caste and class, have the lowest literacy rates, and therefore do not have the capacity to negotiate pay or contracts and most often engage in the unorganized sector, self-employment, or in small scale industry. Self-help groups (SHGs) are widely practiced model for social and economic mobility by NGOs and the government. SHGs provide women with the opportunity to manage loans and savings that can be used by members for varying needs. SHGs are also used to promote social change among the members and the community at large. Members of SHGs have used their experiences as leverage to enter other local institutions such as the Panchayat Khap.

Rural, low caste, and tribal women also make up 70% of domestic workers in India, a sector which is largely unregulated and unorganized. India's growing economy has allowed for many upper and middle-class women to enter the workforce, and while poor rural women have little access to education and training, there is a high demand for domestic workers in urban hubs. Domestic workers are mostly illiterate, with little or no negotiating power for wage equity, and are highly vulnerable to exploitation and sexual and physical abuse. There is a movement at the policy level to organize domestic workers and to create laws to regulate minimum wage, working hours, and other measures such as life and health insurance. Currently a national-level Taskforce on Domestic Workers has been formed that will present recommendations to the central government on better enforcement of rights for the many undocumented domestic workers in India. Women are also very visible in the construction sector in India, and like domestic workers are largely unorganized and rely on daily wages. Women construction workers are mostly poor and illiterate and have little negotiating power. This sector is also unregulated and highly vulnerable to exploitation. Women workers also earn significantly less than men, although women are the ones who do most of the backbreaking work like carrying bricks and other heavy materials on site. On the other end of the spectrum, while India has one of the highest percentage of professional women in the world, those who occupy managerial positions are under 3%. Most women work at low administrative positions, and many of the young women migrating to urban centres mostly work in service and retail industries, although more and more women are entering the IT and other technical sectors.

Women's political participation has been considered a major measure of women's empowerment. Globally, through histories of the world we have records of very few regents, sovereigns, and active agents in nobility who were women. Champions of liberalism like John Stuart Mill had advocated women's participation in governance by the struggle for women suffrage in the self avowed liberal west very well illustrates the entrenched nature of Patriarchal resistance to women's empowerment. In the last century more women heads of state could be counted in Asia as compared to Europe and the struggle for women suffrage in India was physically less violent but this is not reflective of greater acceptance of women in decision-making in public spaces.

To measure women's empowerment now GEM takes 3 indicators, women's participation in economic, political and professional activities. Within political power what is measured is mainly women in parliament, judiciary or in local bodies. Women's empowerment or disempowerment has to be seen in all areas physical, socio cultural religious, political legal and economic.

REVIEW OF LITERATURE

Review of literature is a vital part of any research. It helps the researcher to know the areas where earlier studies had focused on and certain aspects untouched by them. There have been numerous thought-provoking studies on human rights violation against women and dalits. A look at the studies shows that violations against women and dalits are increasing day by day in the local and global context.

Women have always been treated differently, whereas men have claimed all rights they have denied them to women. Religion has also helped in perpetuating the denial of equal rights to women. They have also been subject to socio-economic and cultural deprivations. They have been vulnerable to violence and exploitation such as harassment, taunts, abuses, battering, molestation, rape, dowry deaths, sati, mental and physical torture. In many countries, women are dehumanized, forcibly married, sold off and subject to all kinds of humiliation. Caste system is peculiar to India. Here people are branded as untouchables, denying them the right to live as human beings. They are oppressed, suppressed and marginalized by the so-called upper caste people. A dalit is denied all human rights while alive.

Human resources and social factors are highly affected by violations. Among all types of violence the most damaging is the caste violence. If there are bodily injuries they have to spend a lot of money on treatment and they lose their earnings during the period of their illness. The wealth of victims may be wasted to litigation. The educational progress of victims and their family members is affected. The society is disintegrated and divided into different groups on caste line. Sabastian (2009) says by indicating an incident happened in Haryana where dalits were treated in inhuman ways. Police arrested some dalits and kept them in police station. Immediately Bajrang Dal mob entered into the police station and attacked the Dalits to death. The policemen kept mum. The explanation they gave was that upper castes are human beings who had precious lives to lose while the dalits had no such value in their lives. Sainath (2008) explains that dalit students are routinely humiliated and harassed even at schools and colleges and other educational institutions. There are many drop outs in schools because of caste based discrimination. They are seated separately in the classrooms and at mid-day meals.

Regunathan (2008) says that dalit Christians of about 150 families complained that they were discriminated against in offering worship at the Annai Sahaya Mary Church at Eraiyur, a village in Tamil Nadu. Since Vanniyar Christians constituted a majority, numbering about 2000 families, they got preference in all Church functions and dalit Christians were relegated to the background. Wankhede (2008) points out that the underprivileged sections, especially, the "bahujans" and the "dalits" have had a history of struggle in challenging given identities and furthermore constructing their own alternative identities and political concepts to fulfil the requirements of contemporary times. In this discourse, dignity of the self became the outcry for targeting the nature of the existing social control. According to Venkatesan (2008) it is very clear from the report given by Justice Lakshmanan that in India about 13 lakh of people carry human excreta on head for disposal. It is rampant in Delhi, Madhya Pradesh, Uttarpradesh, Maharashtra, Rajasthan and Bihar. He further says that carrying of human excreta on head is the most inhuman. One can easily understand how dalits are treated in India from the incident narrated by Menon (2008). She points out that the school at Krishnagiri in Tamil Nadu, students and answer sheets were purified by sprinkling cow urin as a dalit person occupied the headmaster post for a very short period. The high caste people did this purification after the transfer of the headmaster to another school.

Gunasekaran (2008) illustrates the violence against Dalits at Salarapatty in Coimbatore. A mob of caste Hindus ransacked more than 10 tiled houses and two motorcycles were smashed. Fifty dalit students were not able to attend classes. The violence is due to the opposition shown by certain dalits for the two tumbler system practised in this village. Karthikeyan (2008) points out that in Uthapuram in Madurai district where Caste Hindus of the village have electrified a 600 metre long wall which passes through the area of common use by people of all castes. The wall is intended to block common entry points, thereby preventing the dalits from mingling with caste Hindus. Access to common property resources is also being denied to dalits in that area. Kumar, S.V., (2008) states that a dalit official is not free from caste based violence by referring an incident in Kanyakumari district. Kanungo (2007) explains that in Vaso village, Gujarat, the upper caste Hindus did not allow the lower caste people for performing the last rites of a dead dalit man at the panchayat crematorium. A notice at the site pronounces "members of lower castes should take their dead to other locations. This speaks how caste Hindus does not spare a dalit even after his death. His article tries to make a bold attempt in unfolding the contradictions and collaborations between dalits and hindutva, from the vantage points of theory as well as practice. Menon (2007) explains that in Nagpur, dalits were attacked and assaulted by the caste Hindus, eight of the 11 accused were arrested and released on bail soon after. They roam freely in the village and threaten the dalit families. It makes dalit families more worrisome.

ORIGIN OF THE RESEARCH PROBLEM

The empowerment and autonomy of women is a highly important end in itself. It is essential that sustainable development should be achieved. The Dalit Women are not getting the chance of participation and growth so it is very important that they should be involved in political, Social, Economic and Health Status. The impact of involvement will be positive and it will help in growth and development of community. In most of the regions women receive less formal education than men and at the same time, women's own knowledge abilities and coping mechanism often go unrecognized the change is required so that the policy and programmes will improve womens access to secure livelihood and economic resource, alleviate their extreme responsibilities, raise social awareness through effective programmes of health, education and mass communication the status of dalit women can be improved by enhancing decision making capacity at all the spheres of life. Education is one of the important means to empowering women with knowledge, skill and abilities necessary to participate in development process.

METHODOLOGY

SECTION A – SAMPLE, METHOD & PROCEDURE SAMPLE

The final study will be conducted on 500 dalit womens residing in BKT Block of Lucknow District. The selection of the sample as purposive. They were matched on factors - Health, Political, Economic and Education.

The total methodology in the following step

1. Step 1. Selection of five Nayay Panchayat by random sampling
2. Step 2. Selection of the village is a two tier system
 - I. Ambedkar Grams of five Naya Panchayat by random among the Ambedkar villages.
 - II. Five non-Ambedkar grams of the same Nayay Panchayat by random methods.
3. Step 3. Selection of target group.
4. Step 4. Preparation of questionnaires separately for the following
 - i. Target group
5. Step 5. Preparation of Interview schedule for the following:
 - I. Govt. officials
 - II. Magistrate
 - III. Block development officer

IV. Panchayat secretary

Peoples Man/Men from society

- i. Members of parliament/assembly
- ii. Block Pramukh
- iii. Gram Pradhan

TECHNIQUES USED

- 1) Descriptive Statistics
- 2) Kolmogrov- Smirnov Test
- 3) Mann-Whitney U-test
- 4) Large Sample test to compare proportions

Lastly after the completion of questionnaires an interview scheduled related will be prepared for analysis and interpretation of the fact. All the statistical method, 1001 and technique will be applied as per requirement.

ANALYSIS & INTERPRETATION

OBJECTIVE 1: TO ANALYSE EQUAL ACCESS IN DECISION MAKING

This objective is analysed by considering two points in mind. These are:

- a) Independency to make decision for voting
- b) Independency to decide the treatment of the children.

1: To analyzed equal access on Economic basis

This **Objective** is analysed by considering the following points:

- a) Average number of earning members
- b) Average Number of days employed
- c) Distribution of Agricultural land
- d) Mode of Irrigation
- e) Computer users
- f) Distribution of Income
- g) Type of employment &
- h) Mode of Communication.

Out of above mention points point a, b,f & g are direct way of comparing Economic status, while rest are indirect way of accessing it.

A) ON THE BASIS OF AVERAGE NUMBER OF EARNING MEMBERS

TABLE 1: COMPARISON OF AVERAGE NUMBER OF EARNING MEMBERS IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Average No. of Earning Members	Significance	Result
Ambedkar Gram	4	0.000	Significant
Non-Ambedkar	2		

This table shows that there is a significant difference in the Average number of earning members of women’s in Ambedkar gram & Non-Ambedkar Grams & is more in women’s of Ambedkar grams.

B) ON THE BASIS OF AVERAGE NUMBER OF DAYS EMPLOYED

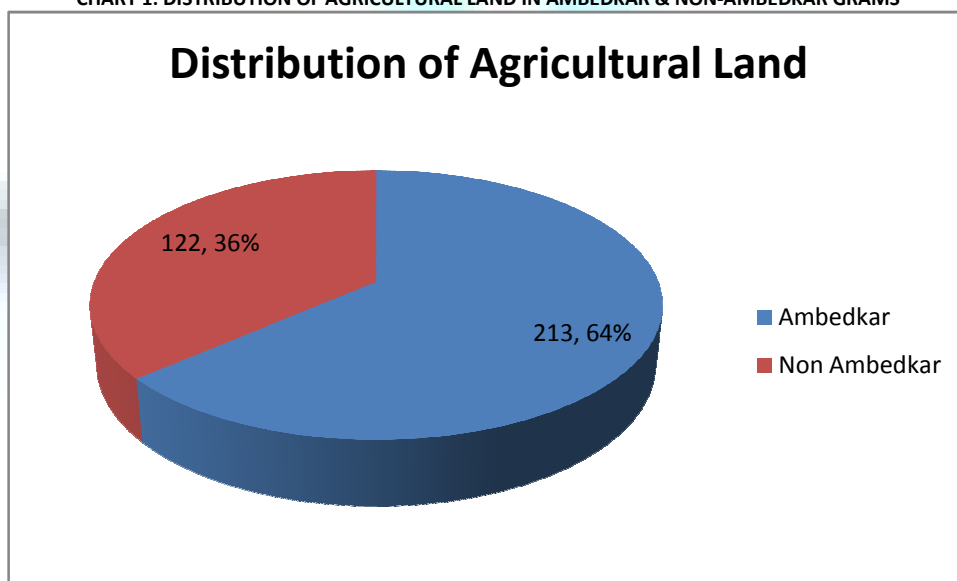
TABLE 2: COMPARISON OF AVERAGE NUMBER OF DAYS EMPLOYED IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Average No. of Days Employed	Significance	Result
Ambedkar Gram	30	0.000	Significant
Non-Ambedkar	10		

This table shows that there is a significant difference in Average number of days employed women’s in Ambedkar gram & Non-Ambedkar Grams & is more in women’s of Ambedkar grams.

C) ON THE BASIS OF DISTRIBUTION OF AGRICULTURAL LAND

CHART 1: DISTRIBUTION OF AGRICULTURAL LAND IN AMBEDKAR & NON-AMBEDKAR GRAMS



Above chart represents that women of Ambedkar gram have more agricultural lands as compare to NonAmbedkar gram.

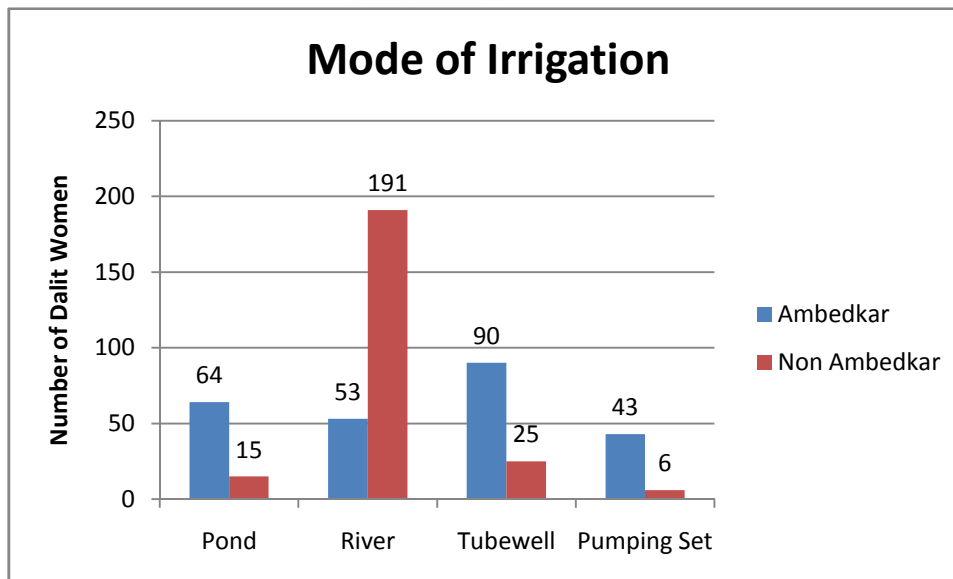
TABLE 3: COMPARISON OF PROPORTION OF WOMEN'S HAVING AGRICULTURAL LAND IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Agricultural Land		Significance	Result
	Yes	No		
Ambedkar Grams	213 (.85)	37	<.0001	Significant
Non-Ambedkar Grams	122 (.49)	185		

This table shows that there is a significant difference in proportion of women's having Agricultural land in Ambedkar & Non-Ambedkar Grams & Is more in Ambedkar grams.

D) ON THE BASIS OF MODE OF IRRIGATION

CHART 2: MODE OF IRRIGATION IN AMBEDKAR & NON-AMBEDKAR GRAMS



Above chart most of the women's of Non- Ambedkar gram uses rivers as a mode of irrigation, while most of the women's of Ambedkar gram uses tubewell as a mode of irrigation

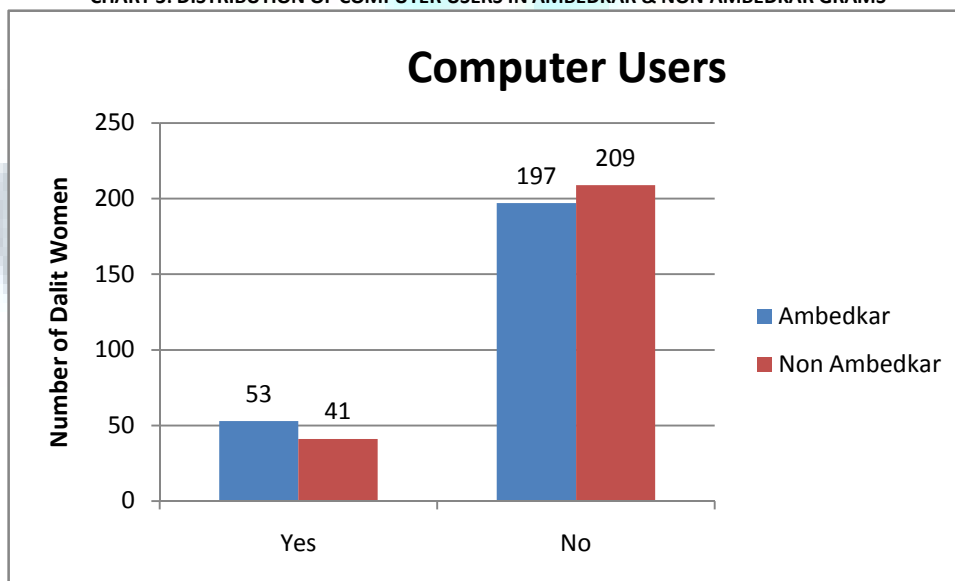
TABLE 4: COMPARISON OF PROPORTION OF WOMEN'S IRRIGATED THROUGH TUBEWELL IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Irrigation by Tubewell		Significance	Result
	Yes	No		
Ambedkar Grams	90 (.36)	160	<.0001	Significant
Non-Ambedkar Grams	25 (.10)	225		

This table shows that there is a significant difference in proportion of women's irrigated through Tubewell in Ambedkar & Non-Ambedkar Grams & is more in ambedkar grams.

E) ON THE BASIS OF COMPUTER USERS

CHART 3: DISTRIBUTION OF COMPUTER USERS IN AMBEDKAR & NON-AMBEDKAR GRAMS



Above chart represents that there are very few percentage of womens use computer in both the grams but is slightly more in Ambedkar gram.

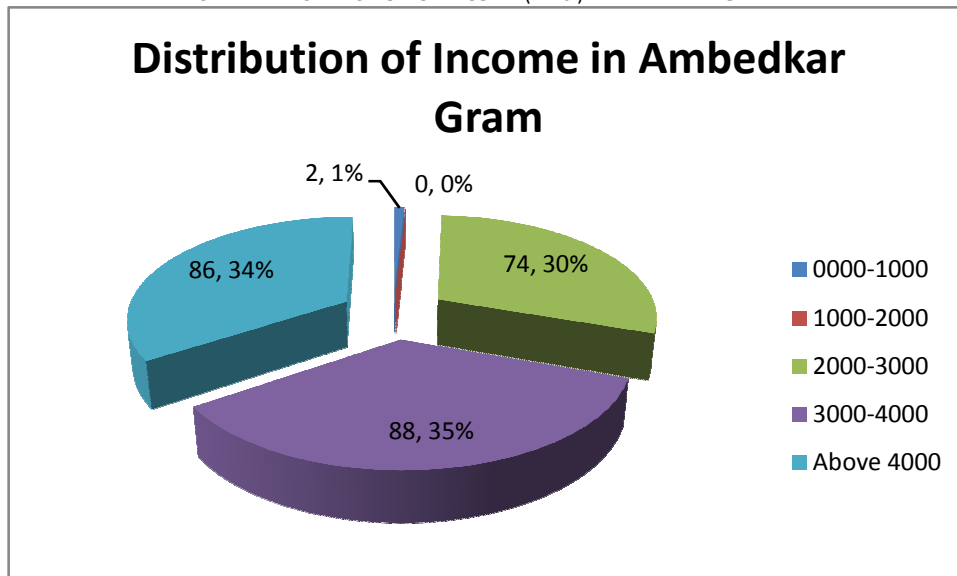
TABLE 5: COMPARISON OF PROPORTION OF COMPUTER USERS IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Computer		Significance	Result
	Yes	No		
Ambedkar Grams	53 (.212)	197	.0853	Non- Significant
Non-Ambedkar Grams	41 (.164)	209		

This table shows that there is no significant difference in proportion of computer users of Ambedkar & Non Ambedkar grams.

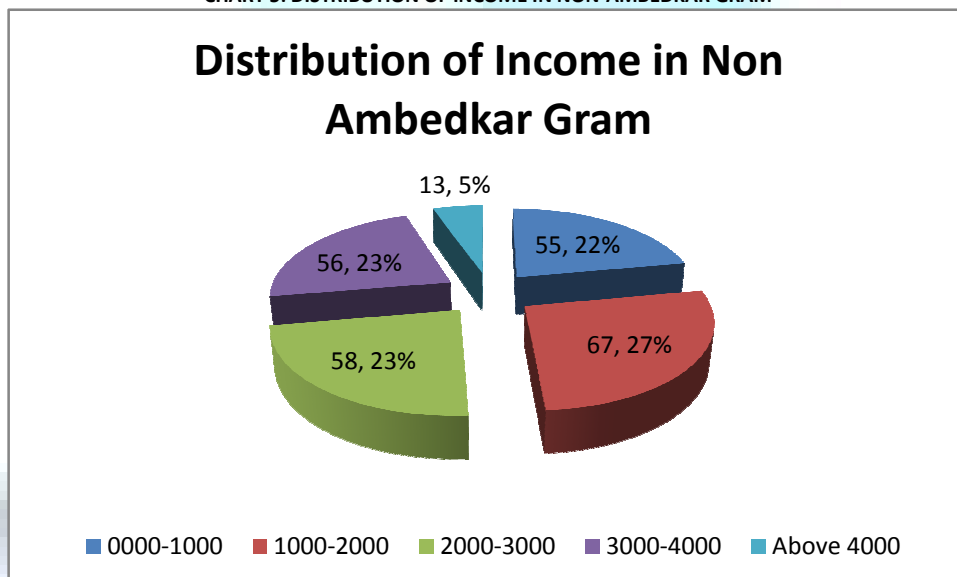
F) ON THE BASIS OF DISTRIBUTION OF INCOME

CHART 4: DISTRIBUTION OF INCOME (in Rs.) IN AMBEDKAR GRAM



Above chart represents the Income level of women’s of Ambedkar gram. From chart it is clear that 35% of women’s of Ambedkar gram have income level in between 3000-4000 & 34% of women’s of Ambedkar gram have income level more than 4000. Here is very low percentage of women’s having income level less than 2000 Rs.

CHART 5: DISTRIBUTION OF INCOME IN NON-AMBEDKAR GRAM



Above chart represents the Income level of women’s of Non-Ambedkar gram. From chart it is clear that 23% of women’s of Non-Ambedkar gram have income level in between 3000-4000 & 23% of women’s of Non-Ambedkar gram have income level. between 2000-3000 while only 5% have income more than 4000.

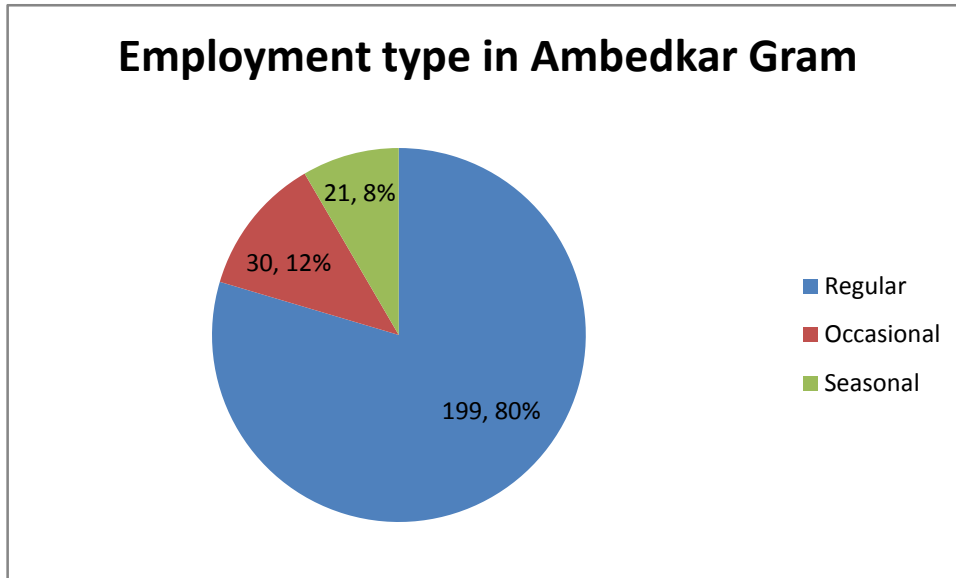
TABLE 6: COMPARISON OF PROPORTION OF WOMEN’S HAVING INCOME LEVEL MORE THAN 4000 RS. IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Income Level (in Rs.)		Significance	Result
	Above 4,000	upto 4,000		
Ambedkar Grams	86 (.34)	164	<.0001	Significant
Non-Ambedkar Grams	13 (.05)	237		

This table shows that there is a significant difference in proportion of women’s having income level more than 4000 Rs. in Ambedkar & Non-Ambedkar Gram & is more in Ambedkar grams.

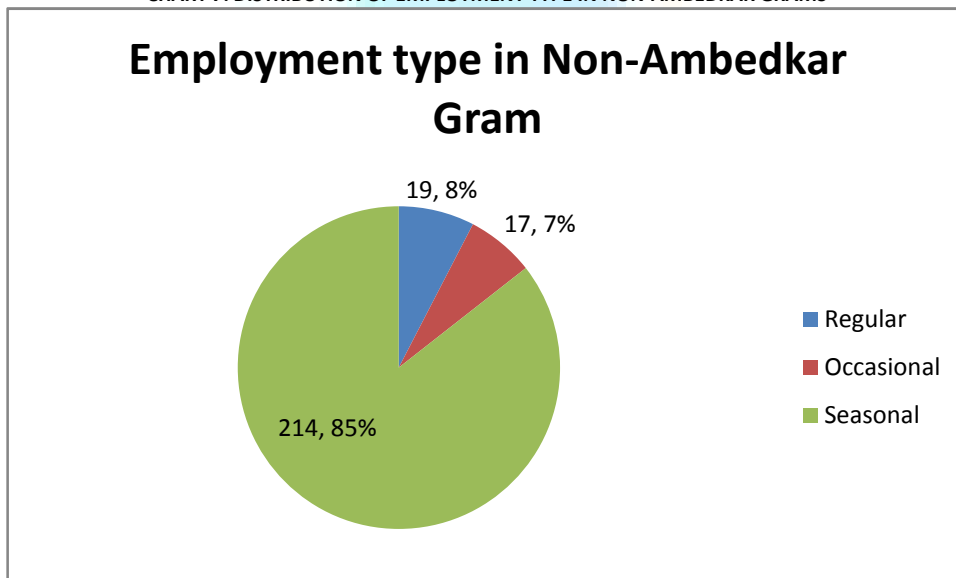
G) ON THE BASIS OF TYPE OF EMPLOYMENT

CHART 6: DISTRIBUTION OF EMPLOYMENT TYPE IN AMBEDKAR GRAMS



Above chart represents that 80% of women of Ambedkar gram are regular employed.

CHART 7: DISTRIBUTION OF EMPLOYMENT TYPE IN NON-AMBEDKAR GRAMS



Above chart represents that only 8% of women of Ambedkar gram are regular employed.

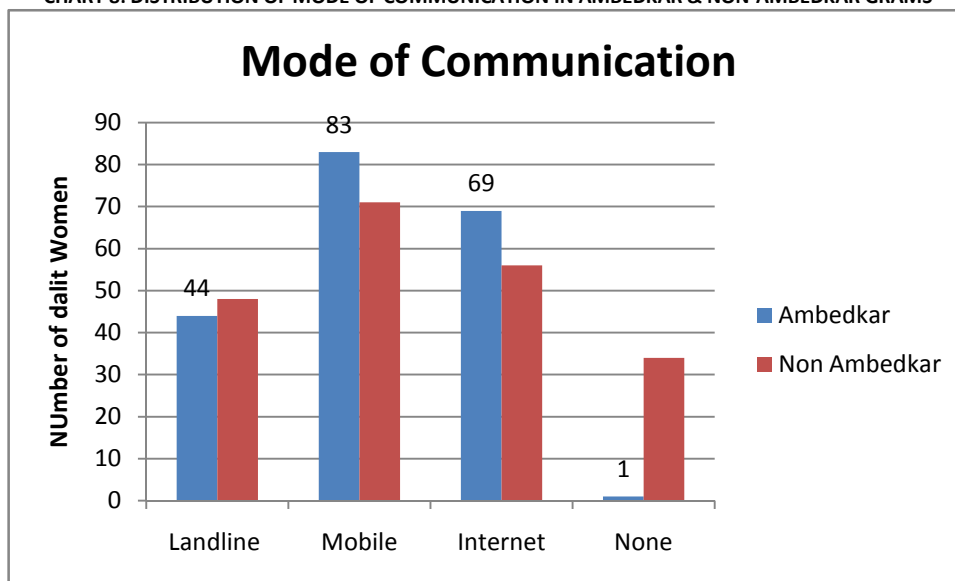
TABLE 7: COMPARISON OF VOTING INDEPENDENCE IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Type of Employment		Significance	Result
	Regular	Other		
Ambedkar Grams	199 (.796)	51	<.0001	Significant
Non-Ambedkar Grams	19 (.076)	231		

This table shows that there is a significant difference in proportion of women's regularly employed. in Ambedkar & Non-Ambedkar Gram & is more in Ambedkar grams.

H) ON THE BASIS OF MODE OF COMMUNICATION

CHART 8: DISTRIBUTION OF MODE OF COMMUNICATION IN AMBEDKAR & NON-AMBEDKAR GRAMS



Above chart represents the mode of communication in both the grams. We can see that mobiles are frequently use in both the grams.

TABLE 8: COMPARISON OF LAND LINE USERS IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Landline		Significance	Result
	Yes	No		
Ambedkar Grams	44 (.176)	206	0.298	Non- Significant
Non-Ambedkar Grams	48 (.192)	202		

This table shows that there is no significant difference in landline users of Ambedkar & Non Ambedkargram.

TABLE 9: COMPARISON OF MOBILE USERS IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Mobile		Significance	Result
	Yes	No		
Ambedkar Grams	83 (.33)	167	0.105	Non- Significant
Non-Ambedkar Grams	71 (.28)	179		

This table shows that there is no significant difference in mobile users of Ambedkar & Non Ambedkar gram.

TABLE 9: COMPARISON OF INTERNET USERS IN AMBEDKAR & NON-AMBEDKAR GRAMS

	Internet		Significance	Result
	Yes	No		
Ambedkar Grams	69 (.138)	181	.2483	Non- Significant
Non-Ambedkar Grams	56 (.112)	194		

This table shows that there is no significant difference in Internet users of Ambedkar & Non Ambedkar gram.

RESULT & DISCUSSION

The result of the study have been presented in the previous chapter In this chapter an attempt will be made to discuss an interpret the findings of the present investigation. The research plan was to study the empowerment of dalit women in Lucknow district: A case study in BKT block. Data was subjected to suitable statistical analysis and the findings are discussed on the basis of hypothesis formulated for the research study. The result supported the henotheist relationship the study was based on comparative analysis between Ambedkar gram and non Ambedkar gram. Firstly the analysis was done on the basis of basic characteristics of dalit women and it was found

- 1) Age Group of women's from whom data is collected in Ambedkar & Non-Ambedkar Grams is approximately same & all the women's lie in the age group of 18-60.
- 2) The ratio of SC/ST in Ambedkar & Non-Ambedkar grams is 11:9 & 5:6 respectively. This means in Ambedkar grams out of 40 respondents 22 are Sc, while in Non-Ambedkar gram 15 are Sc & rest are ST.
- 3) The ratio of Joint & Nuclear families indicates that out of 12 respondents in Ambedkar grams 13 have a joint family & in Non-Ambedkar gram this figure is 10.
- 4) Average level of income is high in Ambedkar grams as compare to Non-Ambedkar grams.
- 5) Average family member in Non-Ambedkar gram are more (4 members) as compare to Ambedkar Grams (2 members).

A) On the basis of social, educational, economical, decision making, healthcare etc.

On the basis of collected data an analysis had performed. At 5 % level of significance the following conclusions are drawn:

- 1) There is a significant difference in voting independence of Ambedkar & Non Ambedkar grams. And women of Ambedkar Gram are more free to cash their votes according to their willingness.
- 2) There is no significant difference in Independency related to make decision about Children treatment's of Ambedkar & Non Ambedkar gram.
- 3) There is no significant difference regarding awareness about benefits of BPL families in Ambedkar & Non Ambedkargram.

- 4) There is a significant difference in awareness level for schemes framed to socially disadvantaged families in Ambedkar & Non Ambedkargram. And women of Ambedkar Gram are more aware.
- 5) There is a significant difference related to healthcare awareness of Ambedkar & Non Ambedkargram. And women of Ambedkar Gram are more aware about healthcare as compare to women of Non-Ambedkar Gram
- 6) There is a significant difference in proportion of women believed that women education is more important in Ambedkar & Non Ambedkargram. And women of Ambedkar Gram are more aware about women's education.
- 7) There is a significant difference in awareness about laws of Ambedkar & Non Ambedkargram. And women of Ambedkar Gram more knowledge of laws as compare to Non- Ambedkar.
- 8) There is a significant difference in proportion of women's vote in Ambedkar & Non Ambedkar gram. And women of Ambedkar Gram are voted more.
- 9) There is no significant difference in proportion of women's having voter ID of Ambedkar & Non Ambedkar gram.
- 10) There is a significant difference in proportion of women's vote for govt. in Ambedkar gram as compare to Non Ambedkar gram. And women of Ambedkar Gram are voting more for govt. (98.8%) as compare to Non Ambedkar gram (53.2%).
- 11) There is a significant difference in proportion of women's think that women's should be enrolled in political parties of Ambedkar & Non Ambedkargram. And women of Ambedkar Gram think more about this.
- 12) There is a significant difference in proportion of women's having knowledge about past political leaders in Ambedkar & Non-Ambedkar Grams & is more in women's of Ambedkar grams.
- 13) There is a significant difference in Average number of earning members of women's in Ambedkar gram & Non-Ambedkar Grams & is more in women's of Ambedkar grams.
- 14) There is a significant difference in Average number of days women's employed in Ambedkar gram & Non-Ambedkar Grams & it's found that women's of Ambedkar grams are employed for more days.
- 15) There is a significant difference in proportion of women's having Agricultural land in Ambedkar & Non-Ambedkar Grams & Is more in Ambedkar grams.
- 16) There is a significant difference in proportion of women's having Agricultural land in Ambedkar & Non-Ambedkar Grams & Is more in Ambedkar grams.
- 17) There is no significant difference in proportion of computer users of Ambedkar & Non Ambedkar grams.
- 18) There is a significant difference in proportion of women's having income level more than 4000 Rs. in Ambedkar & Non-Ambedkar Gram & is more in Ambedkar grams.
- 19) There is a significant difference in proportion of women's regularly employed. in Ambedkar & Non-Ambedkar Gram & is more in Ambedkar grams.
- 20) There is no significant difference in landline users of Ambedkar & Non Ambedkargram.
- 21) There is no significant difference in mobile users of Ambedkar & Non Ambedkar gram.
- 22) There is no significant difference in Internet users of Ambedkar & Non Ambedkar gram.
- 23) There is a significant difference in Healthcare awareness of Ambedkar & Non Ambedkargram and is more in women of Ambedkar Gram.
- 24) There is a significant difference in proportion of women's having vaccination card in Ambedkar & Non-Ambedkar Grams and is more in ambedkar grams. It can also see that still there is a need to increase this ratio.
- 25) There is no significant difference in **Awareness about Pulse polio drop** of women's of Ambedkar & Non Ambedkargram.
- 26) There is a significant difference in proportion of women's aware about National Health Policies in Ambedkar & Non-Ambedkar Grams & is more in Ambedkar grams..
- 27) There is no significant difference in proportion of women's thinks health awareness is must in Ambedkar & Non-Ambedkar Grams.
- 28) There is a significant difference in proportion of women's ever attendant school in Ambedkar & Non-Ambedkar Grams & is more in Ambedkar gram.

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TESTING THE WEAK FORM EFFICIENCY IN WORLD STOCK MARKET: A CASE STUDY IN AUSTRALIA

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ABSTRACT

In this paper weak form efficiency are tested on Australian stock market. For this purpose Run test and Autocorrelation test are used. Run test clearly supported the independent behavior after 2008-09 and the notion of weak form market efficiency. Run test has inherent weakness as only sign are conceded not how much amount of increase or decrease. The coefficients are obtained for 1-16 time lags to examine results for varying periodicity. Serial correlation coefficient statistics clearly indicates weak form efficiency does not exist. This study also shows that significant auto correlated exist up to 6 or 11 day lag after 2008-09.

KEYWORDS

Run test, Serial correlation coefficient and Weak form efficiency.

I INTRODUCTION

In an efficient market, a set of information is fully and immediately reflected in market prices so that no investor is able to make excess profits based on any existing information. An efficient market is one where market price is an unbiased estimate of the true value of investment. All that is required is that errors in the market price be unbiased, i.e., prices can be greater than or less than true value, as long as these deviations are random. The fact that the deviation from true value are random implies that there is an equal chance that stocks are under or over valued at any point of time, and that these deviations are uncorrelated with any observable variable. If the deviations of market prices from true values are random, it follows that no group of investors should be able to consistently earn excess return using any investment strategy. Inefficient market on the other hand offers opportunities for abnormal return to the investors. In such markets, stock which had outperformed the market in the past should continue to outperform the market in the future. Similarly, stock that has done poorly should continue to perform poorly. **Eugene Fama** (1965) noted that markets could be efficient at three levels based on what information was reflected in prices. A market would be described as being weak-form efficient if it is impossible to make abnormal profits by using past prices to formulate buying and selling decision. Similarly, a market would be described as being semi strong-form efficient if it is impossible to make abnormal profits by using publicly available information to formulate buying and selling decisions. Last, a market would be described as being strong-form efficient if it is impossible to make abnormal profits by using any information whatsoever to make buying and selling decisions. A large majority of studies favor prevalence of weak form stock market efficiency. They observe that prices in the Indian stock market do not follow random walk model. They support the market efficiency proposition in its weak form both in India and abroad. **Bodla** (2005) has tested the weak form of efficiency with two tests, namely the runs test and serial correlation test using daily data for three year period commencing January 2001 through December 2003. The sample size consisted of 47 scrip's of S&P CNX of nifty. In order to test the null hypothesis that share prices follow the random walk behavior, the random walk model has been applied in the study. This is a suitable data transformation procedure, which is used to make the original series stationary. The results of the runs test have given a clear-cut inkling of the existence of weak form market efficiency in the Indian securities market. Similarly, the serial correlation analysis based on its coefficients confirms the weak form hypothesis of efficient market. This finding, thus, reduces the probability of continuously making extra profit by forecasting the security prices. **Mahapatra and Biswasroy** (2007) are an attempt in this direction. The study is based on weekend share price data of BSE 30 scrip's covering a time period of two years i.e. from 1st April 2000 to 31st March 2002. Rank correlation analysis has been extensively used in the study to examine the rank of performance of the above 30 stocks at different time intervals. They reveal that the Indian stock market is more efficient in the weak form in the longer run but inefficient in the short run. **Ramesh, Kiran and Renuka** (2008) have made an attempt to study documents extensive on price behavior in the Indian stock markets. One of the striking features of the results is that runs analysis too exuberates weak form efficiency further and the instances of return drift noted earlier have disappeared. On the whole, the results signify that trading strategies based on historic prices cannot be relied for abnormal gains consistently, except when these coincide with underlying drifts in the stock price movements. **Satish and Sonal** (2009) have analyzed the weak form of efficiency and the efficient market hypothesis on Indian stock market in the form of random walk, during the period of 2007-08 based on closing prices and daily returns on the Indian stock market three representative indices: S&P CNX 500, CNX 100 and BSE 200. Serial correlation and run test support the Random Walk theory and market efficiency hypothesis. Some studies deny its existence to keep the academic debate alive on the subject. **O.P and Vandana** (1997) have studied the weak-form efficiency in Indian stock market during a period July 1988 to Jan 1996. The results of autocorrelation analysis as well as run analysis carried out in respect of each of the fifty shares included in the sample were not supportive of the random walk hypotheses. Some of the observed efficient were larger than those obtained in other studies. Thus the results reported here do not lend support to the view that the Indian stock market is weak form efficiency in pricing share where market efficiency is understood as generating security prices which fully reflect information contained in their historical records. This study has aimed at re-examining the weak form efficiency proposition. In the previous studies Run and auto correlation test have been used but more emphasis is laid on Run test. But in present study more preference is given to Autocorrelation test because this test considered sign as well as absolute change.

II HYPOTHESES

In order to examine market efficiency in weak form, historical sequences of stock prices are studied for independence and randomness to test the following null hypothesis:

H₀: Successive stock price movement are independent of past stock prices.

H_a: Stock price movement are identical to that of random numbers.

III DATA

In order to examine the validity of null hypothesis, daily price data for All ordinary index is compiled from April 2004-05 to March 2011-12. Data used in this study are obtained from yahoo finance website.

IV METHODOLOGY

To test independence and randomness of stock prices, **Run test** has been used. The number of runs is computed as a sequence of the price changes of the same sign. For testing the significance of the difference between observed and expected number of runs, standardized normal variate **Z** has been used. Since the alternative hypothesis says nothing about the direction of the deviation from a random series, a two-tailed test is applied. Accordingly, null hypothesis will be rejected at five per cent level of significance if the observed value of **Z** is >1.96 . Expected numbers of runs of all types are computed by using the method:

$$M = \frac{2(n_1n_2 + n_1n_3 + n_2n_3)}{n_1n_2n_3} + 1$$

where:

M = Expected number of runs;
 n_1 = Number of Positive Signs;
 n_2 = Number of Negative Signs; and
 n_3 = Number of zeros.

Wherein, standard error (S.E.) is given as:

$$\sigma = \left\{ \frac{[2(n_1n_2+n_1n_3+n_2n_3)]}{(n_1+n_2+n_3)^2 - (n_1+n_2+n_3 - 1)} - \frac{2(n_1n_2+n_1n_3+n_2n_3 + 6n_1n_2n_3)}{(n_1+n_2+n_3)(n_1+n_2+n_3 - 1)} \right\}^{\frac{1}{2}}$$

The difference between the actual and expected number of runs is expressed by a standard normal Z variate as:

$$Z = [(R - M)/S.E.]$$

Adjusted Z variate is as follows:

$$Z = [(R + 0.5 - M)/S.E.]$$

where:

R = Actual number of runs;
 M = Expected number of runs; and
 SE = Standard Error.

In run test, there is one limitation that is only sign is considered but not the absolute change. In order to overcome this limitation autocorrelation test is used in which raw values and direction are considered. Hence the inferences are also drawn through autocorrelation. Serial correlation is a measure of relationship between a random variable in time (P_t) and its value (P_{t-n}) periods earlier. It indicates whether price changes at time (t) are influenced by the price changes occurring ($t-n$) periods earlier. In order to hold weak form stock market efficiency, observed serial correlation should be statistically insignificant. Serial correlation coefficients are computed for a 1-16 periods lag(s). If the autocorrelations are close to zero or insignificant at a given significant level, the price changes are said to be serially independent. A significant positive correlation indicates the presence of a trend while the negative correlated depicts the existence of random reversals in the stock prices. The serial correlation coefficient is estimated by:

$$r_k = \frac{C_k}{C_0}$$

where:

$$C_k = \frac{1}{n} \sum_{t=1}^{n-k} (P_t - \bar{P})(P_{t+k} - \bar{P});$$

$$K = 0, 1, 2, \dots, n;$$

$$\bar{P} = \frac{1}{n} \sum_{t=1}^m P_t \text{ is mean of the whole series;}$$

C_0 is variance of P_t ; and
 n is number of observations.

Statistical testing of the serial correlation coefficient requires the standard error of estimated coefficient, which is explained below:

$$Z = r_k \sqrt{n - k}$$

V RESULTS

The results of run test are presented in table- I in which runs are obtained from mean, median and mode. It can be seen that statistics of index are insignificant up to 2008-09. It is curious to note that similar tendency prevailed even when the runs are obtained through median and mean. Results are different when runs are obtained from mode. The outcome supports randomness in the stock prices because in Australia index Z values are found to be insignificant up to 2008-09. Thereafter, the year 2009-10, index correlation coefficient is showing significant at one and five per cent level. It reveals that weak form efficiency pattern does not exist in Australia market after 2008-09.

Results of correlation coefficient of price changes are also used to examine the validity of null hypothesis to test the independence of successive stock prices. The coefficients are obtained for 1-16 time lags to examine results for varying periodicity. A significant interdependence in stock returns invalidates weak form market efficiency. Autocorrelation obtained for stock returns are tabulated in tables- II (from 2004-05 to 2011-12) for varied time lags.

It can be seen from tables II that all Australia index correlation coefficient found to be significant at five percent and one percent level for up to one day lags. There are correlations coefficients are significant up to 6 or 11 day lag after 2008-09. Thus, the result of autocorrelation test of price changes clearly supports the not applicability of random walk model in order to describe share price behaviors in Australia stock markets. Thus, the overall significance of autocorrelation coefficient points to the efficiency of some markets is not in its weak form. It reveals that weak form efficiency does not exist in Australian stock market. Both tests present the same result after 2008-09. One of the features of the result based on autocorrelation analysis is that this analysis overcomes the limitations of run test.

VI CONCLUSIONS

Thus, the result of Run test of price changes supports the randomness in the stock prices because Z values are found to be insignificant up to 2008-09. In run test, there is one limitation that is only sign is considered but not the absolute change. In order to overcome this limitation autocorrelation test is used in which raw value and sign are considered. Serial correlation coefficient statistics clearly indicates that weak form efficiency does not exist in all Australian country indices. On comparing the present study with the previous studies, it has been found that there is variation in the results of various studies. Some studies totally states that there is existence of weak form efficiency and some studies totally opposes it. The present study does not show weak form efficiency.

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TABLES

TABLE-I: RUN TEST STATISTICS

YEARS		Median	Mean	Mode
2004-05	Test Value	0.001	0.000524	0.000000
	Number of Runs	108	114	104
	Z	-2.858	-2.011	-2.686
	Sig. (2-tailed)	0.004	.044	.007
2005-06	Test Value	0	0.001020	0.011372
	Number of Runs	119.000	109	3
	Z	0.000	-.969	.092
	Sig. (2-tailed)	1.000	.333	.926
2006-07	Test Value	0	0.000580	0.018526
	Number of Runs	126.000	120	3
	Z	-0.251	-.946	.089
	Sig. (2-tailed)	0.801	.344	.929
2007-08	Test Value	0	-0.000924	0.000000
	Number of Runs	124.000	108	118
	Z	-1.169	-2.783	-1.862
	Sig. (2-tailed)	0.242	.005	.063
2008-09	Test Value	0	-0.002105	0.056420
	Number of Runs	124.000	124	3
	Z	-1.463	-1.410	.086
	Sig. (2-tailed)	0.143	.158	.931
2009-10	Test Value	0	0.000655	0.022625
	Number of Runs	108.000	104	3
	Z	-3.305	-3.709	.087
	Sig. (2-tailed)	0.001	.000	.931
2010-11	Test Value	0	-0.000584	0.024953
	Number of Runs	110.000	102	3
	Z	-2.949	-3.793	.087
	Sig. (2-tailed)	0.003	.000	.931
2011-12	Test Value	0	-0.000978	0.052513
	Number of Runs	94.000	92	3
	Z	-5.018	-5.263	.087
	Sig. (2-tailed)	0.000	.000	.931

TABLE-IV: SERIAL AUTO CORRELATION STATISTIC

YEARS	Lag	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2004-05	Autocorrelation	0.14	0.04	0.02	0.01	-0.07	0.03	-0.07	-0.01	0.1	0.13	0.09	0.01	0.03	0.02	-0.02	0.02
	Value	4.99	5.37	5.5	5.51	6.99	7.22	8.59	8.61	11.69	16.14	18.45	18.46	18.78	18.9	19.02	19.18
	P Value	0.03	0.07	0.14	0.24	0.22	0.3	0.28	0.38	0.23	0.1	0.07	0.1	0.13	0.17	0.21	0.26
2005-06	Autocorrelation	0.11	0.02	-0.01	-0.02	-0.03	-0.01	-0.04	0.01	0.01	0.01	0.04	-0.01	-0.03	-0.06	-0.02	-0.04
	Value	2.91	3.01	3.03	3.17	3.36	3.4	3.84	3.85	3.9	3.91	4.33	4.34	4.56	5.4	5.47	5.86
	P Value	0.09	0.22	0.39	0.53	0.65	0.76	0.8	0.87	0.92	0.95	0.96	0.98	0.98	0.98	0.99	0.99
2006-07	Autocorrelation	0.19	-	0.077	-	-	-	0.022	0.01	0.006	-	-	0.054	0.019	-	-	-
	Value	9.70	10.13	11.66	12.77	14.50	15.37	15.50	15.53	15.54	16.38	16.53	17.30	17.40	18.66	19.36	20.11
	P Value	0.00	0.006	0.009	0.012	0.013	0.018	0.03	0.05	0.077	0.089	0.123	0.138	0.181	0.178	0.198	0.215
2007-08	Autocorrelation	0.15	-0.03	-0.07	0.04	-0.03	-0.06	-0.12	-0.03	-0.01	0.05	0.05	0	0.08	-0.11	0.05	0.04
	Value	6.18	6.35	7.8	8.16	8.36	9.43	13.67	13.98	14.02	14.81	15.38	15.38	17.27	20.67	21.31	21.86
	P Value	0.01	0.04	0.05	0.09	0.14	0.15	0.06	0.08	0.12	0.14	0.17	0.22	0.19	0.11	0.13	0.15
2008-09	Autocorrelation	0.16	-0.03	0.02	0.04	0	-0.12	-0.08	-0.02	0.02	-0.02	-0.03	-0.11	-0.04	-0.03	-0.04	0.01
	Value	7.34	7.55	7.68	8.16	8.16	12.1	14.01	14.12	14.18	14.33	14.58	17.77	18.34	18.62	19.04	19.07
	P Value	0.01	0.02	0.05	0.09	0.15	0.06	0.05	0.08	0.12	0.16	0.2	0.12	0.15	0.18	0.21	0.27
2009-10	Autocorrelation	0.21	0.03	-0.03	0.02	0	-0.02	-0.01	0.01	-0.06	-0.02	0.02	0.01	-0.04	-0.07	-0.02	0.01
	Value	12.3	12.64	12.92	13.04	13.04	13.15	13.16	13.22	14.35	14.49	14.64	14.66	15.01	16.34	16.42	16.44
	P Value	0	0	0.01	0.01	0.02	0.04	0.07	0.11	0.11	0.15	0.2	0.26	0.31	0.29	0.36	0.42
2010-11	Autocorrelation	0.15	0.058	0.053	-	-	-	-	-	-	0.037	-	-	-	0.063	-0.03	0.035
	Value	6.64	7.542	8.318	8.335	12.19	13.98	14.55	16.07	16.10	16.48	16.64	16.94	18.01	19.12	19.37	19.72
	P Value	0.01	0.023	0.04	0.08	0.032	0.03	0.042	0.041	0.065	0.087	0.119	0.152	0.157	0.16	0.197	0.233
2011-12	Autocorrelation	0.19	0.04	-0.1	-0.11	-0.1	-0.03	-0.03	-0.04	-0.04	0.02	-0.01	-0.02	0.01	0.02	0.02	0.05
	Value	9.7	10.16	12.61	15.81	18.59	18.87	19.14	19.58	19.94	20.05	20.1	20.25	20.26	20.32	20.46	21.06
	P Value	0	0.01	0.01	0	0	0	0.01	0.01	0.02	0.03	0.04	0.06	0.09	0.12	0.16	0.18

A COMPARATIVE ANALYSIS ON HOME LOANS OF PUBLIC & PRIVATE SECTOR BANKS IN INDIA

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ABSTRACT

Home is a dream of a person that shows the quantity of efforts, sacrifice luxuries and above all gathering funds little by little to afford one's dream. Home is one of the things that everyone one wants to own. Many banks providing home loans whether commercial banks or financial institutions to the people who want to have a home. The housing sector plays an important role in the economic development of the country. We selected this topic "A COMPARATIVE ANALYSIS ON HOME LOANS OF PUBLIC & PRIVATE SECTOR BANKS IN INDIA" because the Indian housing finance industry has grown by leaps and bound in a few years. There is a greater number of borrowers of home loans. So by this study we can find out the satisfaction level of customers and problems faced by them in obtaining home loans. For this purpose, we have taken four commercial Banks in Chandigarh city namely HDFC Bank, PNB, Union Bank of India and ICICI Bank. It includes two public sector banks and two private sector banks. In the research methodology a sample size of 200 respondents has been taken through random sampling. We have taken both primary data as well as secondary data, in the primary data questionnaire has been used to check the satisfaction level of customers about home loans. In the secondary data, the annual reports of RBI, commercial banks & brochures of these banks have been studied. Finally the whole research was carried out in a systematic way to reach at exact results. The whole research and findings were based on the objectives. Some of the limitations faced in collecting the data were Lack of time, lack of data, non-response, reluctant attitude and illiteracy of respondents, which posed problems in carrying out the research.

KEYWORDS

home loans, banking.

INTRODUCTION

Home is a dream of a person that shows the quantity of efforts, sacrifice luxuries and above all gathering funds little by little to afford one's dream Home is one of the things that everyone one wants to own. Home is a shelter in person where he rests and feels comfortable. Many banks providing home loans whether commercial banks or financial institutions to the people who want to have a home. Many banks are providing home loans at cheapest rate to attract consumers towards them. The more customer friendly attitude of these banks, currently offer to consumers cheapest loan over homes. In view of acute housing shortage in the country, and keeping in mind the social – economic role of commercial banks in the present times, the RBI advised banks to encourage the flow of credit for housing finance. With the RBI reduces bank rate, the home loan market rates nosediving by 50 basis points. The HDFC Bank and Union Bank of India has become the first player in this sector to announce a housing loan for a 20 year period. No doubt it will enhance the end cost people to plan their house over longer duration now; it has been made easy for a person to buy that dream house which he dreamt of long ago. HDFC also provides with a Home Improvement Loan for internal and external repairs and other structural improvements like painting, waterproofing, plumbing and electrical works, tiling and flooring, grills and aluminum windows. HDFC finances up to 85% of the cost of renovation (100% for existing customers). The current status is that HDFC reduced home loan rates by 50 basis points for all its existing floating rate customers.

ADVANTAGES OF HOME LOANS

The various benefits of home loans arising to the customers are:-

- Attractive interest rates
- Help in owning a home
- No requirement of guarantor
- Door-Step Services
- Long loan period
- For accidental death insurance

DISADVANTAGES OF HOME LOANS

The main disadvantages of home loans are high lightened as below:

- Delays in processing
- Fluctuating interest rates
- High Cost
- Problems in disbursement

These are limitations or disadvantages of home loans. These limitations can be removed by providing good and prompt services to the customers.

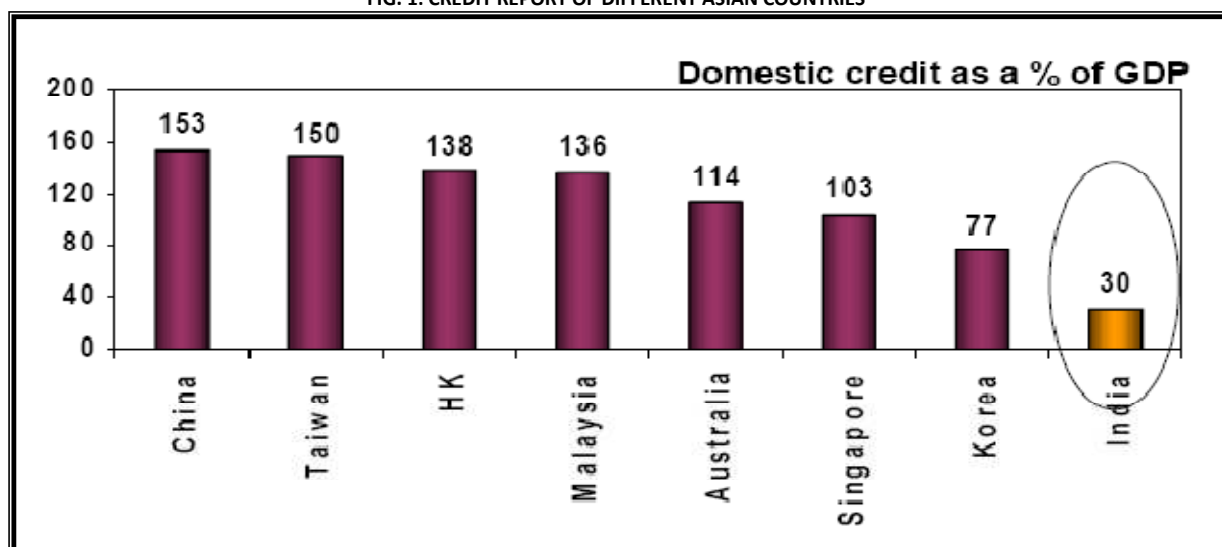
INDIAN MARKET FOR HOME LOANS IS MORE THAN ₹ 500,000 CRORE

Today, not only the metros are witnessing the housing crunch even the second tier cities like- Jaipur, Bhubneshwar, Lucknow, Trivendrum etc. are falling into the dearth of living space and wanting for more expansion.

- **INDIA REPORT**

Indian credit report in comparison to the other Asian countries is shown in the statistics below, which is among the lowest. It is Indian psyche that credit is termed bad, Indian are traditionally not inclined to take credit this reflects in the figures below:-

FIG. 1: CREDIT REPORT OF DIFFERENT ASIAN COUNTRIES



OBJECTIVES OF STUDY

The main objective of my study is to closely observe the different process being undertaken during the housing loans schemes provided by different Banks. The main objectives of my study are -

1. To evaluate & compare the House Loan schemes of PNB, UBI, HDFC, and ICICI.
2. To know about the customer's response regarding the housing loans.
3. To know about the satisfaction level of customers while dealing with the bank.
4. To study the problems faced by customers in obtaining the home loans.

RESEARCH METHODOLOGY OF THE STUDY

In the research methodology a sample size of 200 respondents has been taken through random sampling. We have collected both primary data as well as secondary data for our research purpose. A questionnaire has been used as a source of collecting primary data to check the satisfaction level of customers about home loan schemes and their providers. I have prepared the questionnaire according to the necessity of the data to be collected. In the secondary data, the annual reports of RBI, commercial banks & brochures of these banks have been studied. This study is based on the exploratory study as well descriptive study. Tables have been used for the better representation of data and percentages, averages and bar graphs have been used for analysis of data.

REVIEW OF LITERATURE

Several studies have been done by various researchers in the context of home loans. The details of reviews are below-

Berstein David (2009) examined in his study taken from 2001 to 2008 that in this period there is increasing use of home loans as compared to private mortgage insurance (PMI). He has divided his study into four sections. Vandell, Kerry D (2008) analyses the sharp rise and then suddenly drop down home prices from the period 1998- 2008. Changes in prices are for the reasons as such economic fundamentals, the problem was not subprime lending per se, but the Fed's dramatic reductions, then increases in interest rates during the early- mid-2000, the housing —boom was concentrated in those markets with significant supply-side restrictions, which tend to be more price-volatile; he problem was not in the excess supply of credit in aggregate, or the increase in subprime per se, but rather in the increased or reduced presence of certain other mortgage products. La courr, Micheal (2007) analysis in his study the factors affected the increase in the level of Annual percentage rates (APR) spread reporting during 2005 over 2004. The three main factors are (1) changes in lender business practices; (2) changes in the risk profile of borrowers; and (3) changes in the yield curve environment. The result shows that after controlling for the mix of loan types, credit risk factors, and the yield curve, there was no statistically significant increase in the reportable volume for loans originated directly by lenders during 2005, though indirect, wholesale originations did significantly increase. Finally, given a model of the factors affecting results for 2004-2005, we predict that 2006 results will continue to show an increase in the percentage of loans that are higher priced when final numbers are released in September 2007. La courMicheal (2006) examined the home purchase mortgage product preferences of LMI households. Objectives of his study were to analysis the factors that determined their choice of mortgage product. The role pricing and product substitution play in this segment of the market and do results vary when loans are originated through mortgage brokers? For this they have use the regression analysis and results that high interest risk reduces loan value. Dr. Rangarajan C. (2001) said that the financial system of India built a vast network of financial institutions and markets over times and the sector is dominated by banking sector which accounts for about two-third of the assets of organized financial sector. Haavio, Kauppi (2000) stated that countries where a large proportion of the population lives in owner – occupied housing is experiencing higher unemployment rates. Than countries where the majority of people live in private rental housing, which might suggest that rental housing enhances labour mobility. In this paper, they develop a simple inter temporal two region model that allowus to compare owner occupied housing markets to rental markets and to analyze how these alternative arrangements allocate people in space and time. Announced that it will offer loans for Rs. 2-10 lakhat 12.5 percent the lowest rate offered by any housing finance provider; big brother SBI has taken the rate war in the home loans category to new heights. Narasimham Committee (1991) points out that although the banking system in our country has made rapid progress during the last two decades, there is decline in productivity and efficiency and erosion of profitability. The committee strongly makes indications of liberlising, deregulating economy to make the Indian banking system more competitive and efficient. Ojha (1987) in his paper "modern international caparison of productivity and Profitabilityof public sector banks of India" making Comparison on the basis of per employee indicators and taking examples of state bank group and Punjab National bank noted that Indian banks are the lowest in all accounts. However such international comparison will not be fair for numbers of reasons. Godse (1983) in his essay, "looking a fresh at banking productivity" observe that productivity aspect is only at the Conceptualization stage in the banking industry. He suggested improvement in productivity and procedures, costing of operations and capital expenditure etc. Fanning (1982), while examining bank productivity of British banks observed that although the productivity of the UK clearing banks is improving, they are still heavily over manned as compared with similar banks elsewhere. Kulkarni (1979) in his study "Development responsibility and profitability of banks" stated that while considering bank costs and profits, social benefits arising out of it cannot be ignored. He suggested that while meeting social responsibility banks should try to make developmental business as successful as possible. Varde and Singh (1979) in a study "profitability of commercial banks" over 15 years gave consideration to two types of factors that affects interest rates levels i.e. internal factors (including operational and managerial efficiency of individual basis). Banking Commission (1972) reviewed bank operating methods and procedures and made recommendations for improving and modernizing these, particularly relating to customer services, credit procedure and internal control systems. It observed that present methods of working out branch profitability are not appropriate and an integrated costing and financial reporting system is needed.

COMPARATIVE ANALYSIS OF HOME LOAN SCHEMES OFFERED BY DIFFERENT BANKS

Basis	PNB	UBI	HDFC	ICICI
Eligibility	Individual	21 year age, may be employed or self employed	Individual	Individual
Loan Amount	For Repair- 20 Lakhs	4 times of annual gross income of 5 times of annual net income	No limit	48 times of salary or 50 Lakhs (which ever is less)
Rate of Interest	Under fixed option up to 5 year-7.25% 6 to 10 year-10.25%, 11 to 20 years 10.5% years 21 to 25 years-11%	Fixed option up to 5 year-7.75%, 6 to 10 year-8.75% above 10 year-9%	Fixed option Up to 5 year-9.25% 6 year to 10 year-9.5% 11 to 20 years-10.5%	Fixed option up to 5 years -9.75%, 5 years to 10 years 10.25%, 10 years to 15 years 10.75% above 15 years -10.75%
Security	Equitable Mortgage Guarantee	Equitable Mortgage Guarantee	Equitable Mortgage Guarantee	Equitable Mortgage Guarantee
Repayment Period	Maximum 25 years	Maximum 20 years	Maximum 20 years	Maximum 20 years
Margin	40% house 20% repair	15% for purchase	15%	15%
Processing Charge	Up to 25000-zero 25000 to 2 lakhs 1.5% above 2 Lakhs -2%	0.50% of loan amount	1.8 of loan amount	1% of loan amount

ANALYSIS & INTERPRETATION

The analysis is based on the responses given by customers through questionnaires.

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Age Group			
Sr. No.	Factors	No. of Respondents	Percentage of respondents
	18-25 Years	94	47%
	26-35 Years	50	25%
	36-49 Years	34	17%
	50-60 Years	18	9%
	More than 60	4	2%
Total		200	100%
Gender			
	Male	140	70%
	Female	60	30%
Total		200	100%
Marital status			
	Married	176	88%
	Unmarried	24	12%
Total		200	100%
Education			
	Under graduation	50	25%
	Graduation	80	40%
	Post graduation	70	35%
Total		200	100%
Occupation			
	Housewife	6	3%
	Salaried	46	23%
	Professionals	100	50%
	Own Business	48	24%
Total		200	100%
Annual Household Income			
	Less than 2 lakhs	98	49%
	2-5 lakhs	62	31%
	5-8 lakhs	30	15%
	More than 8 lakhs	10	5%
Total		200	100%

INTERPRETATION OF DEMOGRAPHIC PROFILE

Demographics of respondent's shows that the customer base of home loan industry is married male dominating. Data also shows that loan requirement is inversely proportional to the level of income of customers.

Satisfaction level of Respondents with the behavior of employees

Null hypothesis: There is no significance difference between public sector bank and private sector bank related to politeness of bank employees

Group Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Private Banks	90	2.68	.885	.093
Public Banks	90	2.31	.932	.098

Independent Samples Test									
	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	4.149	.043	2.707	178	.007	.367	.135	.099	.634

CRITICAL TEST VALUE

For 5% significance level and two tailed test the critical value is 1.96.

INTERPRETATION

Since the calculated value is greater than the critical value (2.707 > 1.96), we reject the null hypothesis. There is significance difference between public sector bank and private sector bank related to politeness of bank employees.

Null hypothesis: There is no significance difference between public sector bank and private sector bank related to promptness of bank employees

Group Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Private Banks	90	3.83	.738	.078
Public Banks	90	3.57	.808	.085

Independent Samples Test									
	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	7.302	.008	2.312	178	.022	.267	.115	.039	.494

CRITICAL TEST VALUE

For 5% significance level and two tailed test the critical value is 1.96.

INTERPRETATION

Since the calculated value is greater than the critical value (2.312 > 1.96), we reject the null hypothesis. There is significance difference between public sector bank and private sector bank related to promptness of bank employees.

Null hypothesis: There is no significance difference between public sector banks and private sector bank related overall satisfaction of bank customers

OVERALL SATISFACTION LEVEL OF THE RESPONDENTS

Group Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Public Banks	77	2.96	.979	.112
Private Banks	123	3.50	1.097	.099

Independent Samples Test									
	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	9.664	.002	3.495	198	.001	-.535	.153	-.837	-.233

CRITICAL TEST VALUE

For 5% significance level and two tailed test the critical value is 1.96.

INTERPRETATION

Since the calculated value is greater than the critical value (3.495 > 1.96), we reject the null hypothesis. There is a significant difference between public sector banks and private sector bank related overall satisfaction of bank customers.

As the satisfaction of customers is concerned, most of the customers are going to private sector banks fulfill their home loan requirements because of their better services and better relationship marketing. The same thing is clearly visible in the above data.

FINDINGS

1. Some customers' dose not has proper knowledge about different home loan schemes.
2. Most of the people have lack of money in fulfilling their dreams and a few of them reluctant to pay cash in one go and wanted to pay their home loan slowly in installments.
3. Many people are attracted for the less rate of interest of private sector banks.
4. The majority of the respondents wants to take a loan for the construction of the new house.
5. Maximum no. of personrelies on the private sector banks. So these banks should improve their services in future.
6. The majority of the respondents wants to give land papers as the securities against the home loan.
7. Many people prefer Hindi language when dealing with the bank.
8. Sometimes behavior of public sector bank employees are not cooperative
9. Mostly professional go for the home loan and they want to take home loan from 1 lakh to 5 lakhs.
10. The public sector banks charge high processing cost for home loan's sanctioning. They are forced to pay serious charges at various stages to fulfill the requirements

Above finding shows that the private sector banks are better than public sector on the basis of customer response and the whole research was carried out in a systematic way to reach at exact results. The entire research and findings were based on the objectives. However, the study had some limitations also. But proper attention was made to carry out research in proper way and to make accurate findings.

RECOMMENDATIONS AND SUGGESTIONS

- **Suggestions from customers**

The following recommendations have been provided by the customers:-

1. Public sector banks should provide different housing loan schemes with attractive features like rate of interest, margin etc. for attracting more and more people in rural area.
2. Housing schemes and process of passing loan should be easy to make the people understand.
3. A counter facility should be provided in all banks to help the customers.
4. The process of loan repayment should be easy to attract more customers by public sector bank..
5. The Loan passing process should be quicker by public sector bank like a private sector bank.
6. There should not be any file processing charges in the banks.
7. Many booklets and attractive advertisement should be provided to the customer for awareness about different housing loan scheme public sector banks like private sector banks.
8. To respect the customers by giving them individual attention and also help them to know the bank better by public sector bank.
9. Loans should be made easily available and there should be fewer formalities while providing loans.

- **Suggestions by researcher**

On the basis of the feedback received from the respondents the following recommendations are made by the public sector banks:-

1. More personal attention should be given to the customers and working efficiency should be increased.
2. The formalities and paperwork should be reduced while providing the loans to the customers.
3. The services provided by banks need to be automated.
4. The bank should improve their customer service.
5. The behavior of the staff of the bank toward the customer should be more personalized.
6. The banks need to improve on the customer satisfaction level due to stiff competition among the banks.

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IMPLICATIONS OF THE SHIFT IN GLOBAL ECONOMIC POWER: AN ANALYSIS

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ABSTRACT

As the second decade of the 21st century unfolds and the world exits from the 2008–09 financial crisis, the growing clout of emerging markets is paving the way for a world economy with an increasingly multi-polar character. The distribution of global growth will become more diffuse, with no single country dominating the global economic scene. The coming decades will see global economic growth increasingly being generated in emerging economies. By 2025, global economic growth will predominantly be generated in emerging economies. As a group, emerging economies are likely to experience significant increases in their international trade flows by 2025, in terms of both imports and exports. Although many high-income countries are only gradually recovering from the financial crisis, most developing countries have swiftly returned to their fast pre-crisis growth trend. As the international trade shares of the emerging and developed world converge, global wealth and asset holdings will shift toward emerging economies. This paper not only examines changes in the global economy but also studies the dynamics of international trade associated with the integration of low- and middle-income countries into the global economy.

KEYWORDS

global economic power, financial crisis.

INTRODUCTION

In recent years, the global economy has seen major transition. Not only has there been a global financial crisis, but there has also been a sharp divide in the economic performance of high-income and emerging market nations. The seeds of this transition were planted some time ago. Over the past two decades, the world has witnessed emerging economies rise to become a powerful force in international production, trade, and finance. As the world exits the 2008–09 financial crises, the global economy appears poised to transition to a new set of growth poles, an economy that significantly drives global growth, with some emerging economies prominent among them. Although growth in the advanced economies remains sluggish—a phenomenon that has been described as a “new normal” (El-Erian 2009)—developing economies have recovered from the crisis and are exhibiting robust growth. Global growth in the first quarter of the 21st century thus is likely to be driven by the sustained rise of China, India, and other emerging economic powerhouses.

REVIEW OF LITERATURE

The events since 2007 have brought sweeping changes in the global economy into sharp focus, the rise of low and middle income countries in global trade has been decades in the making. In the international literature, it has been suggested that the various middle-income countries like Brazil, Korea, Mexico, Russia, Argentina, Turkey, Indonesia, Poland, South Africa, Thailand, Egypt, Columbia, Malaysia, the Philippines, and Chile had average annual export growth of 8 percent from 1992 to 2008. According to Amity and Freund (2010) and Harrigan and Deng (2010), held the view that the each of the middle-income countries in 2008, had a GDP above \$ 100 billion; as a group their collective GDP is 1.4 times China and India’s combined total. China’s economic transition, which accelerated in the 1990s. Rodrik and Subramanian 2004 observe that such scenario allowed the country to realize a latent comparative advantage in labour-intensive products. Hsieh and Klenow (2009) argued that India’s surge of growth, which began even before the reforms initiated in 1991, was, like China’s, aided by industries beginning far inside the technology frontier. In the international economics literature, it has been mentioned that we are moving towards a world in which South–South commerce (trade between developing countries is termed as South-South trade) and North-South commerce (trade between developed and developing countries is termed as North-South trade) are overtaking North-North flows (the exchange of goods between the United States, Canada, the nations of Western Europe, and Japan is often referred to as North-North trade). Helpman and Krugman (1985) explained these types of trade using models based on product differentiation and economies of scale. Imbs and Wacziarg (2003), Cadot, Carrere, and Strauss-Kahn (2011) dwell on the idea that the countries exporting different types of goods at different stages of development, with low-income countries producing a narrow range of goods and moving up the product ladder in terms of capital intensity and quality as their incomes rise. Schott (2003, 2004) also holds the same view. Concomitant with recent changes in global trade, Eaton and Kortum (2002) find that the trade theorists have revived the Ricardian model, which for years was used as little more than a tool for introducing undergraduates to international economics.

STATEMENT OF THE PROBLEM

In the recent years, the global economy has seen major transition, one in which economic influence has clearly become very much dispersed. Just as important, developing countries have never been at the forefront of multipolarity in economic affairs. According to the Global Development Horizon (GDH) 2011, World Bank, from 2011 to 2025, the rise of emerging economies will inevitably have major implications for the global economic and geopolitical hierarchy. Increased diffusion of global growth and economic power raises the imperative of collective management as the most viable mechanism for addressing the challenges of a multipolar world economy. Thus, it becomes imperative to study the sweeping changes in the global economy to understand and analyse its implications on the pattern of trade, growth and wealth in the global economy.

OBJECTIVES

1. To study the economic vitality and dynamism of developing economies since 2007.
2. To examine the changes in global economy and study the dynamics of international trade associated with the integration of low and middle income countries into the global economy.
3. To analyse the shift in the pattern of output, growth, trade and wealth in the global economy.

RESEARCH METHODOLOGY

The study is based primarily on the secondary data published by the World Bank and International Monetary Fund. Even, data from earlier research studies have also been used. Research institutions, trade associations, universities and research scholars do collect data but they normally do not publish it. Such unpublished data have also been used wherever relevant.

IMPORTANCE OF THE STUDY

The significance of the study lies in the fact that it not only apprises readers of the sharp divide in the economic performance of high-income and emerging-market nations but also hints the emergence of new poles. This paper is also relevant as it examines changes in the global economy and studies the dynamics of international trade associated with the integration of low- and middle-income countries into the global economy. The paper deals with the shifts in the output

and growth pattern, the flow of international trade and the global wealth towards emerging economies. This paper makes an attempt to understand the changing and evolving position of emerging economies in the global trade.

FINDINGS AND RESULTS

In the years leading up to the global financial crisis of 2008-09, many developing economies were beginning to display their economic vitality and dynamism. Emerging developing world powerhouses such as Brazil, Russia, India and China- the so called BRIC economies (O’Neill 2001) –began to challenge the economic power of the G-7, accounting for an ever-increasing share of global trade, finance, and labour flows. The financial crisis has accelerated this trend.

EMERGENCE OF NEW POLES

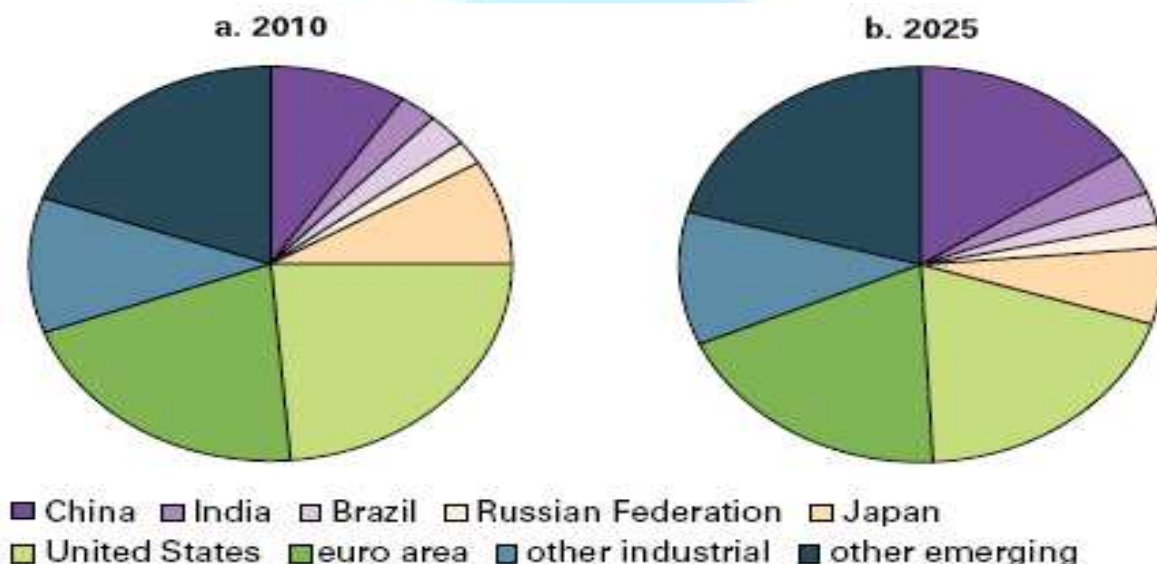
With post crisis economic performance in developing countries undeniably stronger than in developed countries (developing countries as a whole grew by 1.5 percent in 2009, compared to decline of 3.4 percent in developed countries) and near term growth forecasts suggesting developing and emerging economies will continue to expand considerably faster than their high-income counterparts, the global growth poles are beginning to expand beyond developed economies. China and India are likely to be the main flag bearers among emerging market growth poles in the years ahead. This is especially so for China, which overlooked Japan as the world’s second largest economy in 2010 and Germany as the world’s largest exporter in 2009. In the medium term, the proportion of global economic growth represented by other emerging countries such as Brazil, Indonesia, Korea, and Russia likely will increase dramatically. Together with China and India, these countries- epitomized by the BRIC economies but not limited to them-will increasingly become the world’s major consumers, investors, and exporters, affecting both the developed world and the least developed countries (LDCs) with which they interact.

SHIFTS IN OUTPUT AND GROWTH PATTERNS

Under the baseline scenario (Global Development Horizon 2012), emerging economies’ share of global output will expand, in real terms, from 36.2 percent to 44.5 percent between 2010 and 2025 (Chart 1). This impressive rise will be led by China. A simultaneous decline in investment and rise in consumption means that China will average a growth rate of about 7 percent throughout the period even against a backdrop of a rising old-age dependency ratio retaining its strong comparative advantage in manufacturing, with labour productivity in the sector continuing to grow through 2025.

Consistent with the long-term productivity trends, India’s annual growth rates in 2011 and 2025 are 8.7 and 5.4 percent, respectively, with 8-9 percent in the earlier years and lower growth later on. This growth outcome is a consequence of a combination of a gradually rising consumption-in line with India’s growing middle class and a lower reliance on foreign saving – and a corresponding decline in investment (of an estimated 32 to 28 percentage points of GDP). Among the other potential emerging poles, Indonesia and Singapore post strong real output growth performances, averaging 5.9 percent and 5.1 percent in this scenario respectively. Although advanced economies will continue to account for a sizable share of the global economic output in 2025, emerging economies will be the drivers of growth. On average, advanced economies as a whole will grow at 2.3 percent over 2011-25, compared with 4.7 percent for emerging economies (Chart 2).

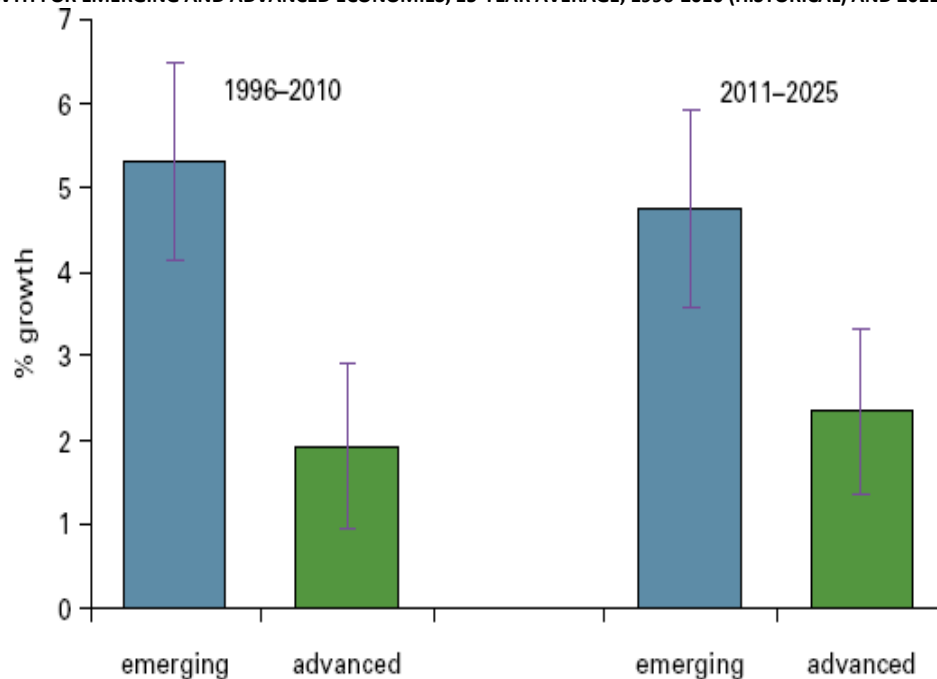
CHART 1: GLOBAL REAL OUTPUT SHARES, 2010 AND 2025



Source: World Bank staff calculations.

Note: Real shares are expressed in terms of constant 2009 U.S. dollar prices.

CHART 2: OUTPUT GROWTH FOR EMERGING AND ADVANCED ECONOMIES, 15-YEAR AVERAGE, 1996-2010 (HISTORICAL) AND 2011-25 (BASELINE SCENARIO)



Source: World Bank staff calculations, from model projections and World Bank WDI database.

Note: Fifteen-year averages reported could significantly understate projected growth rates for any given year, with additional uncertainty from modeling errors. To emphasize the wide range of possible outcomes surrounding the baseline scenario, average growth rates are accompanied by error bars corresponding to the historical 95 percent confidence interval.

SHIFTS IN THE FLOW OF INTERNATIONAL TRADE TOWARDS EMERGING ECONOMIES

Developing countries' share of international trade flows has risen steadily, from 30 percent in 1995 to an estimated 45 percent in 2010. Much of this rise has been due to an expansion of trade not between developed countries and developing countries, but among developing countries. At present, the emerging economies, in real terms, account for 45 percent of global output, compared with about 37 percent in 2011 and 30 percent in 2004. These countries will account for about as great a volume of international trade and investment flows as the developed giants, but also major developing countries such as China and India, which are likely to experience rapid growth in the coming years. The combined real output of six major emerging economies –Brazil, the Russian Federation, India, Indonesia, China and the Republic of Korea (the BRIICKs) will match that of the euro area by 2025. As a group, emerging economies are likely to experience significant increases in their international trade flows by 2025, in terms of both imports and exports. The value of Indonesia's exports, for example, is likely to double between 2010 and 2025, while the value of its imports is expected to be more than one-and-a-half times higher by 2025. Global trade is forecast to expand as a share of global output over the same time period, from 49.9 percent of output to 53.6 percent. Emerging economies will also hold a greater proportion of global wealth as measured by net international investment positions (IIPs).

SHIFTS IN GLOBAL WEALTH TOWARDS EMERGING ECONOMIES

As the international trade shares of the emerging and developed world converge, global wealth and asset holdings will shift toward emerging economies. Emerging and developing countries now hold two-thirds of all official foreign exchange reserves (a reversal in the pattern of the previous decade, when advanced economies held two-thirds of all reserves), and sovereign wealth funds and other pools of capital in developing countries have become key sources of international investment. These current account paths mean that major emerging economies are likely to collectively take on a large and rising net asset international position (albeit at a diminishing rate) in their holdings of investments in developed economies (which, in turn, are expected to build equally large net liability positions). Global wealth and asset holdings will thus shift further toward emerging economies with surpluses, such as China and major oil exporters in the Middle East.

SHIFTS IN THE EXPOSURE OF INVESTORS AND MNCs TOWARDS EMERGING ECONOMIES

As investors and multinational companies increase their exposure to fast-growing emerging economies, international demand for emerging-economy currencies will grow, making way for a global monetary system with more than one dominant currency. The growing strength of emerging economies also affects the policy environment, necessitating more inclusive global economic policy making in the future. Similarly, more than one-third of foreign direct investment in developing countries currently originates in other developing countries. Emerging economies have also increased their financial holdings and wealth. Emerging and developing countries now hold two-thirds of all official foreign exchange reserves (a reversal in the pattern of the previous decade, when advanced economies held two-thirds of all reserves), and sovereign wealth funds and other pools of capital in developing countries have become key sources of international investment. At the same time, the risk of investing in emerging economies has declined dramatically. Borrowers such as Brazil, Chile, and Turkey now pay lower interest rates on their sovereign debts than do several European countries.

CONCLUSION

During the forecast period of Global Development Horizons (GDH) 2011, World Bank, —from 2011 to 2025—the rise of emerging economies will inevitably have major implications for the global economic and geopolitical hierarchy, just as similar transformations have had in the past. The changing role of developing countries will come with major transformations to their economies, corporate sectors, and financial systems. These changes are likely to occur in a wide variety of scenarios. Increased diffusion of global growth and economic power raises the imperative of collective management as the most viable mechanism for addressing the challenges of a changing global economy.

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ABSTRACT

We live on the planet Earth and regard it as our heavenly home and so do we owe certain duties and moral obligations towards it. We are a part of something bigger than just ourselves; we are a constituent of this environment. A healthy natural environment is significantly essential for all eco-systems and it is our prime responsibility to protect it. The present world is awakening to the critical need to protect the nature and to conserve resources of land, air and water as nearly as possible in their natural states for the benefit of mankind. The need of the hour is to anyhow protect and preserve our environment and exhaustible resources. This could be potentially accomplished if Eco-friendly products are produced and consumed. The paper primarily analyzes the responsiveness in the consumption pattern of the consumers towards the green products. It studies the level of awareness of the consumers about the environmental concerns and availability of eco-safe products in the market and also the willingness and attitude of the consumers to include such products in their purchase-roll. It was found that people are aware but they pose a low attitude for making a shift towards green consumption. It also considers the parameters influencing the buying-behaviour of the customers. The paper provides certain significant recommendations which if employed leads to sustainable consumption that shall further head to the attainment of Environmental Sustainability; a pivotal concern at hand!

KEYWORDS

Consumer Buying-behaviour, Eco-Friendly Products, Environmental Sustainability, Green Consumerism, Sustainable Consumption.

JEL CODES

D11, O44, Q01, Q56

INTRODUCTION

To waste, to destroy our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children, the very prosperity which we ought by right to hand down to them amplified and developed.

Theodore Roosevelt

In the recent past, the rapid economic growth has witnessed increasing consumers' consumption worldwide causing environmental deterioration through over-consumption and utilization of natural resources (Chen & Chai, 2010). Across the earth, forests are cut, animals become extinct, and air and water are being polluted (Greenpeace, 2012). This is leading to the dire consequences which are becoming substantial in increasing proportions. Natural resources are running out at a fast pace (Harris, 2007), and we, people are still taking the world surrounding us, for granted. On the whole, this shall detract us from the gains of development and worsen the standard of living of the people in the long run.

The survival and well-being of a nation depends on sustainable development. It is a process of social and economic betterment that satisfies the needs and values of all interest groups without foreclosing future options. To this end, we must ensure that the demand on the environment from which we derive our sustenance, does not exceed its carrying capacity for the present as well as future generations.

Caring for the environment involves a conscious effort in every individual. It can range from joining an environmental group which supports specific environmental causes like caring for the seas, planting trees, reduction of greenhouse gases or the protection of endangered species to the use of eco friendly products, etc. The point to be emphasized is that people should know that unless they take measures with great urgency, they will inevitably be faced with a great deal of problems. One step to save our environment is to go green.

"Going green" means to pursue knowledge and practices that can lead to more environmentally friendly and ecologically responsible decisions and lifestyles, which can help protect the environment and sustain its natural resources for current and future generations. The best way is to adopt Eco-friendly products and services to be consumed by the consumers.

ECO-FRIENDLY PRODUCTS

Eco-friendly products mean much more than just saving the environment and protecting the planet, they ensure that our future is secure in both the fate of our families and in the health and safety of our children. This term most commonly refers to products that contribute to green living or practices that help conserve resources. Many such products are also aimed at lifestyle changes which benefit the environment, so even if the product itself is not totally neutral, the actions undertaken by the consumer after buying the product are beneficial.

Green products are becoming increasingly popular as consumers are becoming more aware of the hazards of chemicals and toxins in their food, their households and their outdoor environment. As the profile of ecologically sustainable products becomes more prominent in the economic world, there are more and more incentives for businesses to supply consumers with what they want. Green has become popular with its benefits (diagrammatically represented below through the figure 1), and so today one is able to find eco- friendly products everywhere.

FIGURE 1 – GAINS FROM GREEN PRODUCTS



Certain positive impacts of Ecological products includes Protection of the Environment, as they being manufactured with post-consumer recycled materials or chemicals, do not release harmful substances into the air, hazardous global warming and other climatic disorders can also be combated by reducing carbon foot print. Energy-efficient appliances reduce the use of natural resources while lowering energy and utility bills and saving costs. Most of the Green products do not contain the harsh chemicals and so they reduce dangers that regular cleaning products do pose, so users have less chance of developing allergies, skin rashes or burns, respiratory problems and other gastrointestinal ailments. Manufacturing of eco-safe products is a smart way to ensure that the renewable resources are continually brought back and never wiped out completely and so it is an appreciation to our nature. Consumption of eco-protected products makes us feel good as we realize that by doing so we are making efforts to make the world a healthier place and this brings in peace of mind.

GREEN CONSUMERISM

The green movement has created a new niche market of consumers who are highly concerned about the environment and are willing to do and spend more to be environment-friendly. Green consumers are those who consistently and primarily discriminate product purchases in favour of the environment. Today's green consumers are most concerned with issues such as reducing their "carbon footprint", waste management, and natural ingredients, which in turn means consumers are increasingly demanding greener products from retailers and brands that have adopted green practices throughout the entire supply chain.

The idea is that when awareness of environmental problems penetrates deeply enough into the community consciousness, the purchasing power of the mass market will force all manufacturers to turn green both their products and their manufacturing processes, on pain of being rejected in the market-place by green-aware consumers. It is impossible to achieve an environmental awakening without awakening the people. The need is to communicate and educate the common people to an optimum level so as to develop an environmental awareness (Pradhan D., Tripathi T., 2011). If all goes according to plan only those companies which adapt to the demand for greenness will survive. This approach to environmentalism is seen as being consistent with our existing mainstream culture.

RESEARCH METHODS

With the principal objective of analyzing the level of awareness of the consumers about the emerging green products in the market and also their willingness and attitude towards accepting the environment-friendly products, a primary study was conducted. The region focused in the study was mainly the Agra District of the Uttar Pradesh state in the Indian national border. The mode of the data collection was a Structured Questionnaire that the 150 conveniently generated sample consumers were asked to fill in. Out of the 150 respondents, 144 turned up to respond us, thereby depicting the response rate as 96%. The strategy to recruit the questionnaires to the respondents was followed with an intention of encircling the range of consumers with a variety in age groups, gender, socio-economic conditions that included educational and professional status, monthly income and the weekly frequency of visiting a marketplace.

The type of Scale and Methods included in the questionnaire analysis were the Five-Point Likert Scale and the Ranking method. The five-point Likert Scale (1= Strongly Disagree to 5= Strongly Agree) tabulated in an implicit manner, certain prominent issues to be studied. It placed the statements to be rated in a manner, so that it covered every issue in three terms, consecutively. These three aspects were –

1. Awareness of the environmental issues and eco-safe products to the consumers.
2. Willingness to make a positive move towards following green consumerism.
3. Attitudinal reaction to responsibly approach the eco-friendly products and activities.

The computer application software applied in the research study for the data analysis purpose had been Microsoft Excel (MS Excel). The arrangement of data had been facilitated through the employment of Graphs and Charts.

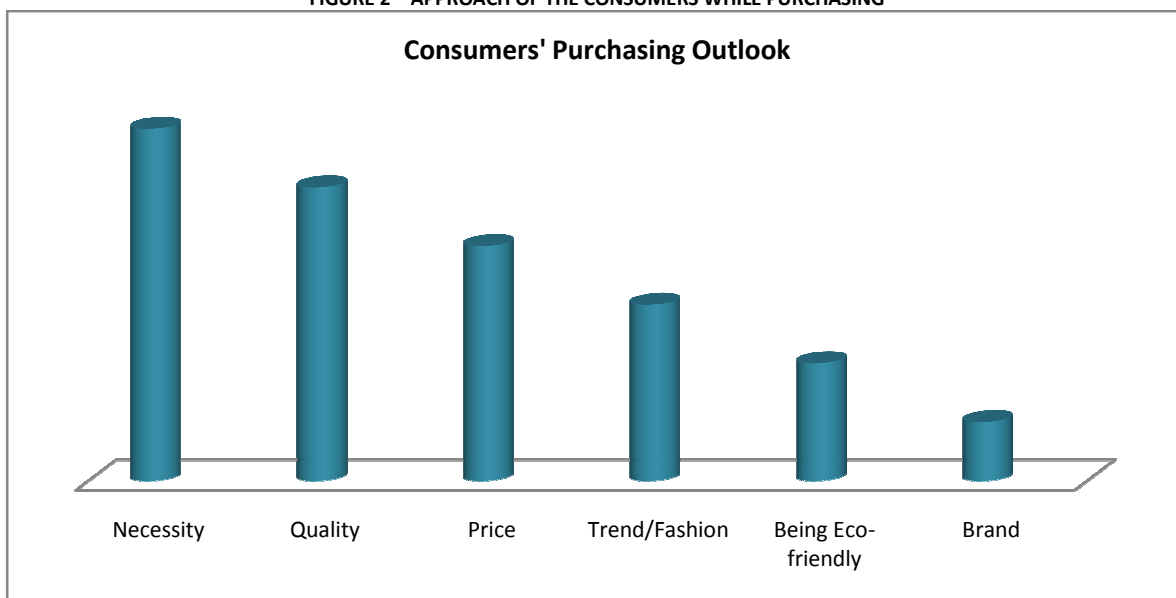
RESULTS AND DISCUSSIONS

Certain results were drawn out through the Research work and have been reported in this section. It majorly discusses the consumer buying behaviour. Consumer behaviour captures all the aspects of purchase, utility and disposal of products and services. Social, cultural, individual and emotional forces play a big part in defining consumer buying behaviour. An individual buying behaviour is influenced by motivation, perception, learning, beliefs and attitude.

CONSUMER BUYING BEHAVIOUR AND THE INFLUENCING FACTORS

Consumer behaviour represents the study of individuals and the activities that take place to satisfy their realized needs. That satisfaction comes from the processes used in selecting, securing, and using products or services when the benefits received from those processes meet or exceed consumers' expectations. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages.

FIGURE 2 – APPROACH OF THE CONSUMERS WHILE PURCHASING



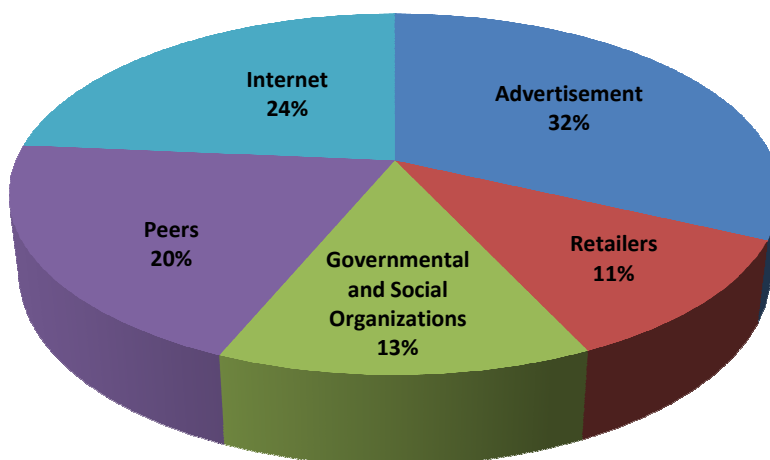
In the research analysis, through the ranking method, it was found that the main criteria of the sampled respondents while making a purchase had been to look for the items that were necessary or a matter of need when they went for shopping. Then other important features that they preferred were quality in products and then thirdly the prices, as depicted in the above figure 2. The consumers are often reported to prioritize the economic concerns over the environmental concerns (Kulshrestha L. R., Sauni P., 2011). A low preference was given by the consumers to seek if the products were Eco-friendly and choose such products over the matters of quality, prices and trend/ fashion, excluding the necessity aspect, which is obvious to remain the first interest for every customer while buying products.

Next, it is important to understand what or who are influencing the customers, especially when it comes to the decisions they make when buying. There can be many influencing factors. Some of these include –

- **Retailers** – When customers are making buying decisions, they look at what the retailers offer. Oftentimes, they also perceive a specialist company, for they have greater knowledge and expertise and the products or services are considered to be better than from companies that are generalists. What a retailer presents and prompts as a suggestion while a consumer is on the shopping mode is very important. It is of primary importance to affect the customer’s buying behaviour.
- **Governmental and Social Organizations** – Governmental Organizations directly affect buying decisions. An example is when governments bring down budgets. If there are tax increases then this can mean that customers may not have the money to spend that they did before. At the same time, if NGOs work for environmental concerns and initiate activities that influence green buying, consumers’ decision to buy non-ecological products could be changed.
- **Friends and Family** – In certain categories, friends and family play a big part as influencers in buying decisions. This is seen every day with consumer products such as food and the influence of the family on what is bought.
- **Advertisements** – The influence of advertisements, opinion leaders, and media has been around for a long time and now advertisements all over the globe can now have an influence on the customers in our country.
- **Online Opinion** – As more customers’ buy products or services online and people review or talk about products or services, what is written or viewed or heard can influence the customers’ decisions, even if they ultimately purchase offline. This can occur on social networking sites, comparison shopping sites and reviews for example.

FIGURE 3 – PARAMETERS INFLUENCING CONSUMER BUYING BEHAVIOUR OF ECO-FRIENDLY PRODUCTS

Influencing Parameters for Buying Green



The figure 3 displays the opinion of the respondents regarding the various awaking parameters which avail them the knowledge of the availability or coming up of the eco-safe products in the market. It was analyzed that the maximum information is provided by the Advertisements followed by Internet, Peers and by Governmental and Social Organizations and the least information is provided by the Retailers, which otherwise, is the very important factor to influence green buying.

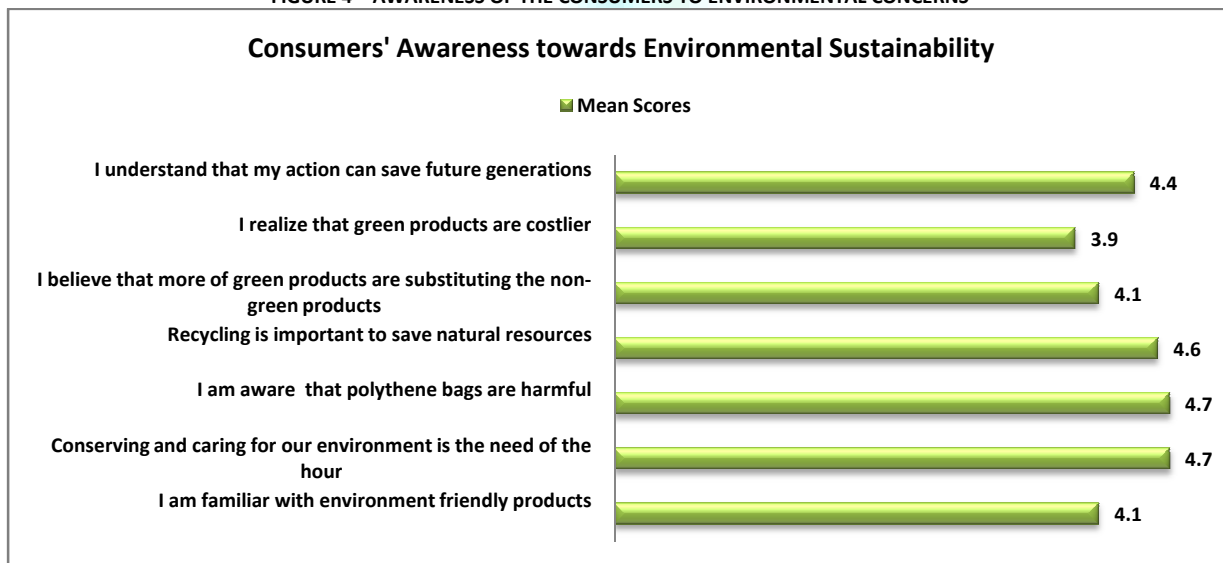
CONSUMERS' RESPONSIVENESS TOWARDS ENVIRONMENTAL SUSTAINABILITY

On today's planet, development can no longer follow the traditional path of emphasizing heavy industry while paying little attention to the surrounding environment. Sustainable development is the catchphrase of the day, which means that care must be taken to preserve existing environmental resources for the benefit of generations to come. The responsiveness of the consumers which includes their level of awareness, willingness and attitude towards environmental concerns, and green products, which as a whole leads to accomplish Environmental Sustainability, had been examined in the paper. The results are reported as –

• **Consumers' Awareness**

The Latin phrase "Caveat Emptor" means "Let the Buyer beware", however, in the present world the preferred motto should be, "Let the Buyer be more aware". A responsible consumer is one that has a healthy concern for the quality of goods and services he considers buying and does a proper research. He knows about the variety of products and services available to him and he sets his pattern of consumption in a way causing potential benefit to the society, economy and the environment where he is living. Such consumers want to live more sustainably by consuming products and services which tread 'lightly' on the environment. Certain parameters of consumers' awareness in interest of environmental sustainability were studied in the research. They included statements like – (i) Understanding that participation in the environmental activities today will save the nature for future generations, (ii) Realizing that green products are costlier or not, (iii) Believing if more of green products (in terms of availability, quality, quantity and variety) are substituting the non-green products, (iv) Recycling is important to save natural resources and it will also minimize pollution, (v) Being aware that polythene bags are harmful, (vi) Conserving and caring for our environment is the need of the hour, and that (vii) The consumers are familiar with environment friendly products or not.

FIGURE 4 – AWARENESS OF THE CONSUMERS TO ENVIRONMENTAL CONCERNS



Consumer awareness of environmental issues has proliferated in recent times and so had been depicted in our result, in the above figure 4, whereby the mean score of 4.7 of the respondents showed their admittance that conserving and caring for our environment is the need of the hour, together with the same proportion that agreed that polythene bags are harmful. The lowest number of respondents with the mean score of 3.9 realized that green products are costlier. "There is a very common mind-set right now which holds that all that we're going to need to do to avert the large-scale planetary catastrophes upon us is make slightly different shopping decisions," said Alex Steffen, the Executive Editor of Worldchanging.com, a Web-site devoted to Sustainability issues.

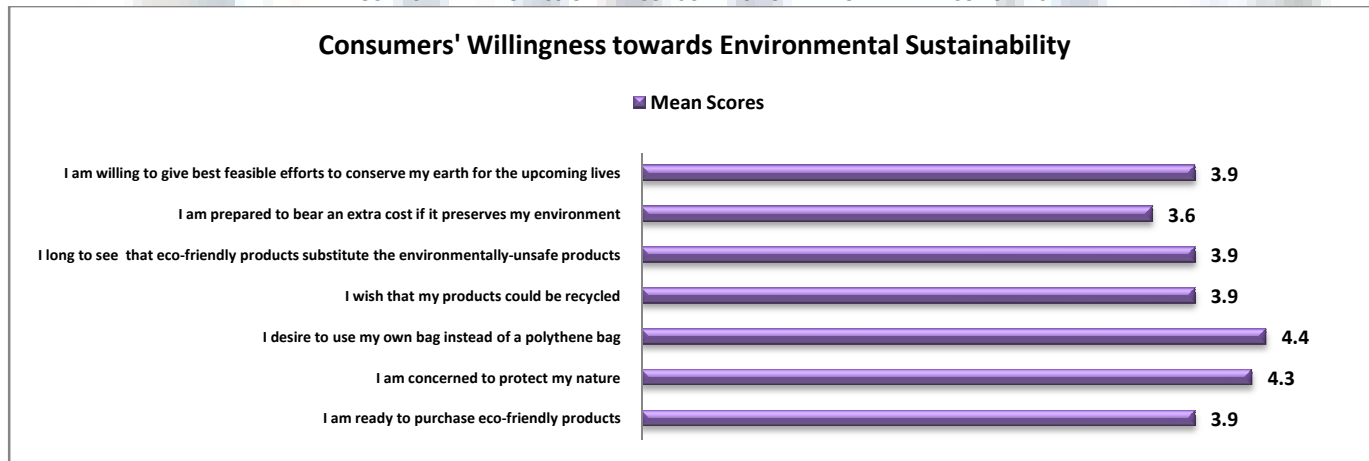
• **Consumers' Willingness**

"It doesn't matter how much you want. What really matters is how much you want it. The extent and complexity of the problem does not matter was much as does the willingness to solve it."

Ralph Marston

Green Consumption is a principle with three implications. Under this principle, people are encouraged to choose green products that are unpolluted or good for public health, wastes are to be treated under special surveillance to avoid pollution, and public understanding of consumption is to be changed so as to raise people's awareness of a healthy lifestyle, environmental protection, and energy conservation in their pursuit of a comfortable life. Later the awareness is generated; the next important step is to create willingness within to move for a positive change. To examine the level of willingness of the citizens of Agra to purchase green products and support environmental sustainability, some statements were given to the respondents to rate on five-point Likert scale. These statements read as follows – (i) I am willing to give best feasible efforts today so to conserve my earth for the upcoming lives, (ii) I am prepared to bear an extra cost if it preserves my environment, (iii) I long to see that a variety of qualitative eco-friendly products substitute the environmentally-unsafe products, (iv) I wish that my products could be recycled, (v) I desire to use my own bag instead of a polythene bag, (vi) I am concerned to protect my nature, and (vii) I am ready to purchase eco-friendly products.

FIGURE 5 – WILLINGNESS OF THE CONSUMERS TO ENVIRONMENTAL CONCERNS



Analyzing the responses of the consumers, we found that in terms of being willing to bring about a better change in the environmental conditions, many were enthusiastic to use their own bag instead of a polythene bag as the mean score, shown in the above figure 5, was 4.4 and the average score for the willingness of the people to show concern in protecting the nature was 4.3. The lowest average score was 3.6 which interpret the neutral readiness of the consumers to bear an extra cost for a green product even if such a step of theirs preserves the environment. The consumer is indeed confronted to his budget constraint that may limit his expenses, particularly in green products (Torgler, Vilanas G., 2007).

Consumers' Attitude

"Words and thoughts concerning compassionate actions that are not put into practice are like beautiful flowers that are colourful but have no fragrance."

Thich Nhat Hanh

For those not already receptive to a green message, Attitude change is a prerequisite to influence their purchase behaviour. Changing attitudes, whether it be towards the environment or any another issue, can be a tall order, however and this prominently includes the purchasing and consuming of products that have minimal impacts on the environment (Mainieri, et al., 1997). Such products are Green products and they can be defined as products that will not pollute the earth or deplete natural resources, and they can be recycled or conserved (Mostafa, 2007). To check the attitudinal response of our respondents regarding their outlook on turning up green, we mentioned the following issues, like – (i) Working and taking initiatives in the direction to protect the environment for the expected world, (ii) Paying more to protect the mother Earth, (iii) Switching over to the green products from the consumption of the non-green products, (iv) Giving products for recycling, (v) Refusing the shop-keepers for providing polythene bags and instead carry a cloth / paper bag, (vi) Actively participating to safeguard the environment, and (vii) Buying eco-safe products.

FIGURE 6 – ATTITUDE OF THE CONSUMERS TOWARDS ENVIRONMENTAL CONCERNS



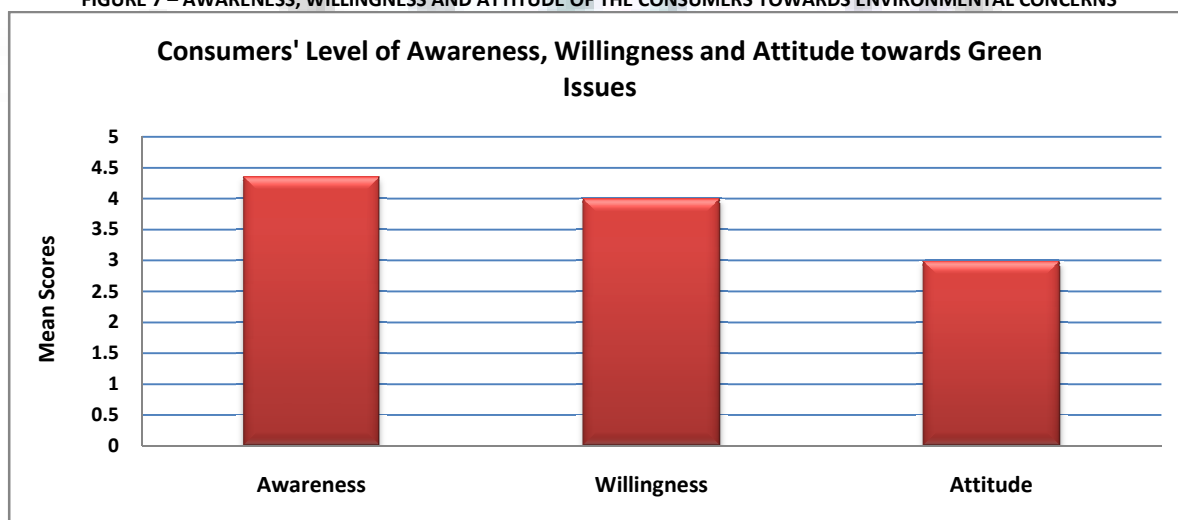
The above figure 6 displays the mean scores of the ratings done by the respondents, where their attitude on shifting and going green was explored. The lower mean scores in the range of 3-point depicts the neutral reaction in the green actions of the consumers. 3.4 mean value portrays that the maximum customers practice refusing the shop-keepers for providing polythene bags and instead they carry their own cloth / paper bag and also equally they admit their positive approach and actions which are in alignment with active participation so to safeguard the environment. Minimum respondents give their products for recycling and it has been illustrated by the mean score of 2.1 only, which shows mere dejection to it.

Certain easy actions and positive ways to celebrate green consumerism can be through taking steps toward the purchase of hybrids, putting solar panels at homes, making purchase decisions based on the lifecycle of the product and reputation and commitment of the company, etc.

Consumers' Level of Awareness, Willingness and Attitude towards Environmental Concerns

The level of Awareness, Willingness and Attitude towards Environmental issues and Eco-friendly products were studied of the consumer respondents, so as to know the present status of each component is in their case and hence can the required implementations be scrutinized and applied, accordingly, to attain Environmental Sustainability.

FIGURE 7 – AWARENESS, WILLINGNESS AND ATTITUDE OF THE CONSUMERS TOWARDS ENVIRONMENTAL CONCERNS



The above figure 7 illustrates altogether the level of awareness, willingness and attitude of the consumers towards the environmental issues and eco-safe products. It depicts clearly that the level of awareness has been the most with lower willingness to be a part of the eco-friendly change and with lowest level of present participation in the green change. It thus interprets that in present day world, people are very well aware of the environmental issues, damaged nature, and the level of harm being caused to the atmosphere as also they are aware of the solutions that if applied can safeguard the nature. It is portrayed by a high mean score of 4.35. There is still less willingness to adopt environmentally-protective measures and is displayed by the mean score of 4.0. People at present are very passive in indulging into green activities and be a part of positive green change, with a mean score of 2.99, which displays their neutrality in this component of attitudinal change. However, the demand for green products shall only rise with the number of consumers who are sensitive to environment matter and especially their sensitivity degree (Cremer H., Thisse, J. F., 1999).

RECOMMENDATIONS

Protection of the environment has to be a central part of any sustainable inclusive growth strategy, lest there will be no time left to adapt to any change of either the ecological or anthropological systems. The predictions of global warming are dire. If no immediate steps are taken by the world leaders, climate change could prove much more than just an economic threat but a survival threat. (Maulick B., 2011). Here is the need for complementary efforts to scrutinize and rethink existing schemes that may add to vulnerabilities.

Consumers are powerful enough to bring about a change in the production pattern. It is produced what they demand. Thus, if they demand eco-friendly products, they shall be produced and retailed. They can easily bring about green movement in an economy. This will be backward linkage to products retailed, produced, and also the raw materials used. All of it would go green and a sustainable living can be assured easily. But the matter of fact is that the consumers today, need to be aware of the urge of supporting nature and also it is necessitated to develop a concern for it. They are required to safeguard their environment through all possible activities like going for recyclable products, getting them recycled, reusing things that could be reused, refilling, carrying cloth bags and refusing plastics, checking for eco-labelled products and using them. The sense of belongingness and protecting our nature needs to be nurtured in roots deep, through education, right from the pre-primary level.

As consumers, we can all consciously try to buy less. We can also make simple changes to our shopping patterns and use our purchasing power to support eco-friendly products, which are less damaging to the environment. As studied, the Consumers are well-informed about most of the environmental issues, thus by developing eco-friendly products at reasonable prices and with better communication of their benefits, the masses which give more importance to their economic well-being over environmental concerns could be easily reached (Singh D. P., 2011)

Producers also need to turn to green manufacturing set-ups and use raw-materials that could be recycled. Initially, it will be bearing a high cost but more of production of green products than non-green ones will bring down the cost of eco-safe products. Green Supply Chain Management is a relatively less explored domain of Supply Chain Management, which needs urgent attention of researchers in the present scenario of economic turbulence. Incorporation of green practices in long, complex, energy and capital-intensive supply chains is urgently needed to arrest the heavy damage to the global environment caused by the supply-chains (Shukla A., et al., 2009).

Government has been spotted by many respondents as the major factor that can influence and bring on the eco-friendly products, green production and healthy eco-protected lifestyle. It can take various stringent measures to control environmental pollution and in past it has been found effective also, like the banning of polythene-bags. Additionally, it is recommended that they provide certain amount of incentives and subsidies to the producers and benefits to the retailers dealing in eco-friendly products. This shall act as a motivation. They should check and also bother producers and retailers to get their products eco-labelled and certified, build up certain strategies and schemes to hype eco production and consumption. They are suggested to take measures to educate and make aware and persuade the masses for going green. The greener, the safer, the better and more sustainable world would it be!

CONCLUSION

Green, a symbol of life, good health, and vigour, is also a colour that reminds us of hope. All around the globe, the word is associated with energy conservation and environmental protection. Environmental consciousness has a positive impact upon the attitude of the citizens towards the eco-friendly companies and products. As a strategy to save the planet, it urges to confront the mass of consumers in industrialized countries, where the consumers need to inform themselves about major environmental problems and then, by being cross-informed through product labelling, they should only select environmentally benign product and green life-styles to match their new consumption tastes. Purchasing eco-friendly products is a great way to show that we people care about our environment. Such products are classified as such because the way they are produced, cuts down on the use of natural resources or makes use of previously used resources to create brand-new products. If we want to know how to help in keeping the environment safe and viable for people in the future, knowing the benefits of using green products can help in accomplishing this goal. This will also bring about a significant shift in the manufacturing products and techniques. Thus, Green Manufacturing and Green products shall be motivated which shall head towards Environmental Sustainability on this planet Earth!

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AN INNOVATIVE MODEL OF SOCIALWORK EDUCATION AND PRACTICE

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ABSTRACT

Community challenges force human service agencies to collaborate in providing services. Such collaborations require practitioners to have skills not found in mainstream social work curricula. MSW program evolved through dialog with community leaders and resulted in a curriculum with a sole concentration of community partnerships. The new millennium has brought major changes, challenges, and hardships in human service delivery. With communities confronting rapidly changing demographics, the growing disparities between rich and poor, and reduced human services funding opportunities, human service agencies are no longer able to operate as independent or competitive entities. Rather, they must develop collaborative networks for service delivery in order to survive and thrive. Such collaborations lead to a re-examination of the skills and knowledge applied by professional social workers and, consequently, to a reconsideration of the curriculum in schools of social work. Against this backdrop, colleges and universities have sought to broaden their mission to become engaged participation in addressing community needs and issues. During the last decade, major changes have affected social work education and practice. The community participation concentration evolved in a nonlinear style. Lengthy deliberations between and among faculty and community representatives around philosophy, theory, mission, curriculum, the profession, and community needs, produced a philosophy that sought to educate students to advance the needs and capacities of the total community by promoting social and economic justice while maximizing human potential.

KEYWORDS

socialwork education, human services.

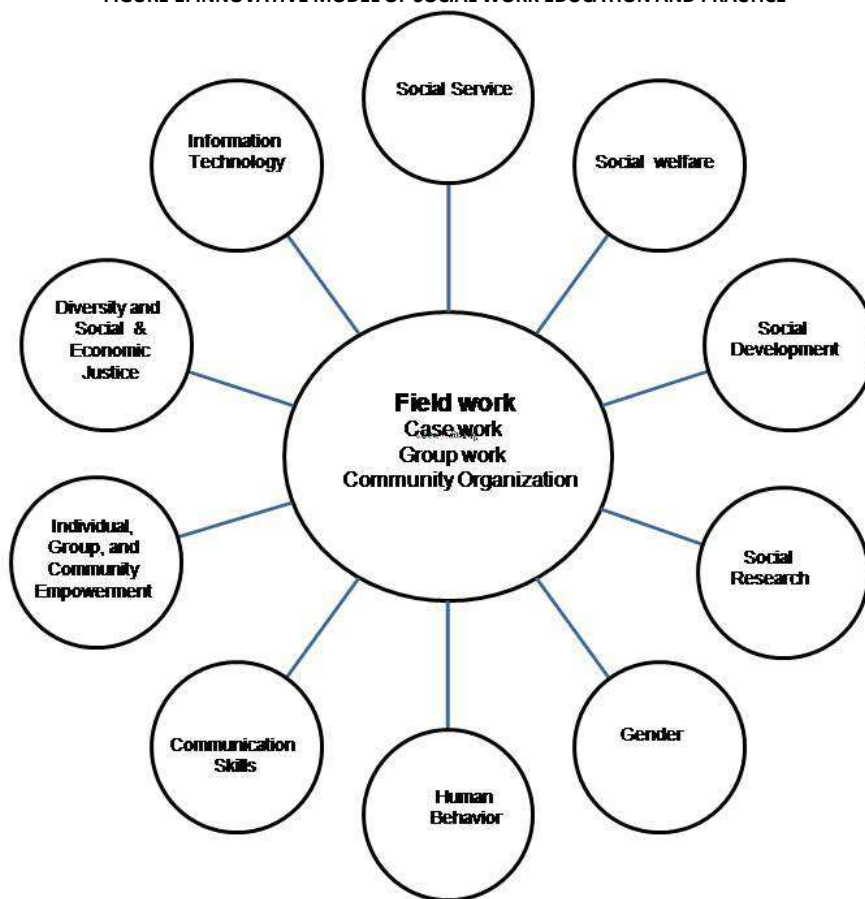
INTRODUCTION

Social problems like poverty, Corruption, Illiteracy, Gender Discrimination, Social Tensions, disaster and etc. have made social work education to play an important role in understanding and clarifying the results of social problems. New millennium has brought major changes, challenges, and hardships in human service delivery. With communities confronting rapidly the changing demographics, the growing disparities between rich and poor, and reduced human services funding opportunities, human service agencies are no longer able to operate as independent or competitive entities. Rather, they must develop collaborative networks for service delivery in order to survive and thrive. Such collaborations led to a re-examination of the skills and knowledge applied by professional social workers and, consequently, to a reconsideration of the curriculum in schools of social work particularly with respect to community practice. Against this backdrop, colleges and universities have sought to broaden their mission to become engaged participant in addressing community needs and issues. Hence dimension of social work is required social work for professionals to tackle social problems this can be achieved through social work education & practice. Social work education requires new levels of understanding and new levels of practice. If they are to be contributed for positive guidance.

OBJECTIVES

- To develop skills of community-based practice, knowledge and leadership skills in managing projects, and working with community groups and/or organizations in the educational system.
- To develop knowledge and skill and social work education and practice with social service, social welfare, social development, research, gender, human behavior, communication skills, individual, group and community empowerment, diversity and social & economic justice and information technology.

FIGURE 1: INNOVATIVE MODEL OF SOCIAL WORK EDUCATION AND PRACTICE



SOCIAL SERVICE

A holistic approach of social service study brings social change, growth and development and finally it also provides remedial and preventive services to individual and community. Finally results in improving the quality of life.

SOCIAL WELFARE

Signifies the total well-being of the individual and the basic economic necessities, high standard of health, decent living conditions, equal opportunities with high fellow-citizens, self respect, promote social security and social justice.

SOCIAL DEVELOPMENT

Social development is nothing but elimination of all forms of violence in society. Liberalization and globalization of economy, which has introduced cut throat competition, are the first challenges. As a result of changes there is need for social reforms, social change and implementation of strict legislations and good governance in the society. Social work education curriculum should include in depth knowledge of social development issues like poverty, unemployment, health, drinking water, sanitation and urban governance, communal relations, local government and decentralization, child labour and social security, marginalized groups etc. So that social activists can carry out new policies in their respective field of study.

RESEARCH

Research is a central focus of the program is to prepare practitioners with knowledge and skills grounded in sound research. The ability to use, evaluate and construct research is developed throughout the program. Community based research will helpful in throwing more light for future researchers and also academicians for taking new avenues in research perspectives.

GENDER

Gender studies enhances students’ ability to recognize and analyze the gendered structures that have shaped the lives of women and men of all races, classes, nationalities, religions, sexual orientation and abilities throughout history, it also helps students to develop what many modern professions identify as core competencies and it also emphasizes critical thinking.

HUMAN BEHAVIOR

Knowledge of human behavior will allow practitioners to carry out their profession’s mission to help individuals, families, and groups ethnically.

COMMUNICATION SKILLS

Communication skills and personality development play a major role when working with colleagues and other social workers for making decisions and assessments. Interpersonal skills which enable the worker to engage meaningfully with the client lie at the heart of effective social work practice. Sound communication skills are more effective for the field of social work practice. All the practitioner of social work, working for children , old age and other needy individuals who are really in need of love, compassion and basic necessities of life . Hence social worker must develop habits for good and effective communication skills.

INDIVIDUAL, GROUP AND COMMUNITY EMPOWERMENT

To understand the concept of empowerment, it is helpful to look at notions about power and powerlessness. Societies consist of individual groups of people with differing levels of power and control over resources. Both a negative and positive force, power is more than simple repression over or domination of groups. It is inherently about social interactions and the role of power within them, a notion of working on and through people.

DIVERSITY AND SOCIAL & ECONOMIC JUSTICE

Diversity and social & economic justice advances individuals growth, community well-being, and social justice. It promotes the vision, visibility, voice, and collaborative action needed for inclusive and effective social work practice.

INFORMATION TECHNOLOGY

Access to computer technology and the internet, as needed to communicate electronically and to seek information on the web for purposes of education, networking, resources is a central to the social work and it exchange information and sharing assessments with other professionals.

FIELD WORK PRACTICE

Field education is an important component of social work education. The field is the students to apply the social work knowledge base to practice. The field provides direct practice experiences with diverse client population guided by experience and maintain quality of field education program in a changing field practice following both years.

The first and second year field internship focus on the integrated knowledge and skills of field practice with individuals, families, groups and communities that will generate solutions to intervention, case work, group work, counseling skills, problem solving, meditation, advocacy, camps, community organization program, block placement and project work.

The social work education and field practice support additional learning, including meetings, teaching seminars, study groups and selected professional committees.

CONCLUSION

Finally it inculcates social work professional to develop their full potential, enrich their life and prevent dysfunction. The holistic focus of social work practice will vary from country to country and time to time depending on cultural historical and socio – economic conditions. It provides human and effective social services to the individuals family, community and the society. So that social functioning may be enhanced and quality of life improves. Social work practice has focus on meeting human needs and developing human potential and it also addresses the barriers inequities and injustice that are existing in society. The new model encompasses different objectives of social work in a holistic manner.

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EMPLOYEE EMPOWERMENT: A NEED FOR CORPORATE SURVIVAL

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ABSTRACT

The current meltdown of the Global economy has claimed many organizations as casualties. Employees who are well paid and well off today found their jobs gone overnight. This nightmare is across all sectors of the economy and older business like manufacturing and new business like IT are equally affected. Researchers and leaders worldwide have called for the empowerment of employees to help their organization compete successfully in the highly competitive marketplace. Having an employee empowerment programme enables companies to keep up with a competitor or gain a competitive advantage.

KEYWORDS

employee empowerment, HRM.

INTRODUCTION

The current meltdown of the Global economy has claimed many organizations as casualties. Employees who are well paid and well off today found their jobs gone overnight. This nightmare is across all sectors of the economy and older business like manufacturing and new business like IT are equally affected. In a recession scenario, the challenge to the HR professional is that he has to survive himself first from the approach of job cut and bundling up of responsibility and then move in for playing a key role to make the organization survive during trying times. In this situation the managers and the organizations should empower and enable employees to accomplish their work in meaningful ways. Empowerment has been described as a means to enable employees to make decisions and as a personal phenomenon where individuals take responsibility for their own actions. The aim of the present study was to present employee empowerment which constitutes for the organization a source of competitive advantage.

Nowadays organizations and enterprises function in a globalized economic, social and technological environment. Every organization can function efficiently only if it has at its disposal the required resources. These resources are grouped into material resources in the form of capital, facilities and equipment, and human resources that include employees and their managers. The managers and the organizations should consider three elements which are vital for their development. These elements are: (1) precise goals to be achieved (2) limited resources and (3) people. Of these three, it is the entity of «people» that is most challenging to the managerial attention. Many authors retain that for a manager to be effective, he or she must be a good manager of people because it is they who make up an organization and make everything work (Tosi, Rizzo and Carroll, 1986). Because of that, management and more specifically empowerment of human resources in the particular working and social environment of each organization has greater importance than the management of other resources and requires a meticulous attention. As a matter of fact, human resources represent an important capital, which should be managed effectively in order to constitute for the organization a source of competitive advantage (Bowen and Lawler, 1992).

Dynamic business environment has been forcing most organizations to change their traditional approach of management. This is due to the traditional management techniques used in business organization has become obsolete. Further, rapid technological changes has created the new millennium competitive landscape that demanding customers with individual needs that are required in the changing environment. Therefore, adapting new approach of management to boost up organization performance and high quality of services as well as maintaining high level of motivation is priority to managers. One of the techniques used by organization and that has attracted great interest from scholars and practitioners is employee empowerment. Because of that, management and more specifically empowerment of human resources in the particular working and social environment of each organization have greater importance than the management of other resources and require a meticulous attention. As a matter of fact, human resources represent an important capital, which should be managed effectively in order to constitute for the organization a source of competitive advantage.

REVIEW OF LITERATURE

Researchers and leaders worldwide have called for the empowerment of employees to help their organization compete successfully in the highly competitive marketplace (Kirkman & Rosen, 1999). Empowerment has been the focus of relatively few empirical studies (Kirkman & Rosen, 1996; Konczak, Stelly and Trusty, 1996; Zimmerman, Israeli, Schulz & Checkoway, 1992). Empowerment has been defined as helping employees take personal ownership of their jobs (Byham & Cox, 1989), as well as the transfer of decision making and responsibility from managers to employees. Basically, it is the process of encouraging and rewarding employee initiative and imagination. Basic prerequisite is the fact that the members of the organization are willing and capable of assuming more power, make good decisions and perform them effectively. Until recently, most discussions of empowerment aimed at empowering management behaviours, particularly delegation and shared decision making (Conger & Kanugo, 1988; Spreitzer, 1995). Empowerment was mainly conceptualized as a matter of power (Mainiero, 1986). Many authors (Ashness and Lashley 1995; Dickmeyer and Williams 1995; Goodale et al. 1997; Maxwell, 1997; Ugboro and Obeng, 2000; Ling, 2000; Savery et al. 2001; Patterson et al. 2004; McKenna, 1998) supported that human resource management and more specifically the empowerment of human resource for enterprises practice.

Empowerment is a concept that links individual strengths and competencies, natural helping systems and proactive behaviour to organizational change. Empowerment means engaging employees in the thinking processes of an organization. Empowerment requires a change in an organization culture, but does not mean that top management abdicates their responsibility or authority. An employee empowerment is necessary for the effective functioning of the skill of employee. Each employee in a team should be given a chance to act mentally to achieve their goal or targets. Empowerment is about putting employees in the driver's seat. Having an employee empowerment program enables companies to keep up with a competitor or gain a competitive advantage.

EMPOWERMENT IN THE BUSINESS SECTOR

Empowerment is most often considered to be a viable means to increase the effectiveness of an organization, as well as to improve the quality of working life for employees (Manz, 1992; Wellins, Byham, & Wilson; 1991). Furthermore, Mathis and Jackson (1991) proposed three kinds of individual performance criteria that organizations need to cultivate in order to flourish: productivity, innovation and loyalty. All three can be succeeded through effective enforcement of the empowerment principles, because responsibility and accountability encourage not only job satisfaction but also satisfaction in the achievement of better standards of performance. Bernstein (1992) claimed that companies in which employee empowerment has actually been put into force frequently found that such an approach bore fruits in such key aspects as morale, productivity and quality which leads competitive advantage.

Ashness and Lashley (1995) examined employee empowerment (focused on the managerial dimensions of empowerment). The results pointed out that overall organizational performance had improved. There had been a sale increase of 7 per cent, team member turnover had fallen by 19 per cent, wages costs were marginally reduced, from 24 per cent to 23.2 per cent and administration costs had fallen by 41 per cent and labour turnover was particularly low at about 10 per cent. An increase in understanding and commitment to the business objectives throughout the organization was also noticed. Unit management also reported a low level of complaints, and problems were sorted out more quickly. Moreover the empowerment of employees in service organizations has been shown to produce positive outcomes in the form of increased job satisfaction and self-efficacy. Maxwell's (1997) case study of empowerment at the Glasgow Marriott, indicated higher levels of job satisfaction, better customer service, more rapid decision making, and personal development.

Previous research has also found that employee understanding of empowerment has had an influence on employee loyalty, concern for others (including customers), and satisfaction. The implication of this finding is that boosting employee service capability through empowerment contributes to employee job satisfaction, job commitment, pride of workmanship, and what Anderson, Rungtusanatham, and Schroeder (1994) called employee fulfillment or the degree to which employees feel that the organization continually satisfies their needs (Fulford & Enz, 1995).

Similarly Heskett's (1987) Quality Wheel and Schlesinger & Heskett's (1991) Cycles of Success and Failure show the link between employee satisfaction through empowerment, customer satisfaction and enhanced business performance. From this theoretical basis it is proposed that customer satisfaction, employee empowerment, morale and service quality are directly linked because the more-motivated employee will provide better service. Furthermore, if employees understand that their manager values them and provides them with appropriate control and authority over their work, they will feel more confident about their jobs (Yoon et al., 2001; Babin and Boles, 1996). On the other hand, the researchers suggested that employee empowerment and job facet satisfaction influenced dimensions of perceived fairness (responsiveness and empathy/courtesy, respectively) of the service recovery attempt which, in turn, affected consumer satisfaction. It was disclosed from the results that empowerment via training and autonomy led to higher service employee satisfaction.

Moreover, Nelson (1994) stressed that, efficiency and productivity can be increased through empowerment, giving the organization the chance to respond to strategic changes in the marketplace more rapidly. As Cordery (1995) expressed in his study of self-managing teams, empowerment techniques provide work experiences that are fundamentally motivating to employees whilst at the same time useful to organizational performance. Many organizations (such as Wilson, Eastman Chemical and Rhone-Poulenc) reported that through the use of empowerment they have managed to establish new and better ways of working as well as increasing profits (Wright, 1993, Industry leaders try new approaches, 1993). Blitzer et al. (1993) argued that empowerment can positively influence employee self esteem of competence and security giving employees a clear sense of the contributions they can make to the company directly leading to increases in productivity. More specifically, employee turnover declined with empowerment, and increases in sales per employee, a higher profit margin, lower material cost as percentage of sales, lower labour cost as a percentage of sales, and higher net profit were observed (Dickmeyer and Williams, 1995). Furthermore, Lewis and Lytton (1995) underscored that the key to successful organizational change and profitability within a small British engineering company is empowerment.

Human resource development through empowering employees and establishing appropriate compensation and recognition systems have affected positively a firm's financial performance, and has appeared to be the most critical competency in business environment in China (Ling, 2000). Furthermore, Robert, Probst, Martocchio, Drasgow, and Lawler (2000), in their cross-cultural study on employees of a single firm (specializing in light manufacturing) with operations in the United States, Mexico, Poland, and India found that continuous improvement practices (defined as encouragement of employees for learning and development, rewarding employees for attaining competence, and pay for knowledge) and empowerment were found to be positively related to job satisfaction in the United States, Mexico, and Poland but not in India. Robert et al. (2000) attributed the inverse relationship between empowerment and job satisfaction in India to the unusually high power distance that exists in this culture.

METHODS AND TECHNIQUES OF EMPOWERMENT

The human resource empowerment process has proved beneficial and essential. Empowerment is composed of processes, methods, tools and techniques which have been developed in the framework of human resource development, motivation, job design, responsibility devolve and delegation of authority.

- **Creation of vision and formulation of Organizational Values:** Senior management needs to develop a vision and a mission statement for the organization which focuses on the customer and recognizes the significant role of human resource. Many organizations poured a great deal of effort into creating a vision of the company as a collaborative of empowered people – a vision of respect, responsibility, and cooperation, focusing on better service to the customer.
- **Teamwork:** Teamwork is an important element in assisting employees to take on new responsibilities as it creates a supportive and open environment and enables empowerment to take place. Empowered teams are very different from participative teams, quality circles, or semiautonomous teams. They make decisions, implement them, and they are held accountable, they do not just recommend ideas.
- **The Role of the Manager:** A fundamental change in the culture of the organization as a result of empowerment is the role the manager needs to adopt to facilitate the process. The empowered managers adopted a more facilitative approach to the problem and encouraged a different relationship with their subordinates so that they in turn feel empowered to act.
- **Training support:** Constant training contributes to the improvement of unit and team efficiency, increases the competitiveness of the organization and contributes to the achievement of organizational goals. The management usually plays the part of the trainer, defines the training needs of the employees and through appropriate educational programs provides skills which concern the job (technical skills knowledge), empowerment and teamwork and evaluates the effectiveness of educational programs.
- **Reward system and recognition:** The reward system based on organizational and individual performance constitutes an essential practice of motivation independently of the kind of rewards (financial, not financial).
- **Organizational culture:** constructive organizations focus on: (a) determination of important goals at all levels, (b) development of full capabilities of human resource (innovation, creativity), (c) promotion of a uniform atmosphere within the organization and (d) promotion of effective cross-divisional cooperation. Furthermore, they promote the organizational climate where they reinforce mutual trust and trust to the human resources capabilities which align with the achievement of goals and affect the performance of the organization.
- **Devolve responsibility and delegation of authority:** Devolving responsibility and delegation of authority are important aspects of the empowerment process which give the employees the feeling of «ownership» and motivate them to use the maximum of their capabilities and the talent they have so that to perform their duties effectively.

EMPLOYEE EMPOWERMENT TO GAIN COMPETITIVE ADVANTAGE:

Empowerment is about putting employees in the driver's seat. Employee empowerment went from being a buzzword among managers during the 1990s to a sought-after part of quality management among industries by the early 21st century. Employee empowerment as one of the "critical drivers of business success in the global marketplace. Having an employee empowerment program enables companies to keep up with a competitor or gain a competitive advantage. Employees who are empowered make decisions that save companies money, time and, in some cases, prevent potential disputes. Decentralizing the decision-making process can improve the performance of support and service departments by giving customers more confidence in the process of being helped, especially since the empowered employee does not have to check with her supervisor to make minor decisions.

- **Better Job Satisfaction, Retention and Motivation:** Human resource professionals, describes employee empowerment as one of the factors behind increased employee education and training; lower absenteeism, and less conflict with administration and managers related to change because employees are able to participate in decision making.
- **Increased Productivity, Efficiency and Effectiveness:** When managers are freed up to be coaches, mentors and advisers instead of management firemen who have to put out mini-situational fires, the company or organization benefits.
- **Reduce Costs:** Empowered employees are able to improve service delivery within their sphere of operations, thus enabling cost savings. Empowering employees can also decrease the need for middle management positions, which conserves labor costs. Employees who take ownership of their work can also yield major savings in the form of workplace safety.

CONCLUSION

As the number of organizations and businesses is increasing there is immediate need to perceive what will make them more effective and competitive. The above mention benefits reinforced the belief that human resource empowerment is a major factor for business activity, because it may contribute to the viability and profit increase of organizations. So, empowerment must not be considered as a simple technique or process which makes employees feel good about their job but an organizational need which takes extensive planning, requires time and requires capable and trained managers to empower human resource so that the latter constitutes an advantageous competitive resource for the organization.

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HUMAN RIGHTS: AN OVERVIEW IN INDIAN FRAMEWORK

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ABSTRACT

Human rights are those inalienable rights to which a person is inherently entitled simply because she or he is a human being and help to protect all people everywhere from severe political, legal, and social abuses. Human rights are thus conceived as universal and egalitarian, the same for everyone. These rights may exist as natural rights or as legal rights, in both national and international law. Examples of human rights are the right to freedom of religion, the right to a fair trial when charged with a crime, the right not to be tortured, and the right to engage in political activity. They are addressed primarily to governments, requiring compliance and enforcement. The main sources of the contemporary conception of human rights are the Universal Declaration of Human Rights (United Nations, 1948). The philosophy of human rights addresses questions about the existence, content, nature, universality, justification, and legal status of human rights. The object of the present work is to give an overview of human rights, in international and Indian framework. The present research will concentrate on the concept of Human Right, meaning, Legal Provisions, etc. This is a Doctrinal research for which various books, articles, journals, International Conventions, statutes, model rules, and newspapers have been referred.

KEYWORDS

Human Rights, International Conventions, Indian Constitution, Judicial Response.

INTRODUCTION

Section 2 (d) of the Human Rights Act 1993 defines "human rights" as "rights relating to life, equality and dignity of the individual guaranteed by the Constitution or embodied in the International Covenants and enforceable by courts in India."

"Human Rights" is not an abstract or ideal concept but it is very much a pragmatic concept about those rights which are considered to be absolutely essential for the survival, dignified life and development of all human beings. In fact state was created for the sake of maintenance of rights of man that are endowed to him by the nature. Different scholars and philosophers have assigned different duties to the state. For example Kautilya in Arthashastra has advised that the protection of the life, property and dignity of "Prajā" (citizens) is the prime duty of the King. In Leviathan,⁴ Thomas Hobbes, who otherwise believed in the absolute power of the ruler, too does not allow the king to violate the right of an individual to have life. According to Locke state existed only to protect Natural Rights of individuals i.e. right to life, property and liberty.⁵ Besides them Rousseau, Montesquieu, Kant, Thomas Paine, Mill, Bentham, Karl Marx and John Rawls have been the protagonists of the rights that a state has to protect and maintain. To Harold J. Laski a state is known by the rights it maintains.⁶ According to him the very purpose of the existence of state is to recognize and protect the rights of individuals. Thus, it can be concluded that man created state for the protection and maintenance of his rights. The history of evolution of the systems of governance also manifests that any system if not able to protect the rights of the citizens, was rejected and changed. In modern times Human Rights have become a movement. International organizations, governments and nongovernmental agencies have continuously been exploring the dynamics of human rights and have been working to evolve such mechanisms which could safeguard the rights of human beings.

THE GENERAL IDEA OF HUMAN RIGHTS

Human rights are the basic standards human beings need to live life with freedom and dignity. Human rights include fundamental civil and political rights, such as the right to free speech, to freedom of religion, and the right to participate in government. Human rights also include essential economic, social and cultural rights, such as the right to education, to work, and to healthcare.⁷ Human rights are rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are all interrelated, interdependent and indivisible.

It is our duty to ensure that these rights are a living reality -- that they are known, understood and enjoyed by everyone, everywhere. It is often those who most need their human rights protected, who also need to be informed that the Declaration exists -- and that it exists for them.

Most conventions establish mechanisms to oversee their implementation. In some cases these mechanisms have relatively little power, and are often ignored by member states; in other cases these mechanisms have great political and legal authority, and their decisions are almost always implemented. Examples of the first case include the UN treaty committees, while the best exemplar of the second case is the European Court of Human Rights.

The Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights are sometimes referred to as the *international bill of rights*.

Universal human rights are often expressed and guaranteed by law, in the forms of treaties, customary international law, general principles and other sources of international law. International human rights law lays down obligations of Governments to act in certain ways or to refrain from certain acts, in order to promote and protect human rights and fundamental freedoms of individuals or groups.

⁴ Leviathan is a book written in 1651 by Thomas Hobbes. It is one of the most famous and influential books of political philosophy.

⁵ John Locke has discussed his concept of Natural Rights in his book, Two Treatises of Government, Published anonymously in 1689.

⁶ Laski, H.J., A Grammar of Politics, p.89

⁷ http://tandis.odhr.pl/documents/hrecompendium/rus/CD%20SEC%202%20ENV/II_17_2_%20ENG.pdf

FEATURES

1. Universal and inalienable

The principle of universality of human rights is the cornerstone of international human rights law. This principle, as first emphasized in the Universal Declaration on Human Rights in 1948, has been reiterated in numerous international human rights conventions, declarations, and resolutions. The 1993 Vienna World Conference on Human Rights, for example, noted that it is the duty of States to promote and protect all human rights and fundamental freedoms, regardless of their political, economic and cultural systems.⁸



All States have ratified at least one, and 80% of States have ratified four or more, of the core human rights treaties, reflecting consent of States which creates legal obligations for them and giving concrete expression to universality. Some fundamental human rights norms enjoy universal protection by customary international law across all boundaries and civilizations.

Human rights are inalienable. They should not be taken away, except in specific situations and according to due process. For example, the right to liberty may be restricted if a person is found guilty of a crime by a court of law.

2. Interdependent and indivisible

All human rights are indivisible, whether they are civil and political rights, such as the right to life, equality before the law and freedom of expression; economic, social and cultural rights, such as the rights to work, social security and education, or collective rights, such as the rights to development and self-determination, are indivisible, interrelated and interdependent. The improvement of one right facilitates advancement of the others. Likewise, the deprivation of one right adversely affects the others.

3. Equal and non-discriminatory

Non-discrimination is a cross-cutting principle in international human rights law. The principle is present in all the major human rights treaties and provides the central theme of some of international human rights conventions such as the International Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Elimination of All Forms of Discrimination against Women.

The principle applies to everyone in relation to all human rights and freedoms and it prohibits discrimination on the basis of a list of non-exhaustive categories such as sex, race, colour and so on. The principle of non-discrimination is complemented by the principle of equality, as stated in Article 1 of the Universal Declaration of Human Rights: "All human beings are born free and equal in dignity and rights."

4. Both Rights and Obligations

Human rights entail both rights and obligations. States assume obligations and duties under international law to respect, to protect and to fulfill human rights. The obligation to respect means that States must refrain from interfering with or curtailing the enjoyment of human rights. The obligation to protect requires States to protect individuals and groups against human rights abuses. The obligation to fulfill means that States must take positive action to facilitate the enjoyment of basic human rights. At the individual level, while we are entitled our human rights, we should also respect the human rights of others.

Human rights are political norms dealing mainly with how people should be treated by their governments and institutions. They are *not ordinary moral norms applying mainly to interpersonal conduct* (such as prohibitions of lying and violence).

Human rights exist as moral and/or legal rights. A human right can exist as (1) a shared norm of actual human moralities, (2) a justified moral norm supported by strong reasons, (3) a legal right at the national level (here it might be referred to as a "civil" or "constitutional" right), or (4) a legal right within international law. A human rights advocate might wish to see human rights exist in all four ways.

Human rights are *minimal or at least modest standards*. They are much more concerned with avoiding the terrible than with achieving the best. Their dominant focus is protecting minimally good lives for all people. Henry Shue suggests that human rights concern the "lower limits on tolerable human conduct" rather than "great aspirations and exalted ideals." As modest standards they leave most legal and policy matters open to democratic decision-making at the national and local levels. This allows them to have high priority, to accommodate a great deal of cultural and institutional variation, and to leave open a large space for democratic decision-making at the national level.

Human rights are *high-priority norms*. Maurice Cranston held that human rights are matters of "paramount importance" and their violation "a grave affront to justice". This does not mean, however, that we should take human rights to be absolute. The high priority of human rights needs support from a plausible connection with fundamental human interests or powerful normative considerations.⁹

Human rights *require robust justifications that apply everywhere and support their high priority*. Without this they cannot withstand cultural diversity and national sovereignty. Robust justifications are powerful but need not be understood as ones that are irresistible.

**HISTORICAL OVERVIEW**

The history of human rights movement can be traced from the 13th century. Magna Carta (1215), the Petition of Rights (1628), Bill of Rights (1689), Virginia Declaration of Rights (1776), the American Declaration of Independence (1776), the French Declaration of the Rights Man and Citizens (1789), and the American Bill of Rights (1791) were the documents which gave human rights their initial constitutional status. Most of these documents were the result of long struggles of the people. After the First World War, world community started showing its concern for global mechanisms to protect human rights. After the formation of the League of Nations first international effort was made for human rights on 25th September, 1926 in first conference against colonialism and serfdom. Again on 28th June 1930 a conference was held on Forced Labour. But it was only after the formation of United Nations that human rights movement got momentum, they were defined scientifically and concrete measures were taken for the protection and promotion of human rights. On 10th December 1948 UN adopted the Universal Declaration of Human Rights and subsequently adopted two more covenants (one on Economic, Social and Cultural Rights and other on Civil and Political Rights) on 16th December 1966 and they came into force on 3rd January, 1976 and 23rd March 1976 respectively.¹⁰ Both the covenants were binding on the rectifying states. Another major development occurred in September, 1978 when Commission on Human Rights organized a seminar in Geneva where a set

⁸ V.C. Mishra, "Cardinal Principles Of Human Rights", *Indian Bar Review*, Vol. 20(1) 1993, Pp. 12-15

⁹ Sen, Sankar. *Human Rights and Law Enforcement*. (2th Edn., 2002). Concept Publication.

¹⁰ H.R. Bhardwaj, "Evolving Human Rights Jurisprudence", *Indian Bar Review*, Vol. 20(1) 1993, Pp. 32-36.

of guideline was evolved regarding the functions of National Human Rights Institutions (NHRIs).¹¹ These guidelines were endorsed by the UN General Assembly. It created a lot of pressure on the member states to constitute NHRIs. A series of reports, workshops and seminar were organized by the UN to prepare the member states for the cooperation between national and international agencies for Human Rights protection and promotion. The conclusion arrived at, after deliberations of this Workshop, came to be known as Paris Principles of 1991. The role of NHRIs was also emphasized in the Vienna Declaration and Programme of Action in 1993. The General Assembly through its resolution 48A/134 of 20th December, 1993 endorsed the same.¹² Since India was closely and actively participating in all these developments, it became obligatory to set up NHRI at home.

INTERNATIONAL CONVENTIONS

In 1945 in San Francisco, 50 nations adopted the *United Nations Charter*, a document setting forth the United Nations’ goals, functions, and responsibilities. Article 1 of the Charter states that one of the aims of the UN is to achieve international cooperation in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion.

The goals of Article 1 of the Charter are of a general nature. For those goals to be achieved, specific "human rights and freedoms" needed to be defined first. Then laws and procedures had to be drawn up that would promote and protect those rights and freedoms. For these purposes, the *Commission on Human Rights* was established and charged with creating an *International Bill of Human Rights*.

FROM DECLARATION TO CONVENTION

The *International Bill of Human Rights* consists of the *Universal Declaration of Human Rights (UDHR)*, *The International Covenant on Civil and Political Rights* (1966) and its optional *Protocol*, and *The International Covenant on Economic, Social, and Cultural Rights* (1966). First in 1948 came the UDHR, which serves to define the basic human rights and freedoms to which all individuals are entitled. A *declaration* is not a legally binding document, however. For the rights defined in a declaration to have full legal force, they must be written into documents called *conventions* (also referred to as *treaties* or *covenants*), which set international norms and standards. When a government signs a convention, it becomes legally bound to uphold those standards.

The rights proclaimed in the Universal Declaration of Human Rights, may be classified into following four categories:

- (i) General (Articles 1 and 2),
- (ii) Civil and Political (Articles 3 to 21),
- (iii) Economic, Social and Cultural Rights (Articles 22 to 27), and
- (iv) Concluding (Articles 28 to 30).

Once the UDHR was drafted and adopted by the UN General Assembly, work began to *codify* the rights it contained into a convention. For political and procedural reasons, these rights were divided between two separate covenants, each addressing different categories of rights. The *International Covenant on Civil and Political Rights (ICCPR)* articulates the specific, liberty-oriented rights that a state may not take from its citizens, such as freedom of expression and freedom of movement. The *International Covenant on Economic, Social, and Cultural Rights (ICESCR)* addresses those articles in the UDHR that define an individual’s rights to basic necessities, such as food, housing, and health care, which a state should provide for its citizens, in so far as it is able. Both covenants were adopted by the UN in 1966.

INDIAN CONSTITUTION AND HUMAN RIGHTS

India was a signatory to the Declaration. The Indian Constitution adopted by the Constituent Assembly on November 26, 1949 which came into force from January 26, 1950 was greatly influenced by the Declaration. The Preamble of the Constitution stated 'dignity of the individuals' which implied that the worth inherent in the human person was well recognised. Further, provisions of Part III (Fundamental Rights) and Part IV (Directive Principles of State Policy) bear a close resemblance to the Universal Declaration. Consequently, a number of fundamental rights were guaranteed to individuals in Part III of the Indian Constitution which were similar to the provisions of the Declaration is clear from the following chart¹³ :-

Name of the Rights	UDHR Article	Indian Constitution Article
Equality before law	Article 7	Article 14
Prohibition of discrimination	Article 7	Article 15 (1)
Equality of opportunity	Article 21 (2)	Article 16 (1)
Freedom of speech and expression	Article 19	Article 19(1) (a)
Freedom of peaceful assembly	Article 20(1)	Article 19(1) (b)
Right to form associations or unions	Article 23(4)	Article 19(1)(c)
Freedom of movement within the border	Article 13(1)	Article 9(1)(d)
Protection in respect of conviction for offences	Article 11(2)	Article 20(1)
Protection of life and personal liberty	Article 3	Article 21
Protection of slavery and forced labour	Article 4	Article 23
Freedom of conscience and religion	Article 18	Article 25 (1)
Remedy for enforcement of rights	Article 8	Article 32

The above chart shows that the Universal Declaration which was adopted just before the Indian Constitution widely held to have provided the model for the latter’s human rights guarantees. In *Keshvananda Bharati v. State of Kerala*¹⁴ the Supreme Court observed that 'The (Universal) Declaration (of Human Rights) may not be a legally binding instrument but it shows how India understood the nature of Human Rights' at the time the Constitution was adopted. Thus, although the Supreme Court has stated that the Declaration "cannot create a binding set of rules" and that even international treaties may at best inform judicial institutions and inspire legislative action, constitutional interpretation in India has been strongly influenced by the Declaration.

HUMAN RIGHTS AND SUPREME COURT

In *Ahmedabad Municipal Corporation vs. Nabab Khan Gulam Khan and others*,¹⁵ the Apex Court considered the provisions of Article 19 (1) (e) read with Article 21 of the Constitution of India and Article 25 (1) of the Universal declaration of Human Rights and held that everyone has a right to standard living, adequate health and welfare of himself and his family. It also, considered Article 11 (1) of the International Covenant on Economic, Social and Cultural Rights which lays down that the States, parties to the Covenant, recognize that everyone has right to standard living for himself and his family including food, clothing, housing and to continuous improvement of living conditions.

¹¹ Report, UN Commission on Human Rights, 1979

¹² UN Annual Report, 1993-9

¹³ Srikant Mishra, "Human Rights – A Fundamental Issue", *Indian Bar Review*, Vol. 20(1) 1993, Pp.16-18.

¹⁴ AIR 1973 SC 1461.

¹⁵ 1995 (Suppl) 28CC 182

In *Chameli Singh vs. State of U.P. and others*,¹⁶ the Supreme Court held that right to shelter is a fundamental right available to every citizen and it was laid into Article 21 of the Constitution of India as encompassing within its limit the right to shelter to make the right to life more meaningful. The Court observed as under:

"In any organized society, right to live as a human being is not entered by meeting the only animal's need of the man. All human rights are designed to achieve" the freedom from restriction which inhibits his growth right to life., implies the right to food, water, disintegrated environment, education, medical care and shelter. All the civil, political, social and cultural rights enshrined in UDHR cannot be exercised without these basic rights: Shelter for a human being, therefore, is not a mere protection of his life and limbs. It is the home where he has opportunity to grow physically, mentally, intellectually and spiritually."

In *Olga Tellis vs. Bombay Municipal Corporation*¹⁷ the Constitution Bench of the Supreme Court considered the right to dwell on pavement or in slums by indigent as part of right to life enshrined under Article 21. In *P.C. Gupta vs. State of Gujarat*¹⁸ the Supreme Court considered the human right to shelter and rights.— enshrined in Article 19 (1) (e) of the Constitution of India and Articles 21 of the UDHR and the Convention on Civil, Economic and Cultural Rights and held that it is the duty of the State to construct houses at reasonable cost and make them easily accessible to the poor. The said principle was found embodied and in-built in the Constitution of India to secure socio-economic democracy so that everyone has a right to life, liberty and security of person. The Court, also, emphasized on Article 21 of the Declaration of Human Rights which envisaged that everyone has a right to social security and is entitled to its realization as became the economic, social and cultural rights are indispensable for his dignity and free development of his personality.

The right of prisoners to ask for observance of the human rights has been recognized by the Supreme Court in *Charles Shobhraj vs. Superintendent, Central Jail, Tihar*¹⁹ *Sunil Batra vs. Delhi Administration*²⁰, and *Sunil Batra vs. Delhi Administration*²¹, the fruits of Article 21 were made available to the prisoners while dealing with the question of their right of reading and writing books in jail. In *Suresh Chandra vs. State of Gujarat*²², and *Kishan Lida vs. State of Bihar*²³, the Apex Court provided for penological innovation in the form of parole and recommended for its liberal use. In *Bhuvan Mohan Patnayak vs. State of Andhra Pradesh*²⁴, the Apex Court stated that resort to oppressive measures to curb political people should not be permitted. In *Kedar Pandey vs. State of Bihar*²⁵, the Supreme Court issued direction prohibiting the putting of under-trial prisoners in leg-irons.

In *Vellore Citizen Welfare Forum vs. Union of India and others*,²⁶ the Court issued direction for maintaining the standard stipulated by Pollution Control Board and held that right to have pollution-free environment was a fundamental right. Similar view has been taken by the Supreme Court in *Dr. B.L. Wadera vs. Union of India and others*,²⁷ wherein the Court held that reminiscence in performance of duties, non-availability of funds, inadequacy or insufficiency of the medicine, cannot be a ground for condoning the mis deeds of the authorities to deviate from their statutory obligation to scavenge and clean the city. In *M.C. Mehta vs. Union of India and others*,²⁸ the Apex Court issued directions to stop the tanneries discharging affluent in Ganga and for setting up of primary treatment plant to purify it.

In *People's Union for Civil Liberty vs. Union of India and others*²⁹, the Court considered the provisions of Article 19 (1) (a) and 21 of the Constitution of India along with the provisions of Article 17 of the International Covenant on Civil and Political Rights, 1966 and Article 12 of the Universal Declaration on Human Rights, 1948 and held that when a person talks on telephone, he exercises his right of freedom of speech and expression and his telephone cannot be tapped unless it comes within the ground of restrictions under Article 19 (2). would interact Article 19(1) (a) of the Constitution of India.

The Apex Court has further laid down the procedure for arrest in *D K Basu vs. State of WB*³⁰. The right to be brought before a Magistrate within a period of not more than twenty-four hours of arrest has been created with a view:

1. To prevent arrest and detention for the purposes of attracting confession or a means of compelling people to give information.
2. To prevent police stations being used as though they were prisons—a purpose for which they are unsuitable.
3. To afford an early recourse to a judicial officer independent of police on all questions of bail and discharge.

A police officer often ends up violating this requirement and hence is in violation of Article 10, which says, "Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him." A custodial death is perhaps one of the worst crimes in a civilized society governed by the rule of law. Custodial death as a result of police atrocities is the extreme form of police cruelty and as such is a blatant violation of human rights. Article 5 of UDHR states, *No one shall be subjected to torture or to cruel, inhuman treatment or punishment.*

In *Saheli vs. Commissioner*³¹ of Police, Delhi a child of nine years died because of being battered by a police officer. The Supreme Court again held that the state is liable to pay compensation in case of police atrocities and accordingly it directed the government to pay Rs. 75,000 as compensation to the mother of victim.

*Nilabati Behera vs. State of Orissa*³² is yet another case of custodial death where the deceased was taken in police custody and next day his body was found on railway track with multiple injuries. The Supreme Court reiterated that in case of violation of fundamental rights by state instrumentalities or servants, court can direct the state to pay compensation to victim or his/her heir or legal representative. The principle of 'sovereign immunity' shall be inapplicable in such cases. Having regard to the age and income of the deceased, the state was directed in this case to pay Rs. 1,50,000 as compensation to the deceased's mother.

One of the most neglected aspects of criminal justice system is the delay caused in the disposal of the cases and detention of the poor accused pending trial. Procrastination of trials may sometimes result in injustice because of a duly prolonged process much of the material evidence may perish as when witness may die or when situations are altered. Long incarceration without trial is not only violative of the Constitution, but is also against India's commitment to the UDHR.

Justice Krishna Iyer while dealing with the bail petition in *Babu Singh vs. State of UP*,³³ remarked, "Our justice system even in grave cases, suffers from slow motion syndrome which is lethal to 'fair trial' whatever the ultimate decision. Speedy justice is a component of social justice since the community, as a whole, is concerned in the criminal being condignly and finally punished within a reasonable time and the innocent being absolved from the inordinate ordeal of criminal proceedings."

¹⁶ A.I.R. 1987 SC 2117

¹⁷ 1990 (1) SCC 520

¹⁸ 1995 (Suppl) 2 SCC 182

¹⁹ A.I.R. 1978 SC 1514 15

²⁰ A.I.R. 1578 SC 1575

²¹ A.I.R. 1980 SC 1579

²² A.I.R. 1966 SC 424

²³ A.I.R. 1976 Sc 2462

²⁴ A.I.R. 1976 SC 1139

²⁵ AIR. 1980 SC 1535

²⁶ A.I.R. 1996 SC 2715

²⁷ A.I.R. 1966 SC 2969

²⁸ A.I.R. 1988 SC 1037

²⁹ AIR. 1997 SC 568

³⁰ 1997 SCC (1) 416

³¹ (1990) 1 SCC 422

³² AIR 1993 SC P. 1960

³³ SCC (1997) (1) 416

Justice Bhagwati in *Hussainara Khatoon vs. Home Secy, State of Bihar*³⁴ declared that the right to speedy trial is an essential part of fundamental right to life and liberty enshrined in Article 21 of the Constitution.

In *Sheela Barse vs. Union of India*³⁵ court reaffirmed that "the right to speedy trial is a fundamental right implicit in Article 21 of the Constitution" and observed "the consequence of violation of fundamental right to speedy trial would mean that the prosecution itself would be liable to be quashed on the ground that it is in breach of the fundamental right."

Right to privacy has been recognized as both a fundamental right and a right guaranteed under the UDHR. Article 12 of UDHR reads, "No one shall be subjected to arbitrary interference with his privacy everyone has a right to the protection of the law against such interference or attacks."

In *Raja Gopala's*³⁶ case the apex court has observed that a citizen has a right to safeguard the privacy of his own, his family, marriage procreation, motherhood, child-bearing and education among other matters, because right to privacy implicit in the right to life and liberty guaranteed to the citizen of this country under Article 21 of the Constitution. The privacy of a rape victim is violated during a criminal case. Taking advantage of the lacunae in legal procedure the shrewd defense lawyer will invariably encroach upon the privacy of the prosecutrix. It is time we ponder over this problem faced by the victims of rape during court trial and make in-camera trial mandatory for all rape cases. To protect the privacy of the rape-victims, it is desirable that the identity of the victims must not be published in any manner by any agency at any time.

In *Prem Shankar Shukla vs. Delhi Administration*³⁷ the Supreme Court gave a number of directions with a view to reforming and humanizing the jail administration. Unfortunately, for a variety of reasons, the directions of the Supreme Court are not being followed properly in most of the jails in the country.

In *Prakash Gupta vs. State of Gujarat & Ors.*, 2010(2) SLR 72, the Supreme Court held that food, shelter and clothing are the minimal human rights. The court reiterated its earlier expansion of the right to residence and settlement by again holding that, it is a "fundamental right under Article 19(1)(e) and it is a facet of inseparable meaningful right to life under Article 21" of the Constitution of India.

N.C. Dhourial vs. Union of India and Ors. (2011) 2 SCC 279 the Supreme Court held that the right to shelter is a fundamental right available to every citizen of India. It was also read into the right to life guaranteed under Article 21 of the Constitution to make it more meaningful. In para 8 of the judgment, the court succinctly set out the nature of the right and the mandate on the state as follows:-

"In any organised society, right to live as a human being is not ensured by meeting only the animal needs of man. It is secured only when he is assured of all facilities to develop himself and is freed from restrictions which inhibit his growth. All human rights are designed to achieve this object. Right to live guaranteed in any civilised society implies the right to food, water, decent environment, education, medical care and shelter. These are basic human rights known to any civilised society. All civil, political, social and cultural rights enshrined in the Universal Declaration of Human Rights and Convention or under the Constitution of India cannot be exercised without these basic human rights. Shelter for a human being, therefore, is not a mere protection of his life and limb. It is home where he has opportunities to grow physically, mentally, intellectually and spiritually. Right to shelter, therefore, includes adequate living space and decent structures, clean and decent surroundings, sufficient light, pure air and water, electricity, sanitation and other civic amenities like roads etc. so as to have easy access to his daily avocation. The right to shelter, therefore, does not mean a mere right to a roof over one's head but right to all the infrastructure necessary to enable them to live and develop as a human being. Right to shelter when used as an essential requisite to the right to live should be deemed to have been guaranteed as a fundamental right. As is enjoined in the Directive Principles, the State should be deemed to be under an obligation to secure it for its citizens of course subject to its economic budgeting. In a democratic society as a member of the organised civil community one should have permanent shelter so as to physically, mentally and intellectually equip oneself to improve his excellence as a useful citizen as enjoined in the Fundamental Duties and to be a useful citizen and equal participant in democracy. The ultimate object of making a man equipped with a right to dignity of person and equality of status is to enable him to develop himself into a culture being. Want of decent residence, therefore, frustrates the very object of the Constitutional animation of right to equality, economic justice, fundamental right to residence, dignity of person and right to live itself....."

Rajesh Das vs. Tamil Nadu State Human Rights, 27 Feb, 2012, the court held that "The Universal Declaration of Human Rights, 1948 though not a treaty, but is a declaration published by the General Assembly of the United Nations and is the primary document which is concerned with the listing of the rights. It affirmatively lays down the common standards of achievement for all peoples and all nations. It consequently has an effect which is similar to a treaty. Further every nation who is a signatory to the aforementioned International Covenant on Economic, Social and Cultural Rights ('ICESCR') must refrain from acts which would defeat the object and purpose of the covenant. The preamble to the ICESCR establishes that the ideal of free human beings enjoying freedom from fear and want can only be achieved if conditions are created whereby everyone may enjoy his economic, social and cultural rights as well as his civil and political rights".

In *Kapila Hingorani Vs. State of Bihar* January 2012, the Apex court stressed on the importance of respecting International Treaties and Conventions while interpreting the Constitution and domestic law so as to effectuate the recognized rights .

In *Shantistar Builders Vs. Narayan Khimalal Totame & Ors.*, (2011) 1 SCC 520 the Supreme Court had observed as follows:-

"Basic needs of man have traditionally been accepted to be three-food, clothing and shelter. The right to life is guaranteed in any civilized society. That would take within its sweep the right to food, the right to clothing, the right to decent environment and a reasonable accommodation to live in. The difference between the need of an animal and a human being for shelter has to be kept in view. For the animal it is the bare protection of the body; for a human being it has to be a suitable accommodation which would allow him to grow in every aspect - physical, mental and intellectual. The Constitution aims at ensuring fuller development of every child. That would be possible only if the child is in a proper home. It is not necessary that every citizen must be ensured of living in a well-built comfortable house but a reasonable home particularly for people in India can even be mud-built thatched house or a mud- built fire-proof accommodation."

Thus , it has been seen that the Supreme Court while interpreting the provision of the Bill of Rights has drawn deeply upon the universally agreed upon human rights and has also given widest possible definition to human dignity. It is an ongoing process and it is hoped, the present judicial trend will continue.

CHALLENGES

- Lack of proper value education in school and society we are facing human rights problem. Some facts related to human rights problem are given bellow.
- Violation of human rights is a regular feature by persons in power or persons belonging to the under-world.
- Police violation of human rights is a recurring phenomenon.
- forced or bonded labour.
- Judiciary takes a long time in deciding the cases of human rights violation.
- Women trafficking and female foeticide is also rampant in most places.
- Moral and ethical values exist in name only. No practices of values\Materialism are causing the violation of human rights.
- Enforcement machinery is dilatory and lacks the desired powers.
- Machinery designed to ensure the protection of Human rights is not adequate to tackle large number of personnel and people are unaware of the structure and functions of such machinery.
- There is Centralization: Need Decentralization.
- Universities, colleges and other institutions not involved in the education of Human rights.
- Politicians of whatever political parties they belong do not adhere to Human rights and Duties.

³⁴ AIR 1979 SC P. 1369

³⁵ SCC 4 (1987) P.373 P. 381

³⁶ AIR 1995 SC P. 264

³⁷ AIR 1980 SC P. 1535

SUGGESTIONS

- Rights and duties must be pursued simultaneously.
- Need of Genuine leadership to support rights of common men.
- Need of sensitizing police personnel through education and training.
- Need to inculcate ethical and moral value.
- Emphasis on Human rights Education in Universities.
- Research and Documentation in Human right.
- Introducing human rights topics in school education.
- Arranging seminar on different areas of human rights through experts from different discipline by engaging in interdisciplinary Approach.
- Discussion with opinion leaders in cities.
- Student's involvement is must. Human rights organizations require a comprehensive, standardized naming and border database in order to gather satellite imagery of locations of suspected human rights abuses.
- Activists and individuals should attempt to use social networking and other new communications, such as mobile text-messaging, to promote free speech, report abuses and coordinate medical care.

CONCLUSION

It was the UDHR, almost 60 years ago, that first recognized what have become nowadays universal values: human rights are inherent to all and the concern of the whole of the international community. Drafted by representatives of all regions and legal traditions, the UDHR has stood the test of time and resisted attacks based on "relativism". The Declaration and its core values, including non-discrimination, equality, fairness and universality, apply to everyone, everywhere and always. The UDHR belongs to all of us. The UDHR protects all of us, and it also enshrines the gamut of human rights. The drafters of the UDHR saw a future of freedom from fear, but also of freedom from want. They put all human rights on an equal footing and confirmed human rights are essential to a life of dignity. More than ever, in a world threatened by racial, economic and religious divides, we must defend and proclaim the universal principles –first enshrined in the UDHR– of justice, fairness and equality that people across all boundaries hold so deeply.

Human rights are not only a common inheritance of universal values that transcend cultures and traditions, but are quintessentially local values and nationally-owned commitments grounded in international treaties and national constitutions and laws. Not all governments have become parties to all human rights treaties. All countries, however, have accepted the UDHR. The Declaration continues to affirm the inherent human dignity and worth of every person in the world, without distinction of any kind.

The struggle is far from over. As the Declaration's custodians and beneficiaries, all of us must reclaim the UDHR, make it our own. While we are entitled to our human rights, we should also respect the human rights of others and help make universal human rights a reality for all of us. In our efforts lies the power of the UDHR: it is a living document that will continue to inspire generations to come.

Status of the Declaration today- Fifty years have passed since the Declaration was adopted. Despite a continuing struggle in many regions of the world, significant progress has been made in developing legal, moral and institutional regimes consistent with the principles proclaimed in the UDHR. For instance, many human rights non-governmental organizations (NGOs) refer to the Declaration to hold governments accountable for their policies and actions.

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TERM STRUCTURE OF INTEREST RATES AND FISHER EFFECT IN INDIA: AN EMPIRICAL ANALYSIS

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ABSTRACT

Interest rate is a key financial variable affecting almost all the sectors of the economy. The aim of the study is to examine the non-linear relationship in term structure of interest rate and Fisher effect in India by using monthly data for the period from April 1996 to June 2010. Standard unit root test suggests that all the variables are stationary at first difference. Johansen (1991) Cointegration test found that there exist one cointegrating relationship in all the four pair of interest rates, GSEC1-TB91, GSEC5-GSEC1, GSEC10-GSEC1 and GSEC10-GSEC5. This study supports that Fisher effect exists in India in both short and long term interest rates. Hansen-Seo (2002) Threshold Cointegration test is employed to empirically examine non-linearity in all the four pairs of interest rates. But out of these four pairs of interest rates non-linearity exists only in case of GSEC1 and TB91. The current analysis has clear policy implications. An understanding of the behaviour of the interest rate is crucial for a developing country like India as it affects almost all the sectors of the economy.

KEYWORDS

Fisher Effect, Hansen-Seo Threshold Cointegration, Interest Rate, Johansen Cointegration.

JEL CODES

C32, E43.

I. INTRODUCTION

Interest rate is a key financial variable affecting almost all the sectors of the economy. It has been playing a catalyst role in the smooth functioning of an economy. Movements in the interest rates have important implications for the economy's business cycle and crucial to the understanding of financial developments and changes in economic policy. In the era of globalization and stabilization, one of the macro variables that have come into greater focus is the interest rate. This is due to the strengthened integration of the domestic financial sector with the external sector. As there is slackening of restriction in the cross movement of capitals across the countries, this has affected the behavior of domestic variables, particularly interest rates. This has led to the emergence of a new interest rate channel through which the policy shock can be transmitted to attain growth objectives. The channel has become significant and stronger in most of the emerging economies in recent years, depending on the degree of openness of their capital account. This has made to the domestic financial markets vulnerable to the international shocks or cycles.

Understanding the behavior of the interest rate is crucial for appropriate monetary policy, particularly for developing countries that are in the process of deregulating their financial system. Interest rates targets are also a vital tool of monetary policy and are taken into account when dealing with variables like investment, inflation, and employment. Timely forecasts of interest rates can provide valuable information to financial market participants and policy makers. Forecasts of interest rate can also help to reduce interest rate risk faced by individuals and firms. Forecasting interest rate is very useful to central banks in assessing the overall impact of its policy changes and take appropriate corrective action, if necessary. In the last two decades, economists have emphasized the critical role that interest rate policies play in the development process.

1.1 INDIAN CASE

The Indian economy witnessed a regime of complex administered interest rates till the early nineties, when the interest rate policy was driven by considerations of promoting overall investment and channeling credit to identified priority sectors. The policy framework underwent a radical change with the initiation of economic reform in 1991, as a consequence of which the financial sector was gradually liberalized and domestic interest rate were substantially deregulated. In the course of the process of financial sector reform the focus has shifted from the impact of interest rate deregulation to the determination of interest rates in a deregulated economy. The factors influencing interest rates would obviously vary with the extent of openness of the economy.

A study of interest rates in India for 1951-52 to 1985-86 (a period characterized by low or no interest rate deregulation) reveals that domestic factors like the rate of Inflation , Balance of payments, Government market borrowings and Budgetary deficits had a significant effect on interest rates (Bhole,1988). In contrast, in countries with a completely open economy, some form of interest rate arbitrage would hold, with domestic interest rates depending on world interest rates, expected devaluation and some risk factors. In fact, for a highly open economy with dynamic and sophisticated financial markets, the uncovered interest parity theory states that the difference between the domestic and international interest rate equals the expected rate of depreciation of domestic currency whereas domestic factors play an insignificant role in the determination of domestic interest rates (Edward and Khan, 1985).

The increasing globalization of the domestic markets has ensured that India can no longer be considered to be a closed economy. Although domestic monetary factors are found to be highly significant in explaining some domestic market rates (Bhole and Sebastian, 1996), exchange rates seem to play an important role in determining some interest rates (Trivedi, 1998). In India, the financial sector has undergone radical changes since stabilization program initiated in the early 1990s with financial liberalization in the economy, flexibility has been imparted to the movements of interest rates. This is supposed to be a good sign for the economy as it is expected to enhance the efficiency in financial system and thereby leading to the achievement of a higher growth rate.

1.2 TERM STRUCTURE OF INTEREST RATE

The stochastic dynamics of interest rates is a crucial element in modern term structure theories and in pricing of the various interest rate options which are embedded in bond issues today. International studies show that no model of these dynamics is valid world-wide. Further the dynamics of interest rates have important implications for the economy and their forecasts are necessary for all most all economic activities. There is wide agreement that, in the real world the behavior of nominal Interest rates affect the decision making of firms, households and governments. If nominal interest rates are expected to shift in the future, such an expectation will influence a firm's investment in production equipment, a household's savings, debt management policy of governments and so on. These changes in the economic activity of each individual agent will inevitably affect the economic performance of the country. Investigating the behaviour of nominal interest rates is thus undoubtedly crucial for a better understanding of actual macroeconomic performance.

The term structure of interest rate is the variation of the yield of bonds of similar risk profiles with the terms of the bonds. In most cases, bonds with longer maturities have higher yields. However, sometimes the yield curve becomes inverted, with short-term rates and bonds having higher yields than long-term bonds. The yield curve is the relationship of the yield of bonds to the time of maturity. There are 3 characteristics of the term structure of interest rates:

- 1) The change in yields of different term bonds tends to move in the same direction.
- 2) The yields on short-term bonds are more volatile than long-term bonds.
- 3) The yields on long-term bonds tend to be higher than short-term bonds.

The expectations hypothesis has been advanced to explain the first two characteristics and the premium liquidity theory have been advanced to explain the last characteristic.

1.2.1 EXPECTATIONS HYPOTHESIS

According to the expectations hypothesis, long term interest rate is the average of the current and future short term rates that people expect to occur over the life of the long term bond. Hence the expectations hypothesis implies that the yield curve provides information on the future changes in short-term rates. An upward-sloping yield curve causes the rise of the short rate in the future, and a downward-sloping curve causes the fall of the short rate. Thus, the expectations hypothesis implies that the term spread is mean-reverting.

1.2.2 LIQUIDITY PREMIUM THEORY

The liquidity premium theory has been advanced to explain the third characteristic of the term structure of interest rates: that bond with longer maturities tend to have higher yields. It states that interest rate on a long term bond will equal on an average to short term interest rates expected to occur over the life of the long term bond plus the liquidity premium that responds to demand and supply conditions of that bond. It assumes that bonds of different maturities are substitutes but not perfect. Investors prefer short term bonds because these bonds bear less interest rate risk. For this reason investors must be offered positive liquidity premium to induce them to shift to longer term bonds.

In this paper, Section II discusses the theoretical framework and literature on term structure of interest rates and the Fisher effect. Section III presents the importance, objectives, data source and the methodology used in this study. Section IV provides with the empirical results and interpretations and Section V concludes with a summary of the study and suggest policy implications.

II. REVIEW OF LITERATURE AND THE THEORETICAL FRAMEWORK OF FISHER EFFECT

This Section reviews the theoretical framework and empirical studies on the relationship between short and long term interest rates and the Fisher effect.

II.1 EARLIER STUDIES ON TERM STRUCTURE OF INTEREST RATES

Recent studies of the term structure of interest rates, *Campbell and Shiller (1987)*, *Stock and Watson (1988)* found support for a stable relationship between short and long term interest rate, that is, these are "cointegrated.". *Wallace and Warner (1993)*, by using quarterly data from the period 1948:1-1990:4 to test for stable long-run relationship between 3month inflation rate, 3month treasury bills and 10-years Government bond rates, supported both for the existence of a Fisher effect on short- and long term interest rates and for the expectations theory of the term structure of interest rates. *Mankiw and Summers (1984)* examined the hypothesis that financial markets are myopic by studying the term structure of interest rates. The findings in this study suggested that participants in bond markets are not myopic or overly sensitive to recent events. *Dua, Raje and Sahoo (2003)* developed univariate (ARIMA and ARCH/GARCH) and multivariate models (VAR,VECM,and Bayesian VAR) to forecast short and long term interest rates by using weekly data over the period April 1997 through December 2001. The study concluded that the forecasting performance of Bayesian VAR models is satisfactory for most interest rates and their superiority in performance is marked at longer forecast horizons. *Singh and Sen (2006)* have developed a robust model for the forecasting of long term interest rates in India by using multivariate time series technique. The analysis revealed that the long term interest rate is cointegrated with various variables which are macroeconomic in nature.

Dua and Pundit (2002) examined the role of domestic and external factors in the determination of short term interest rates in India in the period from March 1993 to May 2000. Cointegration analysis and Granger causality tests in the framework of error correction models are used to examine the relationship. The result showed that both domestic and external factors have influenced movements in the domestic real interest rate in the post reform period.

Bhattacharya, Bhanumurthy and Malick (2006) investigated how the domestic interest rates are determined by the domestic macro economic variables by using monthly data covering the period from April 1996 to March 2005. *Bhole and Sebastian (1996)* analyzed the determinants of interest rates in a deregulated open economy taking the case of India. Using a capital market integration model and the ratio-cum graph analysis, they found that Indian economy is partial deregulated and open. *Gupta (1986)* examined the determinants of interest rates using a general equilibrium model incorporating the IS-LM model, fisher equation, a Barro type supply function and the uncovered interest rate parity theory. The study found that expected inflation, exogenous expenditure, monetary variables; supply shocks; inflation uncertainty, a foreign interest rate determine nominal interest rates.

Edwards and Khan (1985) have examined determination of interest rates in the developing countries taking the example of Colombia and Singapore by using quarterly data with ordinary least squares. *Ang and Bekaert(1998)* have measured the non-linearity in interest rate by using the regime switching model. This study demonstrated theoretically and empirically that univariate regime-switching models can capture the non-linear mean reversion observed in interest rates in an economically appealing and stationary model.

Bidarkota (1996) examined the real interest forecasts by using both univariate and bivariate model. Within the estimation sample, the bivariate model provides more accurate forecasts of the real interest rate in terms of the prediction error mean deviation. In the post-sample period, the bivariate model outperforms the univariate model both in terms of accuracy of the forecasts and their precision.

Hansen and Seo (2002) examined a two-regime vector error correction model with a single cointegrating vector and a threshold effect in the error correction term by using data from 1952-1991 in case of US. Applying these models to the term structure model of interest rate, they found strong evidence for a threshold effect. *Gospodinov (2004)* addressed some empirical problem in the term structure of interest rate of US by using a threshold autoregressive framework with GARCH errors from the period July 1954 to April 2003. The empirical results indicated a presence of threshold nonlinearities in the AR and GARCH representations of the conditional moments of short-term rates. The paper also reported that allowing for threshold non-linearities in conditional mean and variance leads to significant forecast improvements. The economic significance of these findings is evaluated by the term structure implications of the estimated TAR-GARCH model.

II. 2 THEORETICAL FRAMEWORK OF FISHER EFFECT

The analysis was started with finding relationship between interest rates and expected inflation as per Fisher hypothesis, which states that the nominal interest rate is the sum of real interest rate and expected inflation. The real interest rate in an economy by and large remains unchanged but nominal interest rates undergo point to point adjustment with the expected rate of inflation. Several studies have found strong empirical evidence in support of Fisher hypothesis in developed countries where interest rates are market determined. But in many developing countries interest rates are administered by their central banks and hence a natural relationship is willfully distorted.

Fisher (1930) proposed that nominal interest rate i_t at any period is composed of real interest rate r_t and expected inflation π_t^e as follows.

$$(1+i_t) = (1+r_t)(1+\pi_t^e) \dots\dots\dots (2.1)$$

The equation can be simplified as

$$i_t = r_t + \pi_t^e + r_t \pi_t^e \dots\dots\dots (2.2)$$

Assuming that both interest rate and inflation rate are fairly small (on order of few percentage points) $r_t + \pi_t^e$ is much larger than $r_t \pi_t^e$ and therefore the term can be dropped. Thus the Fisher equation can be approximated to $i_t = r_t + \pi_t^e$. Using the rational expectations model to estimate inflation expectations would mean that the difference between realized inflation π_t and expected inflation π_t^e is captured by an error term (ϵ_t) and thus $\pi_t = \pi_t^e + \epsilon_t$ where $E(\epsilon_t) = 0$.

The equation (2.1) can therefore be modified to $i_t = r_t + \pi_t + \epsilon_t$ and a regression equation for testing the hypothesis can be found as follows:

$$i_t = \alpha + \beta \pi_t + \epsilon_t \dots\dots\dots (2.3)$$

If the value of β is 1 and found significant, it would mean one to one correspondence between interest rate and inflation. Ever since Irving Fisher's "Theory of interest," the conjecture that nominal interest rates vary, *ceteris paribus*, point-for-point with expected inflation has become one of the most studied topics in economics. The Fisher effect is a cornerstone of many theoretical models that generate monetary neutrality and is important for understanding movements in nominal interest rates.

In the empirical literature, past studies in both term structure of interest rate and Fisher effect ignored the stochastic features of these variables and its nonlinearities. This has resulted in identifying only a partial adjustment (temporal co-movement) between the variables. To model the true dynamics of R_t and π_t , now we have an appropriate and powerful econometric methods in the form of "threshold cointegration" methodology developed by Hansen-Seo (2002).

III. SIGNIFICANCE AND METHODOLOGY PART

This Section presents the importance, objectives, data source and the methodology part that is used in this study.

III.1 NEED OF THE STUDY

There are a number of studies regarding the non-linearity in term structure of interest rate and Fisher effect in Developed countries like US and UK, but in case of India there is only very few studies in this topic. Several studies have found strong empirical evidence in support of Fisher hypothesis in developed countries where interest rates are market determined. But in many developing countries like India interest rates are administered by their central banks and hence a natural relationship is willfully distorted. In this study, we attempt to characterize discrete adjustment in terms of threshold cointegration. In particular, we examine the case where the cointegrating relationship is inactive inside a given range and then becomes active once the system gets too far from the "equilibrium". That is, once the system exceeds a certain threshold, cointegration becomes active. The concept of threshold cointegration captures the essence of nonlinear adjustment process envisioned to hold for many economic phenomena. Here, we test in case of the relationship between short and long term interest rates and the relationship between the inflation and interest rate.

III.2 OBJECTIVES OF THE STUDY

- 1) To empirically examine the non-linear relationship between short-term and long-term interest rates in India.
- 2) To identify the presence of non-linearity in Fisher effect in India.

III.3 DATA SOURCE AND METHODOLOGY

This study uses monthly data for the period from April 1996 to June 2010. To measure the relationship between short and long term interest rate, it used 91-days Treasury Bill (TB91), Government securities with (residual) maturities of one year (GSEC1), five years (GSEC5) and ten years (GSEC10). To empirically test the Fisher effect, inflation and all the four interest rates have been considered. Monthly data on TB91, GSEC1, GSEC5, GSEC10, and Wholesale Price Index (WPI) have been collected from Hand book of statistics on Indian economy published by Reserve Bank of India. The inflation rate is calculated from the Wholesale price index (WPI) data for the same period. Further we classified the interest rates as long and short rate into four pairs namely GSEC1-TB91, GSEC5-GSEC1, GSEC10-GSEC1 and GSEC10-GSEC5.

Johansen (1991) cointegration test is applied to measure the short and long rate relationship and the relationship between inflation with all the four interest rates. Hansen-Seo (2002) threshold cointegration test is employed to empirically examine non-linearity in these relationships.

IV. EMPIRICAL INVESTIGATION

This section presents the empirical results and interprets with discussion.

IV.1 GRAPHICAL REPRESENTATION

To give some initial sense of relationship between long-term and short-term interest rate, we have plotted these variables. The graphs plotted below have clearly shown that there exists the relationship between the long term and short term interest rates. The Figure 1 depicts that the GSEC1 and TB91 are co-move with each other. Both the rates fall continuously in the initial period from April-96 to October-97. From October-97 to July-98 there is sharp rise in both the rates and thereafter there is continuous fall in both the periods which is attributed to increased openness of the economy. Similarly Figure 2 to 4 describes that interest rate at various (TB91, GSEC1, GSEC5 and GSEC10) levels are closely related.

FIGURE 1: GSEC1 AND TB91

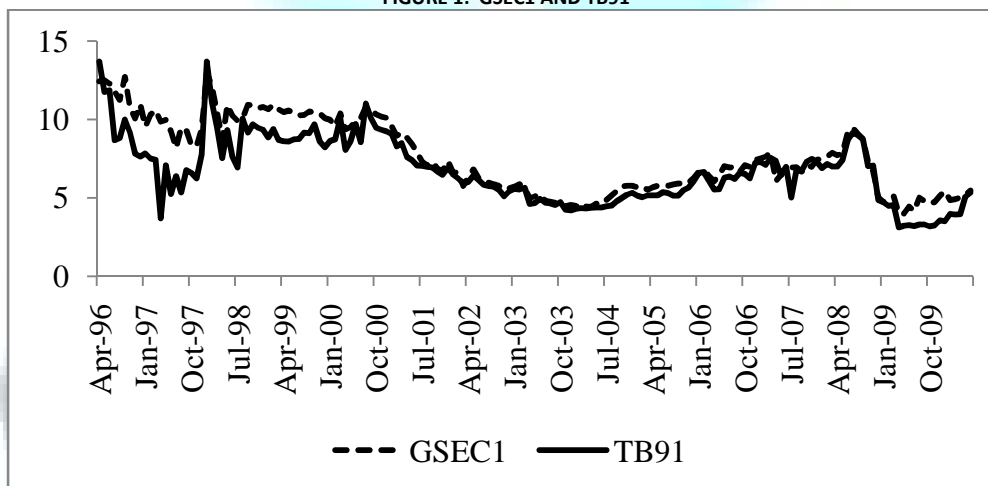


FIGURE 2: GSEC5 AND GSEC1

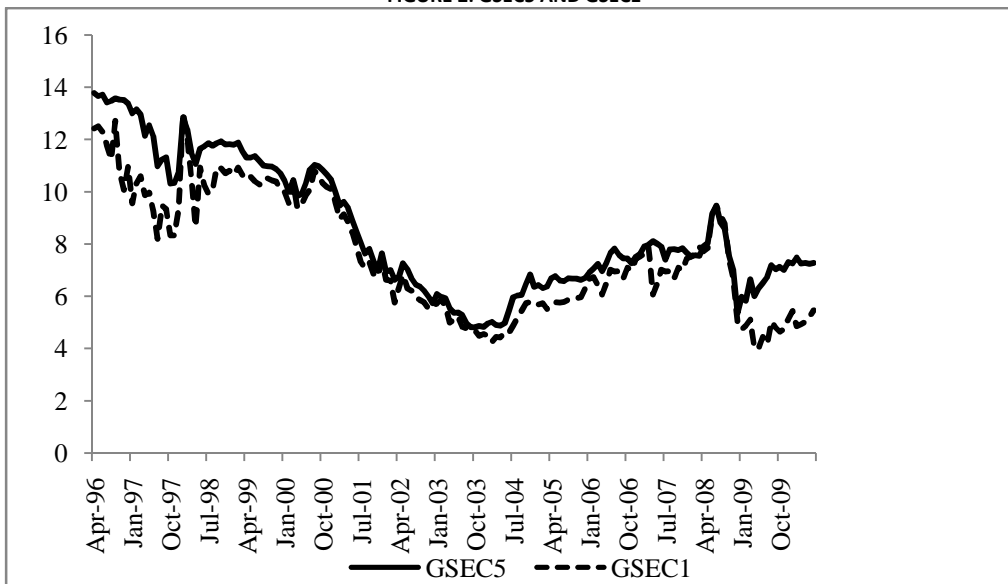


FIGURE 3: GSEC10 AND GSEC1

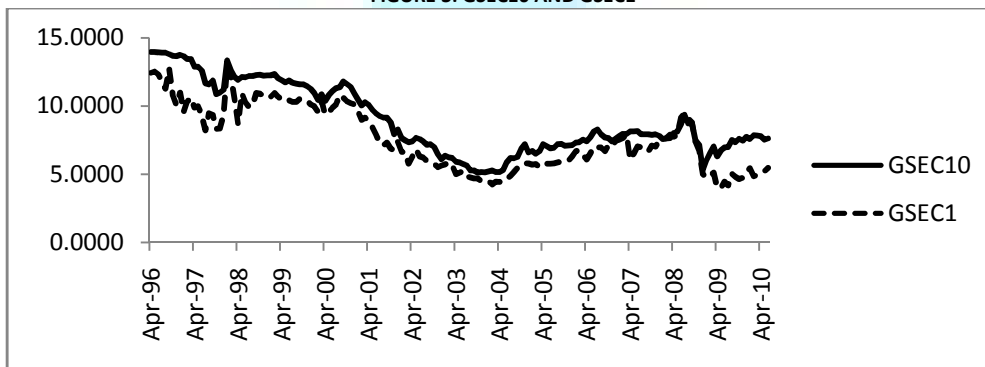
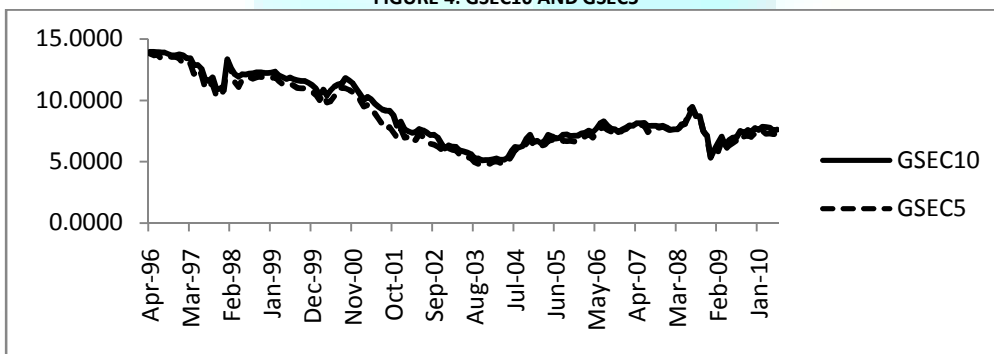


FIGURE 4: GSEC10 AND GSEC5



The figure -5 to 8 depicts co- movement between inflation and all the interest rates.

FIGURE 5: TB91 AND INFLATION

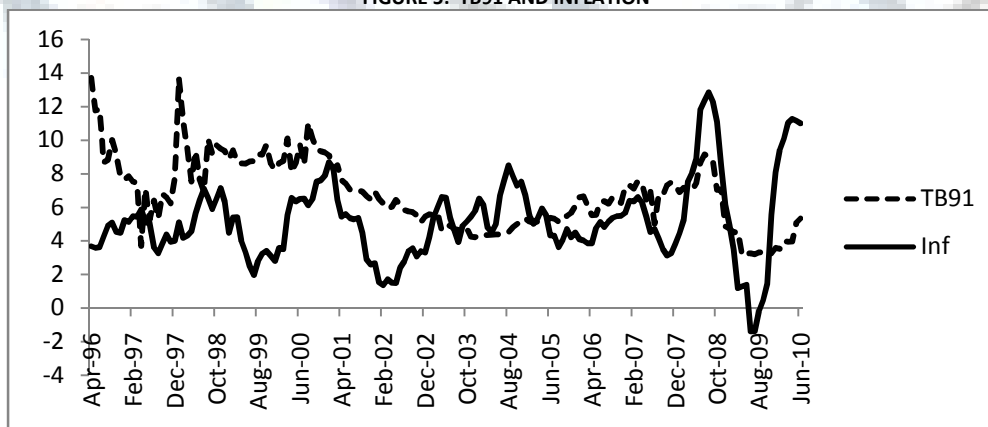


FIGURE 6: GSEC1 AND INFLATION

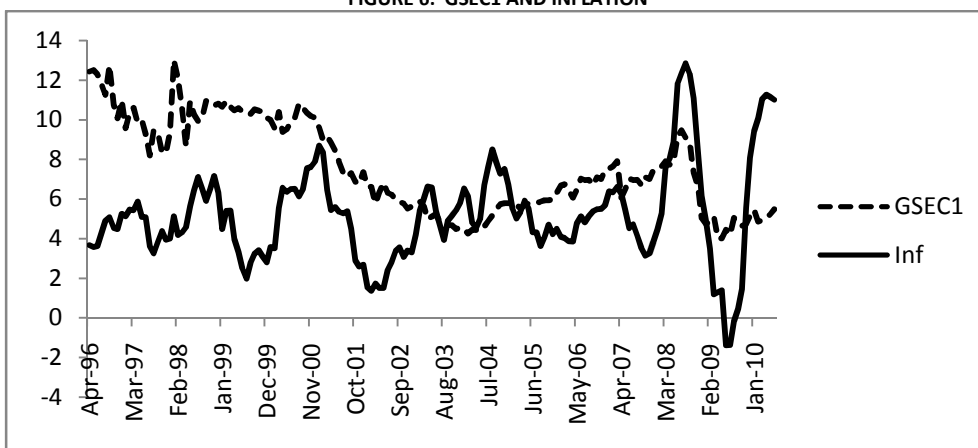


FIGURE 7: GSEC5 AND INFLATION

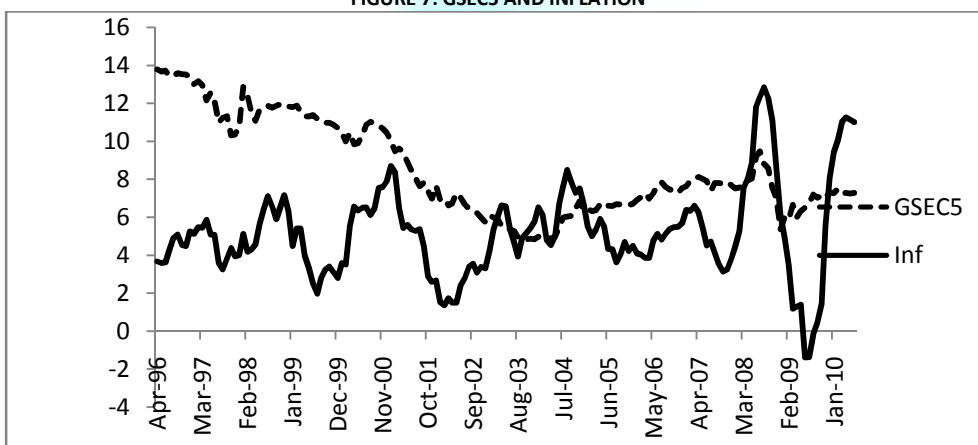
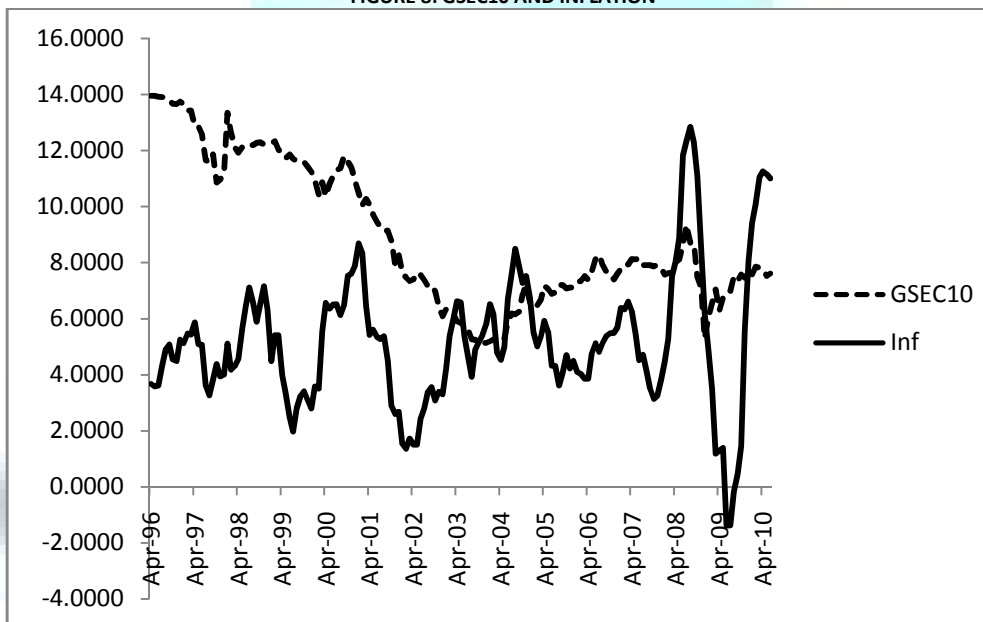


FIGURE 8: GSEC10 AND INFLATION



IV.2 RELATIONSHIP BETWEEN SHORT AND LONG TERM INTEREST RATES

The interest rates are checked for the stationarity using an Augmented Dickey-Fuller test. Table 4.1 clearly shows that the null hypotheses of unit root cannot be rejected at the levels for TB91, GSEC1, GSEC5 and GSEC10 for the period from April 1996 to June 2010. However, the results of ADF for all the series at first difference are stationary.

TABLE 4.1: UNIT ROOT TEST

Variables	Level ADF Statistic	1 st difference ADF Statistic
TB91	-1.5813	-17.4938*
GSEC1	-1.4710	-9.3005*
GSEC5	-1.8037	-12.4141*
GSEC10	-1.7597	-12.9834*

*denotes significance at 5% level.

TABLE 4.2: JOHANSEN COINTEGRATION TEST FOR SHORT AND LONG TERM INTEREST RATES

Variables	Lag	Hypothesis	Eigen Value	λ_{TRACE}	λ_{MAX}
GSEC1-TB91	L=2	r = 0	0.092	18.761* (0.0037)	16.253* (0.0061)
		r ≤ 1	0.014	2.508 (0.13)	2.508 (0.13)
GSEC5-GSEC1	L=1	r = 0	0.064	13.787* (0.02)	11.346* (0.04)
		r ≤ 1	0.014	2.441 (0.13)	2.441 (0.13)
GSEC10-GSEC1	L=1	r = 0	0.076	16.183* (0.01)	13.501* (0.01)
		r ≤ 1	0.015	2.682 (0.11)	2.682 (0.11)
GSEC10-GSEC5	L=1	r = 0	0.096	20.359* (0.001)	17.241* (0.03)
		r ≤ 1	0.018	3.117 (0.09)	3.117 (0.09)

In the parentheses are p-values and *denotes significance at 5% level.

Further we designed four pairs of interest rates as long rate and short rate namely GSEC1-TB91, GSEC5-GSEC1, GSEC10-GSEC1 and GSEC10-GSEC5. To understand the cointegrating relationship across these pairs we applied Johansen (1991) cointegration test on these pairs and the results are provided in Table 4.2. The λ_{TRACE} and λ_{MAX} statistics indicate the presence of one cointegrating relationship exists in all of these pairs of long and short term interest rates. Further Table 4.3 shows the estimated normalized cointegrating vectors for all the cases.

TABLE 4.3: RESULTS OF COINTEGRATION SPACE

Variables	Normalized Cointegrating Vector
GSEC1-TB91	(1,-1.15)
GSEC5-GSEC1	(1,-1.15)
GSEC10-GSEC1	(1,-1.19)
GSEC10-GSEC5	(1,-1.04)

IV.3 TERM STRUCTURE OF INTEREST RATES

Let r_t be the interest rate on a one-period bond and R_t be the interest rate on a multi-period bond. As suggested by Campbell and Shiller (1987), the theory of the term structure of interest rates suggests that r_t and R_t should be cointegrated with, a unit cointegrating vector. This has led to a large empirical literature estimating linear VAR models such as:-

$$\begin{pmatrix} \Delta R_t \\ \Delta r_t \end{pmatrix} = \mu + \alpha w_{t-1} + \Gamma \begin{pmatrix} \Delta R_{t-1} \\ \Delta r_{t-1} \end{pmatrix} + u_t \dots\dots\dots (4.1)$$

With, $w_{t-1} = R_{t-1} - \beta r_{t-1}$. Setting $\beta = 1$, the error correction term is the interest rate spread. Linearity, however, is not implied by the theory of term structure. In this section, we explore the possibility that a threshold cointegration model provides a better empirical description. To address this question, we estimated threshold cointegration model of Hansen and Seo (2002) the short and long term interest rate pairs classified above. The lag length criterion consistently picked l=1 and l=2 across specifications. We run the threshold model for both l=1 and 2 and presented the results.

Further the threshold model is estimated for both fixing the cointegrating vector $\beta = 1$ and letting $\hat{\beta}$ be estimated by the threshold model itself. For the complete bivariate specification, the SupLM test (estimated β) and the SupLM⁰ test ($\beta = 1$) with 100 grid points, and the p-values calculated by the parametric bootstrap. All p-values were computed with 15000 simulation replications. The results are presented in Table 4.4

The multivariate tests point to the presence of threshold cointegration in some of the bivariate relationships. In one of the four models, the SupLM⁰ statistic is significant at the 10% level when L=1 and β is fixed at unity. If we set L=2, the evidence appears to weaken, with none of the models is significant at 10% level. If instead of fixing β we estimate it freely, the evidence for threshold cointegration is increased, with one of four significant at the 5% level. If we set L=2, the evidence appears to strengthen, with two of the four significant at the 5% level.

TABLE 4.4: TEST FOR THRESHOLD COINTEGRATION

Long rate	Short rate	Bivariate			
		$\beta = 1$		$\hat{\beta}$ estimated	
		L=1	L=2	L=1	L=2
GSEC1	TB91	0.125	0.500	0.005	0.008
GSEC5	GSEC1	0.072	0.378	0.378	0.087
GSEC10	GSEC1	0.176	0.134	0.344	0.175
GSEC10	GSEC5	0.757	0.284	0.407	0.237

Next, we report the parameter estimates for one of the relatively successful models, the bivariate relationship between the GSEC1 (360days) and TB91 (91 days).

The estimated cointegrating relationship is $w_t = R_t - 1.47 r_t$, more to a unit coefficient. The results we report are for the case of estimated cointegrating vector, but the results are very similar if the unit coefficient is imposed.

The estimated threshold is $\hat{\gamma} = -0.29$. Thus the first regime occurs when $R_t \leq 1.47 r_t - 0.29$ i.e., when the GSEC1 is more than 0.29 percentage points below the TB91 days. This is the 'typical' regime in our study with 94 percent of observations falling in that period. The second regime with the remaining 6 percent of observations is when $R_t > 1.47 r_t - 0.29$, which we label as the "extreme" regime.

The estimated threshold VECM is given below.

$$\Delta R_t = \begin{cases} 0.29 + 0.13 w_{t-1} - 0.13 \Delta R_{t-1} + 0.10 \Delta r_t + u_{1t}, & w_{t-1} \leq -0.29 \\ (0.16) \quad (0.05) \quad (0.14) \quad (0.09) \\ -0.01 + 0.68 w_{t-1} + 0.47 \Delta R_{t-1} + 0.92 \Delta r_{t-1} + u_{1t}, & w_{t-1} > -0.29 \\ (0.14) \quad (0.52) \quad (0.28) \quad (0.65) \end{cases}$$

$$\Delta r_t = \begin{cases} 0.50 + 0.23 w_{t-1} + 0.25 \Delta R_{t-1} - 0.22 \Delta r_{t-1} + u_{2t}, & w_{t-1} \leq -0.29 \\ (0.27) \quad (0.09) \quad (0.17) \quad (0.10) \\ 0.18 - 1.04 w_{t-1} + 0.32 \Delta R_{t-1} - 2.09 \Delta r_t + u_{2t}, & w_{t-1} > -0.29 \\ (0.14) \quad (0.82) \quad (0.38) \quad (0.99) \end{cases}$$

Eicker-white standard errors are in parentheses. In the typical regime, ΔR_t and Δr_t have minimal error-correction effects and minimal dynamics. They are close to white noise, indicating that in this regime, R_t and r_t are close to drift less random walk.

Error-correction appears to occur only in the unusual regime (when R_t is much below r_t). There is a strong error-correction effect in the short-rate equation. In the long rate equation, the point estimate for the error-correction term is moderately large, and on the borderline of statistical significance. The remaining dynamic coefficients are imprecisely estimated due to the small sample in this regime. In this estimated model, ΔR_t and Δr_t are a function of w_{t-1} , holding the other variables constant. In this model, R_t and r_t refers to GSEC1 and TB91 respectively.

One finding of great interest is that the estimated error-correction effects are positive. A large positive spread $R_t - r_t$ means that the long term interest rate is earning a higher interest rate; so long term interest rate has a scope to readjust its value. Using linear correlation methods, *Campbell and Shiller (1991)* and *Campbell (1995)* found considerable evidence contradicting this prediction of the term structure theory. They found that the changes in the short rate are positively correlated with the spread, but changes in the long rate are negatively correlated with the spread, especially at longer horizons. But this finding is viewed as a puzzle. In contrast, our results are roughly consistent with this term structure prediction. In all four estimated bivariate relationships, the four error-correction coefficients (for the long and short rate in the two regimes) are positive in three cases and in one case it is significantly different from zero. As expected, the short rate coefficients are typically positive (two of four models the coefficients are positive in both regimes), and the three long rate coefficients are positive and one is negative.

IV.4 THE FISHER EFFECT

The Fisher hypothesis requires nominal interest rate (r_t) to be cointegrated with the inflation rate (π_t) with a unit cointegrating vector. In order to test for this, we estimated the following equation

$$\begin{pmatrix} \Delta r_t \\ \Delta \pi_t \end{pmatrix} = \mu + \alpha w_{t-1} + \Gamma \begin{pmatrix} \Delta r_{t-1} \\ \Delta \pi_{t-1} \end{pmatrix} + u_t \quad \dots\dots\dots (4.2)$$

with $w_{t-1} = r_t - \beta \pi_{t-1}$ being the error correction term. When $\beta = 1$, the error correction term is the traditional fisher equation. Any other value of β would imply a partial Fisher effect. First we run the *Johansen (1991)* test of bivariate cointegration (to reject the null hypothesis of no cointegration). Then based on these results we examine for threshold cointegration between nominal interest rate and the inflation rate.

Before apply *Johansen cointegration (1991)* test we have to test for stationarity of the series. Table 4.5 shows the ADF unit root test for the inflation rate. The results of ADF test show that inflation rate is I (1) in the sample period.

TABLE 4.5 UNIT ROOT TEST

Variable	Level ADF statistic	1 st difference ADF test
INF	-0.3577	-9.8768*

We examined the cointegration analysis by taking the short and long term interest with the monthly inflation rate .It shows there is one cointegration relation in each case. The test rejects the null hypotheses of no cointegration. Table 4.6 shows that there is a cointegration between INF-TB1, INF-GSEC1, INF-GSEC5, and INF-GSEC10. It shows that the fisher effect exists in Indian case in both short and long run. It refers to that inflation is related to short as well as long term interest rate. Fisher effect is partial. It is not a one-to-one relationship.

TABLE 4.6: JOHANSEN COINTEGRATION TEST FOR INFLATION AND INTEREST RATE

Variables	Lag	Hypothesis	Eigen Value	λ_{TRACE}	λ_{MAX}
INF-TB91	l=2	r=0	0.075	14.947*	13.108*
		$r \leq 1$	0.010	1.838 (0.206)	1.838 (0.206)
INF-GSEC1	l=4	r=0	0.073	16.511*	12.651*
		$r \leq 1$	0.022	3.859 (0.058)	3.859 (0.058)
INF-GSEC5	l=4	r=0	0.087	18.609*	15.243*
		$r \leq 1$	0.020	3.366 (0.078)	3.366 (0.078)
INF-GSEC10	l=4	r=0	0.090	18.901*	15.795*
		$r \leq 1$	0.018	3.106 (0.092)	3.106 (0.092)

In the parentheses are p-values. *denotes significance at 5% level

Table 4.7 shows the estimated normalized cointegrating vectors for the inflation rate and short and long term interest rates for each cases in which evidence of cointegration was found. The cointegrating relationship between Inflation and TB91 with a normalized cointegration coefficient is equal to (1,-0.82). The normalized cointegration coefficient in case of Inflation- GSEC1, Inflation- GSEC5, Inflation- GSEC10 are (1,-0.62) (1,-0.62) and (1,-0.59) respectively.

TABLE 4.7: RESULTS OF COINTEGRATING SPACE

variables	Normalized cointegrating vector
INF-TB91	(1,-0.82)
INF-GSEC1	(1,-0.62)
INF-GSEC5	(1,-0.62)
INF-GSEC10	(1,-0.59)

Table 4.8 gives the p -values for tests of threshold cointegration, which are calculated by a parametric bootstrap, with 15000 replications. The tests used are the SupLM test for estimated β (the cointegrating vector is estimated) and SupLM^o for $\beta = 1$ (the cointegrating vector is estimated)

TABLE 4.8: TESTS FOR THRESHOLD COINTEGRATION

Inflation rate	Interest rate	Bivariate			
		$\beta = 1$		$\hat{\beta}$ estimated	
		L=1	L=2	L=1	L=2
INF	TB91	0.197	0.576	0.206	0.258
INF	GSEC1	0.082	0.439	0.188	0.288
INF	GSEC5	0.343	0.374	0.086	0.140
INF	GSEC10	0.413	0.752	0.144	0.134

In testing for threshold cointegration, we estimate equation (4.2) and then use the SupLM test (estimated cointegrated vector) and SupLM^o test (cointegration coefficient=1), with p -values calculated by bootstrap. None of the bootstrap parametric values is significant in either lag specification in both cases. The result shows absence of threshold cointegration. This clearly mentions that there is no non-linearity in Fisher effect in India but there exists a linear cointegration relationship.

V. SUMMARY AND CONCLUSIONS

This section summarizes the findings with some policy implications. This study aimed at empirically validating non-linearity in term structure of interest rate and Fisher effect for India. This study has taken four interest rates and classified into four groups as short and long term interest rates. They are TB91, GSEC1, GSEC5, and GSEC10. For examining the Fisher effect, inflation is calculated from the Wholesale Price Index (WPI). The data period covers from April 1996 to June 2010. Standard unit root test suggests that all the variables are stationary at first difference. Johansen (1991) cointegration test found that there exist one cointegrating relationship in all the four pair of interest rates, GSEC1-TB91, GSEC5-GSEC1, GSEC10-GSEC1 and GSEC10-GSEC5. To examine Fisher effect, it has tested Johansen (1991) cointegration for Inflation with all the four interest rates. There exists one cointegrating relationship with inflation and all the interest rates. There is a linear relationship between inflation and interest rate. This study supports for Fisher effect in India. It confirms that Fisher effect exists in India in both short and long term interest rates. The non-linearity in interest rate is tested by Hansen-Seo (2002) threshold model in all the four pairs of interest rates. But out of these four pairs of interest rates non-linearity exists only in case of GSEC1 and TB91. While there is a co-movement in inflation and interest rates in India, Threshold cointegration test clearly rejects the non-linearity in this relationship.

V.1 POLICY IMPLICATIONS

Appropriate monetary policy framed by monetary authority as desired by different circumstances of the economy has a significant impact on different economic variables such as interest rate and inflation. The current analysis has clear policy implications. For better macroeconomic performance, an understanding of the behaviour of the interest rate is crucial for a developing country like India as it affects all the sectors of the economy.

V.2 DIRECTION FOR FUTURE RESEARCH

- 1) Comparing the non-linearity measure of term structure and Fisher effect by threshold model with other alternative models existing in the literature will be a value addition to the literature.
- 2) This study can be extended by including many countries there by enabling us to examine the non-linearity in term structure of interest rate and Fisher effect in other developing and developed countries.

ACKNOWLEDGMENT

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APPENDIX

DESCRIPTIVE STATISTICS

The descriptive statistics and Jarque-Bera test of normality shows that all the series i.e.TB91, GSEC1, GSEC5, GSEC10 and Inflation rate are not following a normal distribution.

FIGURE A: DESCRIPTIVE STATISTICS OF TB91

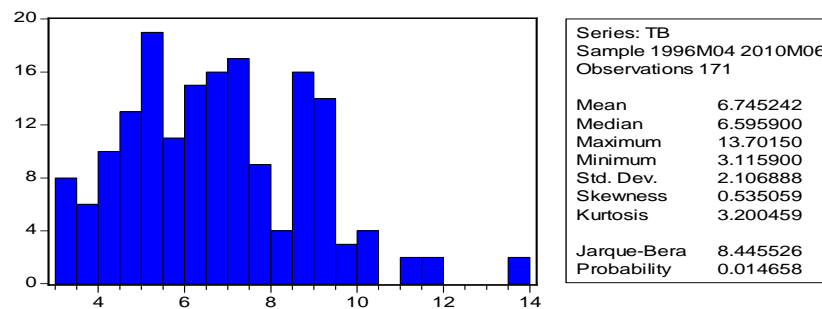


FIGURE B: DESCRIPTIVE STATISTICS OF GSEC1

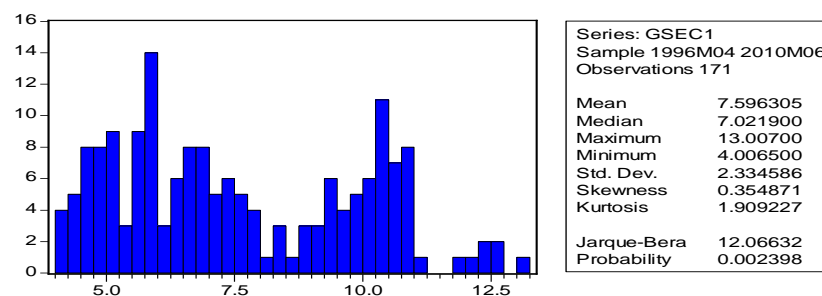


FIGURE C: DESCRIPTIVE STATISTICS OF GSEC5

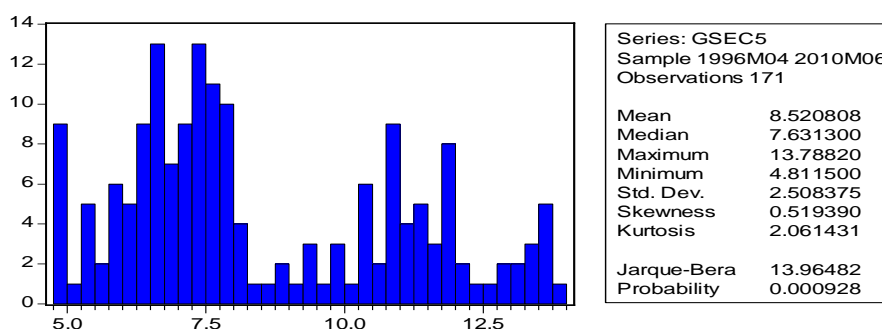


FIGURE D: DESCRIPTIVE STATISTICS OF GSEC10

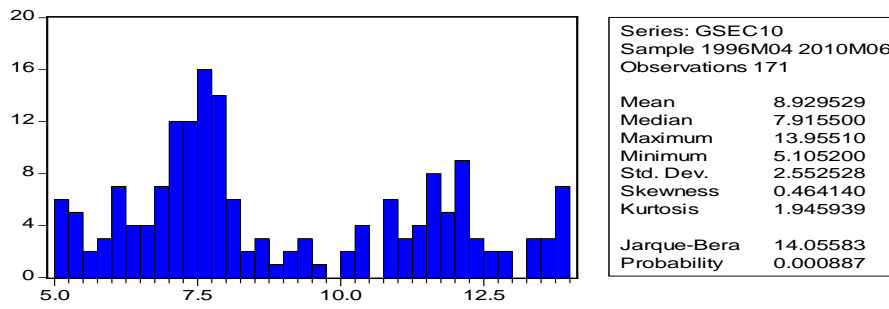
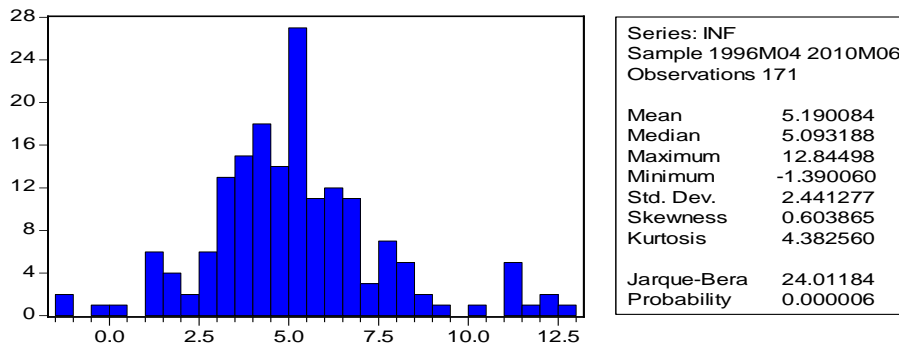


FIGURE E: DESCRIPTIVE STATISTICS OF INFLATION RATE



EMPLOYEE RETENTION

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ABSTRACT

In the organizations, people spend most of their active lives. Hence, it needs to be purposeful. There is every need that employees understand the worth of their lives in the workplace. At the same time, each employee needs to understand his/her own meaning of life and find out what gives them sustained satisfaction and happiness in life. Let them know the potential in them. Know Transform their negativity into positivity. Organizations should try to develop spiritual intelligence of their employees and only those managers can nourish the spirituality of their employees who are themselves nourished. Research studies have indicated that a majority of successful organizations have their own unique organizational cultures. when there exist a great amount of clarity and common understanding about the culture of an organization, it helps in attracting and retaining people who inherently 'share' that basic line of thinking.

KEYWORDS

Employee, Employer, Organization, Retention, Turnover.

INTRODUCTION

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization in all ways. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for a talented person. There are many organizations which are looking for such employees. If a person is not satisfied by the job he is doing, he may switch over to some another more suitable job. High rate of employee turnover is a warning to the Employer that something is wrong with the health of the organization. In today's environment it becomes very important for organizations to retain their employees. The Employer should try to retain its employees because employee turnover involves huge costs. The Employer spends money on recruitment, selection, training of new employees. If an employee leaves an organization, the expenditure incurred on his employment, training etc. will go waste. Employees stay and leave organizations for some reasons. The reason may be personal or professional. These reasons should be understood by the employer and should be taken care of. The organizations are becoming aware of these reasons and adopting many strategies of employee retention. The top organizations are on the top because they value their employees and they know how to keep them glued to the organization. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees. Employee retention would require a lot of efforts, energy and resources but the results are worth it.

SCOPE OF RETENTION

Now a days employee turnover is a universal problem. It is a natural tendency of an employee that they switch over to a new job which is more descent and comfortable and is better paid. This leads to an employee turnover. Upto a certain percentage, employee turnover is tolerable, but beyond this it becomes a serious problem. Employee turnover may prove to be a costly process as it involves –

- High cost of procurement, involving time and efforts for recruitment, interviewing and finding out replacements.
- Training cost, involving time of personnel department and trainer.
- Low employee morale and team spirit.
- Gap in filling the vacancies therefore affecting smooth working of an organization.
- Higher rate of industrial accidents.
- Production equipments are fully utilized.
- Scrap and waste rates increases when new employees are involved.
- Market reputation of the employer is adversely affected if orders are not executed on time or services are not provided efficiently.

IMPORTANCE OF RETENTION

Now that so much is being done by organizations to retain its employees, why is retention is so important? Is it just to reduce the turnover cost? Well, the answer is a definite no. Its not only the cost incurred by a company that emphasizes the need of retaining employees but also the process of employee retention will benefit an organization in the following ways:

The Cost of Turnover: The cost of employee turnover adds hundreds and thousands of money to a company's expenses. While it is difficult to fully calculate the cost of turnover industry experts often quote 25% of the average employee salary as a conservative estimate.

Loss of Company Knowledge: When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history (sometimes to competitors).

Interruption of Customer Service: Customers and clients do business with a company in part because of the people. Relationships are developed and when an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss.

Turnover leads to more Turnovers: When an employee terminates, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.

Goodwill of the Company: The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.

Regaining Efficiency: If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly. And even after this you cannot assure us of the same efficiency from the new employee.

STRATEGIES FOR RETENTION

The reason for turnover may be personal or professional. These reasons should be understood by the employer and should be taken care of. Select the right people in the first place through behavior based testing and competency screening. The right person, in the right seat, on the right bus is the starting point. At the same time, don't neglect to hire people with the innate talent, ability, and smarts to work in almost any position even if you don't currently have the "best" match available. Hire the smartest people you can find to reduce employee turnover. Once the right person is recruited efforts should be made to retain them from getting poached. The organizations are becoming aware of the cost involved in employees from getting poached. The organizations are becoming aware of the cost involved in employee turnover and adopting many strategies for employee retention.

COMPENSATION

Compensation constitutes the largest part of the employee retention process. The employees always have high expectations regarding their compensation packages. Compensation packages vary from industry to industry. So an attractive compensation packages plays a critical role in retaining the employees. While setting up the packages, the following components should be kept in mind:

Salary and Monthly Wage: It is the biggest component of the compensation package. It is also the most common factor of comparison among employees. It includes basic wage, house rent allowance, dearness allowance, city compensatory allowance. Salary and wages represent the level of skill and experience an individual has. Time to time increase in the salaries and wages of employees should be done. And this increase should be based on the employees' performance and his contribution to the organization.

Bonus: Bonuses are usually given to employees at the end of the year or on a festival.

Economic Benefits: It includes paid holidays, leave travel concession etc.

Long-Term Incentives: Long-Term Incentives include stock options or stock grants. These incentives help retain employees in the organization's startup stage.

Health insurance: Health insurance is a great benefit to the employees. It saves employees money as well as gives them a peace of mind that they have somebody to take care of them in bad times.

After Retirement: It includes payments that an employee gets after he retires like EPF (Employee Provident Fund) etc.

Miscellaneous Compensation: It may include employee assistance programs (like psychological counseling, legal assistance etc.), discounts on company products, use of a company cars, etc.

GROWTH AND DEVELOPMENT

Growth and development are the integral part of every individual's career. If an employee cannot foresee his path of career development in his current organization, there are chances that he'll leave the organization as soon as he gets an opportunity. The important factors in employee growth that an employee looks for himself are:

Work Profile: The work profile on which the employee is working should be in sync with his capabilities. The profile should not be too low or too high.

Personal Growth and Dream: Employees responsibilities in the organization should help him achieve his personal goals also. Organizations cannot keep aside the individual goals of employees and foster organizations goals. If he is not satisfied with his growth, he'll not be able to contribute in organization growth.

Training and Development: Employees should be trained and given chance to improve and enhance their skills. Many employers fear that if the employees are well trained, they'll leave the organization for better jobs. Organization should not limit the resources on which organization's success depends.

SUPPORT

Lack of support from Employer can sometimes serve as a reason for employee turnover. Supervisor should support his subordinates in a way so that each one of them is a success. Employer should try to focus on its employees and support them not only in their difficult time at work but also through the times of personal crisis. Employer can support employees by providing them recognition and appreciation.

Employers can also support their employees by creating an environment of trust and inculcating the organizational values into employees. Thus employers can support their employees in a number of ways as follows:

- By providing feedback
- By giving recognition and rewards
- By counseling them
- By providing emotional support

RELATIONSHIP

Sometimes the relationship with the Employer and the peers becomes the reason for an employee to leave the organization. There are times when an employee starts feeling bitterness towards the Employer or peers. This bitterness could be due to many reasons. This decreases employee's interest and he becomes demotivated. It leads to less satisfaction and eventually attrition.

To enhance good professional relationships at work, the Employer should keep the following points in mind.

Respect for the individual: Respect for the individual is the must in the organization.

Relationship with the immediate manager: A manager plays the role of a mentor and a Coach. So an organization should hire managers who can make and maintain good relations with their subordinates.

Relationship with colleagues: Promote team work, not only among teams but in different departments as well. This will induce competition as well as improve the relationships among colleagues.

Recruit whole heartedly: An employee should be recruited if there is a proper place and duties for him to perform. Otherwise he'll feel useless and will be dissatisfied.

Promote an employee based culture: Show employees that the organization cares and he'll show the same for the organization. An employee based culture may include decision making authority, availability of resources, open door policy, etc.

Individual development: Create opportunities for their career growth by providing mentorship programs, certifications, educational courses, etc.

Induce loyalty: Organizations should be loyal as well as they should promote loyalty in the employees too. Try to make the current employees stay instead of recruiting new ones.

It is not about managing retention. It is about managing people. If an organization manages people well, employee retention will take care of itself. Organizations should focus on managing the work environment to make better use of the available human assets.

ENVIRONMENT

The organization is second home to the employee. Organization environment includes culture, values, company reputation, and quality of people in the organization, employee development and career growth, risk taking, leading technologies, trust.

TYPES OF ENVIRONMENT THE EMPLOYEE NEEDS IN AN ORGANIZATION

- **Learning environment:** It includes continuous learning and improvement of the individual, certifications and provision for higher studies, etc.
- **Support environment:** Organization can provide support in the form of work-life balance. Work life balance includes flexible hours, telecommuting, dependent care, alternate work schedules, vacations, and wellness.
- **Work environment:** It includes efficient managers, supportive co-workers, challenging work, involvement in decision-making, clarity of work and responsibilities, and recognition.

Lack or absence of such environment pushes employees to look for new opportunities. The environment should be such that the employee feels connected to the organization in

OTHER REMEDIAL MEASURES

- According to research by the Gallup organization, encourage employees to have good, even best, friends, at work.
- Provide opportunities for people to share their knowledge via training sessions, presentations, mentoring other and team assignments.
- Demonstrate respect for employees at all times. Listen to them deeply; use their ideas; never ridicule or shame them.
- Offer performance feedback and praise good efforts and results to reduce employee turnover.
- People want to enjoy their work. Make work fun.
- Enable employees to balance work and life. Allow flexible starting times, core business hours and flexible ending times.
- Involve employees in decisions that affect their jobs and the overall direction of the company whenever possible. Involve them in the discussion about company vision, mission, values, and goals.
- Recognize excellent performance, and especially, link pay to performance to reduce employee turnover.
- Base the upside of bonus potential on the success of both the employee and the company and make it limitless within company parameters.
- Staff adequately so overburden is minimized and people don't wear themselves out.
- Nurture and celebrate organization traditions. Have company dinner at a hotel for developing relationships.
- Recognizing professional as well as personal significant events such as birthday gifts, wedding gifts, anniversary gifts etc.
- Provide opportunities within the company for cross-training and career progression.
- Communicate goals, roles and responsibilities so people know what is expected and feel like part of the in-crowd.

CONCLUSION

"It is very easy to take one eye off retention. The cost of doing this can be very high."

Linda Emery, Head of Talent Employer, Unilever, UK

Retaining best employees is a strictly rational business strategy. In business terms, there is need to calculate the costs of losing and replacing key talent. For those who believe in the "easy come, easy go" philosophy of hiring and turnover, assessing these costs objectively can be eye-opening. Running the numbers can sharpen commitment to keeping most valuable employees.

In these turbulent times, exacerbated by a tight labor market, employers will be continually challenged to locate, attract, optimize and retain the talent they need to serve their customers. The most successful employers will be those who legitimately inspire highly talented workers to join them and stay with them. In today's highly competitive employment world, employers of all kinds are eager to differentiate themselves from other organizations. Their objective is to create a high performance workplace and "high performance workplaces are characterized by their creativity, innovation, flexibility and competitiveness. This can be achieved by the talented committed employees – "high potentials". They are the heart and soul of the organization and competitors want them. In such a situation attention to retention is critical.

Employer should be interested in their employees' interest because satisfied and committed employees have lower rate of turnover. Employer typically makes considerable efforts to retain employees; they get pay raises, praise, recognition, increased promotional opportunities, and so forth. They should realize that high pay alone is unlikely to retain employees. The most important things Employer can do to retain employees is that not a single strategy is enough to retain all the employees.

Employees are unique individuals having their own mind sets and they should be treated accordingly. So instead of using any one strategy for all, a combination of all the strategies should be used. Every strategy goes hand in hand. More important, the strategies used for retention are controllable by Employer.

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SOCIO-ECONOMIC UPLIFTMENT OF GUJJAR TRIBE IN JAMMU & KASHMIR

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ABSTRACT

The Gujjars, who live Nomadic life today, have once ruled the entire Northern India. Modern day Gujarat is called "GUJAR-RATA" or Gujjar Rashtra meaning "Kingdom of Gujjars". This was the area where Gujjars flourished and their rule spread over entire Northern India. Gujjar tribe appeared on the horizon of India during 5th century A.D, with the advent of white Huns and they established their rule on northern parts. History revealed that the entire Northern India was ruled by the Ashkani, Panwar, Baruoch Chaweri and Parthar Gujjars. There states of Gujjar kingdoms present a brief account of the Glorious past of Gujjars. Not only this, the immortal remains of Gujjar past tell their stories in the whole central Asia and adjoining areas. Presently Gujjars live in one dozen States of India, with their distinctive life style; these States include Jammu and Kashmir, Himachal Pradesh, Haryana, Punjab, Rajasthan, Utter Pradesh, M.P, Uttaranchal and Gujarat, besides a few areas in Delhi. The frontier, Baluchistan and Punjab province of Pakistan also have number of colonies of Gujjars. The State of Jammu and Kashmir had been the advent of Gujjars during 9th and 10th century A.D. This was the period when Islam was spreading in northern India. The paper is conceptual in nature and tries to study the social and economic upliftment of Gujjar tribe in Jammu & Kashmir. An attempt is made to know the socioeconomic conditions of Gujjars in Jammu & Kashmir.

KEYWORDS

Gujjars, Nomadic life, Tribe, Upliftment.

INTRODUCTION

India is a vast country spread over an area of 32, 87,263 sq. kms. This vast tract of land has given shelter to 846.30 million people. India is the home to 16 per cent of the world's population. Since pre-historic time people have built up their settlements in different ecological zones of India, in the higher altitudes of Himalayas, in the deserts of Rajasthan, in the Indo-Gangetic plains, in the plateau of Deacon region, in the forests, in the coastal areas and even in islands. People here have got accustomed to live in varied ecological conditions.

The people of India include a very large number of tribes which are intrinsic part of our national life with their rich cultural heritage. The tribals settled down in India in pre-historic times, inhabiting mostly in the sparsely populated parts of hills and forests of sub-Himalayan and North-Eastern regions, in the mountain belt of Central India between Narmada and Godavari rivers and in the Southern parts of the Western Ghats extending from Wynad to Kanyakumari.

The term tribe refers to a cultural and historical concept. It is used in terms of folk urban continuum along which different groups are classified, given a certain order of material culture and stage of technological growth and classified as tribes. According to Oxford Dictionary "tribe is a group of people in primitive or barbarous stage of development acknowledging the authority of a chief and usually regarding themselves as having a common ancestor".

For Verrier Elwin, the word 'tribe' has been derived from the Latin root, the middle English term "Tribuz" meaning the three divisions into which the early Romans were grouped, came to evolve into the modern English tribe.

Various authors have described the tribes by different nomenclature.

Dr. Ghurye named them 'Backward Hindus', Das and Das renamed them as 'Submerged humanity', few named them Aborigines, Primitive Tribe, Adivasi, Vanyajati, Vanabasi, Adimjati, Pahari, etc. In the Constitution of India, the term tribe has not been defined clearly, only the term 'Scheduled Tribe' is explained as "the tribe or the tribal communities or parts of or groups within tribes or tribal communities" which the President may specify by public notification (Article 342). According to ILO Convention 107 (1957) the tribals or aborigines have been defined as the tribals or semi-tribal groups of the Independent countries deprived socially or economically and having their own customary laws/conventions. Hence in this way the term 'tribe' have been defined by various writers, Anthropologists, Sociologists, economists and administrators in their own specific way. Bardhan defined the tribes as a "course of socio-cultural entity at a definite historical stage of development. It is a single, endogamous community, with a cultural and psychological makeup going back into a distinct historical past. Mujumdar defines the tribe as "a collection of families or common groups bearing a common name, the members of which occupy the same territory, speak the same language and observe certain taboos regarding marriage, profession/occupation and have developed a well assured system of reciprocity and mutuality of obligations.

REVIEW OF LITERATURE

Anthropologically, a tribe is a social group the members of which live in a common dialect, uniform social organisation and possess cultural homogeneity having a common ancestor, political organisation and religious pattern. But, perhaps, it would be very difficult to find many tribal groups in India who possess all these characteristics. Again a number of tribal groups are recognized by the Government and they are the scheduled tribes. But since all the tribal and analogous social formations are not considered as Scheduled Tribes, and when tribal population is considered, the number of actual tribal population must be much more than what is mentioned as Scheduled Tribe Population (Chaudhuri, 1992). Some of the large tribal communities are distributed in a wide region and often profess varied occupations. A few tribal groups are divided into a number of sub-groups which are practically distinct tribal groups. In many cases, some distinct tribal groups have identical names.

THE MAJOR TRIBES

There are 533 tribes as per notified Schedule under Article 342 of the Constitution of India in different States and Union Territories of the country with the largest number of 62 in the State of Orissa. Some of the major tribes of different States are:

Jammu & Kashmir: Chhddangpa, Garra, Gujjar, Gaddi, etc.

Andhra Pradesh: Bhil, Chenchu, Gond, Kondas, Lambadis, Sugalis etc.

Assam: Boro, Kachari, Mikir (Karbi), Lalung, Rabha, Dimasa, Hmar, Hajong etc

Bihar & (Jharkhand): Asur, Banjara, Birhor, Korwa, Munda, Oraon, Santhal etc.
Gujarat: Bhil, Dhodia, Gond, Siddi, Bordia, etc
Himachal Pradesh: Gaddi, Gujjar, Lahuala, Swangla, etc.
Karnataka: Bhil, Chenchu, Goud, Kuruba, Kammara, Kolis, Koya, Mayaka, Toda, etc.
Kerala: Adiyam, Kammrar, Kondkappus, Malais, Palliyar, etc
Madhya Pradesh & Chhattisgarh: Bhil, Birhor, Damar, Gond, Kharia, Majhi, Munda, Oraon, Parahi, etc.
Maharashtra: Bhil, Bhunjia, Chodhara, Dhodia, Gond, Kharia, Nayaka, Oraon, Pardhi, Rathwa etc.
Meghalaya: Garo, Khasi, Jayantia, etc.
Orissa: Birhor, Gond, Juang, khond, korua, Mundari, Oraon, Santhal, Tharua, etc.
Rajasthan: Bhil, Damor, Garasta, Meena, Salariya etc.
Tamil Nadu: Irular, Kammara, Kondakapus, Kota, Mahamalar, Palleyan, Toda etc.
Tripura: Chakma, Garo, Khasi, Kuki, Lusai, Liang, Santhal etc
West Bengal: Asur, Birhor, Korwa, Lepcha, Munda, Santhal, etc.
Mizoram: Lusai, Kuki, Garo, Khasi, Jayantia, Mikir etc.
Arunachal Pradesh: Dafla, Khampti, Singpho etc.
Goa: Dhodhi, Siddi (Nayaka).
Daman & Diu: Dhodi, Mikkada, Varti, etc
Andaman & Nicobar Islands: Jarawa, Nicobarese, Onges, Sentinelese, Shompens, Great Andamanese
Dadra & Nagar Haveli: As in Daman & Diu
Uttar Pradesh & Uttaranchal: Bhoti, Buxa, Jaunsari, Tharu, Raji
Nagaland: Naga, Kuki, Mikir, Garo, etc.
Sikkim: Bhutia, Lepcha

ORIGIN

The Gujjar tribals have settled in the heartland of Himachal Pradesh. The Gujjars are also called as Goojar, Gujar & Gurjara. They are mostly residing in the northern western part of Himachal Pradesh. The origin of this tribe is quite interesting it was said that during the time of invasion of Hunas the Gurjara tribes moved into northern India and the Himachal Pradesh. It is assumed the Khazar tribes are the ancestors of the Gujjar tribe. The term Gujjar has arrived from Khazar. In India, Gujjar populations are found mainly in Delhi, Jammu and Kashmir, Himachal Pradesh, Punjab, western Uttar Pradesh, Haryana, northern Madhya Pradesh, Uttarakhand, Rajasthan, Gujarat and Maharashtra. The semi-nomadic Gujjar groups are found in the states of Jammu and Kashmir, Himachal Pradesh, and north-western Uttar Pradesh. The name for the state of Gujarat has derived from "Gurjar". Gujjar are rich in terms of Cultural Heritage. They have their own language GOJRI which is an offshoot of Indo-Aryan language and have their own costumes, traditions, food habits, living habits and art, and craft.

CULTURE

Gujjars are culturally very much depictable by dancing, religious rites and customs etc. The tribes have got inclination towards religion. Some of them have converted themselves to Hinduism and also Islam. They are the tribes who strictly follow old traditions and customs. They still follow custom of early marriages, where girls are married at an age of 14 - 15 years and boys at 17-18 years.

OCCUPATION

The tribals herd animals like sheep's, goats and buffalo. Semi-nomadic people of Gujjar community are in the habit of migrating to upper parts of Himalayas along with their cattle during the summer season and back to the plains with the onset of chilly winters. There is dearth of trained Gujjar artisans in various handicrafts. Therefore, they are constantly dependent on the items needed by them from the market and the Barbers, Blacksmiths, cobblers and other artisans also move with them to various locations. These people have adopted their own way of life and Gujjars have accepted them as part of their social group.

PEOPLE

The Gujjar tribal communities have an exquisite tribal way of dressing style for both men and women which are of distinctive pattern. They have colourful turban with unique style of wrapping which has been a mark of the Gujjar tribal Community. Topi which is also called as Afghani hat is worn by the aged Gujjar men. Gujjar females have greatly enhanced beautiful clothes called Dupatta which looks like a shawl. They are also fond of jewellery and have a fascination for the necklace with a triangle pendant, studded with a beautiful stone in the centre of it. It symbolizes 'evil eye' and mainly utilized to avert bad luck. Bakerwal Gujjar mostly wear Shalwar Qamiaz, Vaskat, Angoo and Pagheri (Headgear) while the women folk wear long gone called Jubo, Pheerni, Shawal, Cap and Jotti, Jora. Dodhi Gujjar wears Pagh, Qameiz and Tehmad while the ladies wear shirt with strips choridar shalwar and Jotti.

TABLE 1

Place	Himachal Pradesh (H.P), Jammu & Kashmir (J&K)
Population	55 Lakhs in J&K & H.P
Languages spoken	Gojri, Punjabi, Hindi, Urdu
Religion	Hinduism, Islam, Sikhism
Food	Veg and Non Veg, Wheat, cereals

FOOD

Mostly they depend on milk products as their staple food besides cereals, wheat and maize. They may be vegetarians and non-vegetarians. The favourite dishes of Gujjar are "Maki ki Roti" Ganhar, Sarsoon ka Sag, Lassi, Kalari, Karan, etc. It is surprising that Gujjar are mostly vegetarians.

LANGUAGE

The Gujjar tribal community has the beautiful language of Gujari also called as Gojri. The language belongs to the Rajasthani language group. The communities have also developed fluency in other languages such as Punjabi, Urdu, Hindi, Pastho, Pahari languages like Kangri and Dogri.

FESTIVALS

Festivals are of part and parcel for Gujjar Tribal Community. They celebrate all the festivals of national significance apart from these Gujjars too have incorporated their religious beliefs and customs. It is one the main festivals for their society which they celebrate with great festivity and enthusiasm. The Government of India has set up various commissions from time to time for identification of various weaker communities so that data and other necessary information could be collected in respect of their educational, social, economic and political status and on the basis of such data and resultant recommendations, such downtrodden communities could be provided avenues for development and progress. A few of such commissions which have played vital and historical role include Gajendragadkar Commission, the Sikri Commission, the Wazir Commission (1969), the Anand Commission (1976) and the Mandal Commission which covered the entire country.

ECONOMY

Gujjar Tribe has always been an exploited component with Gujjar politics which is related to the poor economic condition of this down trodden community. The basic characteristics of Gujjar Economy are:

Labour Class
Agriculture Class

Service Class

Business Class

Dealing with Milk and Milk Products

Dealing with Mutton and Woollen products

Other business related Activities

Artisans Class: The people associated with professional handicrafts, handloom and all semi-skilled activities.

According to historians there are 3 major reasons for settling of Gujjars in Jammu and Kashmir.

The wars for throne in Gujarat and adjoining States, resulting in fighting and exodus of Gujjars after their defeat.

The frequent earth quacks and intolerable secession in Gujarat, Rajasthan and neighbouring States.

To explore new meadows and pastures for sustenance of life and cattle.

The State of J&K has five big Sub-Tribes of Gujjars which include:

1. Banhara / Dodhi Gujjars

Dodhi Gujjars are presently inhabited in areas of Jammu, Udhampur, Kathua and Doda. They mostly live in "Kullas" made from special type of grass. The main business of this sub-tribe is dairy Products etc.

2. Bakarwal Gujjars

This Sub-tribe resides in every District of the State, but they are mostly the residents of Kalakote, Reasi, Nowshaira, Bandi-Pura, Shopian, Kulgam, Pahlgam, Tral and uri etc. They live in temporary doharas and in tamboos

3. Alahiwal Gujjars

This Sub-tribe has migrated from the frontier province of Pakistan and are mostly nomads.

4. Kanhari Gujjars

This Sub-tribe has migrated from Swat and Hazara areas presently in Pakistan. Now a day's Good Number of these Gujjars live in KalaKote of Rajouri District.

5. Semi-nomad Gujjars

One more Sub-Tribe of Gujjars is those who have by and large prominently settled in various parts of the State.

There are almost 150 casts /Ghots of Gujjars in the State J&K, out of total 900 Casts of Gujjar Scattered in the Sub- continent. A substantial number of Gujjars resides in every district of Jammu & Kashmir State however the data provided by the Govt. agencies and ground realities differs from each other. The renowned linguistics Mr. G. A. Greorson has mentioned the number of Gojri Speaking people in 1901 as 1,30000 while as the census conducted in 1931, the numbers of Gojri Speaking (Gujjars) people has been recorded as 2,17,762/ in 1961 census this number has been decreased and mentioned as 2,09227 there by citing the reason of mass migration of Gujjars to Pakistan.

TABLE 2: DISTRICT VISE POPULATION PERCENTAGE OF GUJJARS (S.T)

Poonch	Rajouri	Jammu	Kathua	Udhampur	Doda
Rural: 42.4 Urban: 5.6	Rural: 35.2 Urban: 5.6	Rural: 4.3 Urban: 2.1	Rural: 7.1 Urban: 1.1	Rural: 17.2 Urban: 1.5	Rural: 12.3 Urban: 1
Srinagar	Budgam	Anantnag	Pulwama	Kupwara	Baramulla
Rural: 17.2 Urban: 0.1	Rural: 2.6 Urban: 0.3	Rural: 10 Urban: 0.2	Rural: 13.7 Urban: 0.0	Rural: 8.2 Urban: 2.9	Rural:8.5 Urban: 0.4

Source: Data Released by Registrar General Census Government of India in 2001

SOCIO-ECONOMIC CONDITIONS OF GUJJARS LIVING IN VARIOUS DISTRICTS OF THE STATE

POONCH

The maximum population of Gujjars reside in three tehsils namely Haveli, Mahendhar and Surnkote of Poonch district. This district is surrounded from three sides by Pakistan Boarder. The local Gujjars are mostly inhabitants of this district which include various Sub tribes of Nomadic Bakerwals. The literacy rate among them is 31% .The Gujjars of Poonch distt though having their separate political identity, yet they face certain difficulties in their daily life.

Following are the reasons of socio –Economic backwardness of the Gujjars of Poonch

Lack of educational skills especially technological one.

Lack of agricultural and where the Gujjars have agriculture as their profession.

Due to shelling across the border a good number of Gujjar population is not in a position to establish their business near boarder areas.

Non-implementation of govt. schemes (Tribal Development) in the hilly areas.

Lack of Communication and co- ordination among tribals.

Non-availability of work to daily wager Gujjar labourers.

RAJOURI

The literacy rate among Gujjars in Rajouri district is about 30%. The Semi- Nomadic Tribal Gujjars Constitute a good chunk of Population. Gujjars of this district have their Pastures, meadows in hilly areas of Peer Panjal. A good number of Gujjars among them reside in Dohaks during the summer season comprising for about 5 months.

There is resemblance in the certain basic difficulties between the Gujjars residing in Poonch and Rajouri District of the State. These are certain other reasons due to which this trails behind in the developmental process.

In Kalakote, Nowshaira, Budhal and Rajouri area certain restrictions have been imposed on the movement of Nomadic tribes. Closures have been erected in these areas due to which the seasonal movement of Gujjars has been restricted to a great extent.

Restrictions on the movement of nomadic tribals in boarder areas.

Inhabitation of Gujjar population in hilly and rocky areas.

Non –availability of fodder.

The school education is not easily available and no access of small kids to these schools.

JAMMU

Jammu district where Gujjar population was dominated has been reduced to minority after partition in 1947 even then Gujjars live in this distt in lacs. A few villages in R.S. Pura tehsil have been named after Gujjar Ghots/castes like Khariyan, Bhalaisaran, Kohalian, Gagian etc. The Gujjars of this distt are mainly dependent on dairy business and are called **Dodhi or Banhara** Gujjars. A good number of populations of Banhara Gujjar live in Udhampur/Kathua and Doda distt of the state. The Dodhi Gujjars of Jammu Province are hard working and provide dairy products to whole of the province. The literacy rate among the Gujjars of Jammu distt is about 5%.

KATHUA

The boarders of Kathua distt touch Himachal Pardesh and Punjab. The Gujjars of this area not only provide the dairy products to Kathua and Jammu districts but also to Punjab and Himachal Pardesh. Only 7% of Gujjars population is literate. The literacy rate among the Gujjar women in this district is Zero.

Following are the reasons of socio –Economic backwardness of the Gujjars of Kathua

Non availability of any modern milk plant where the milk could be consumed in a scientific way.

Non- existence of co-operation societies in Gujjar localities.

The low rates of milk and high rates of foddres etc.

Non-availability of school, hospital, electricity and water facilities in and around temporary residence (DAHARA / KULLA) of Gujjars.

No benefit of Govt. schemes at grass roots level.

DODA

The condition of Gujjars residing in Doda district is very pathetic. 100% area of the distt is hilly with poor communication facilities. Due to this the Banhara Gujjars of the distt are not in a position to market their dairy products. The literacy rate among the Gujjar of this distt is very poor. Gujjars of this area migrate to Himachal Pardesh during summer season.

Following are the reasons of Socio-economic backwardness of Gujjars of the area:-

Non- availability of the opportunities in government jobs.

Lacks of basic facilities with regard to Banhara Gujjars.

Shortage of schools and hospitals.

Lack of mutual co-ordination in the gujjar community.

Lack of proper leadership.

Lack of knowledge of government schemes/TSP and other programmes

Neglecting of this community by NGO'S.

Due to low per-capita income, the gujjar children are not in position to get themselves admitted in Schools.

UDHAMPUR

In Tehsil Mahore, Gool Gulabghar and Reasi there is large population of Gujjars. Gujjars of this area are literate and well off. Local (MUKAMI) and Semi- Nomad Gujjars residing in these areas migrated during summer. These people migrate to the Peerpanchal. The boarders of district Udhampur touch Rajouri, Jammu, Kathua and Doda districts at the same time and gujjars of this area face the following difficulties:-

The Gujjars are far of from the roads links.

Lack of marketing facilities of mutton, wool, milk etc. to Nomadic Gujjars/Bakerwals residing Reasi and other areas of the distt.

Non availability of schools, hospitals.

Nomadic way of life due to which the children of this tribe are not in position to get education

Non- implementation TSP and other Programmes in an organized manner

Lack of communication facilities

SRINAGAR

The Condition of nomadic Gujjars is very pathetic as compared to Gujjars of Jammu Province. Srinagar is considered to be the heart of Kashmir Valley having considerable Gujjar Population. These people are mostly dependent on flocks and a few have adopted agriculture as their means of livelihood. The literacy rate among these Gujjars is very low. Though the distt. is having a good network of school education but Gujjars of the area are backward due to their inherent tendency towards the profession adopted by their forefathers and are not being benefited by this educational system. The Gujjars of Srinagar area are continuing their seasonal migration in Sona Margh, Kach Pahrthi Khilan, Matein and Drass besides Traba, Karwal of Machil area.

Effects are on for the upliftment of Gujjars in Srinagar district regarding their social and economic position. Such efforts have not yielded much result due to reasons:-

Lack of water resources and fertile land in the areas where Gujjars are living.

Shortage of teaching staff in the Schools.

Due to nomadic pattern of life children can't continue their education.

Awareness campaign is not being launched at govt. and non-govt. Level.

Lack of competition in every field especially in the field of education.

Lack of technological know-how to nourish the fruit orchards.

BUDGAM

District Budgam is having very low population of Gujjars. Even then thousand of gujjars are living in Phariyawara Kahipura, Dabba, Argwalham, Mengapur, Balpura, Ghrowth area.

The maximum Gujjars in this district are local (MUKAMI) and have adopted agriculture as their means of livelihood. The Gujjars of this district face same difficulties as that of Gujjars of Srinagar. The social and economical problems being faced by the Gujjars of this district can be summarized up as under:-

Low tendency of Gujjars towards education.

Low per capita income.

Shortage of fertile lands with Gujjars.

Lack of latest technology for agriculture.

Shortage of the means of Employment.

Lack of the Proper information regarding Scheme for the upliftment of Gujjars.

ANANTNAG

Lakhs of Gujjars reside in this district. The percentage of literacy among Gujjars in this district is about 12%. In spite of implication of Tribal Sub Plan / Development Scheme Gujjars in this district is very backward. The condition of Gujjars in Kulgam, Pahalgam tehsil is pathetic and painful. Some of the reasons social economic backwardness of Gujjars of this area includes:-

The Gujjars of this district reside in for-flung areas having no road links.

Child labour.

Low parentage of literacy among Gujjar woman.

Unemployment in educated Gujjar youths.

Less opportunities of coaching for admission in professional and technical institutions.

Shortage of Schools.

Poor economic condition.

PULWAMA

In Shopian tehsil of district Pulwama Gujjars live in a large number. Their main occupation is agriculture. The Gujjars of Shopian, Tral and Kulgam face the following hardships:-

Shortage of educational institutions in Gujjar localities.

Malfunctioning of mobile schools.

The inherent difficulties of Semi nomadic tribal resulting in lack of education.

Lack of proper marketing facilities of wood, milk and matter.

Lack of financial resources with Gujjars of Pulwama.

Non availability of work to Gujjar labourers.

The growing tendency of child labour.

KUPWARA

District Kupwara is the only district where Gujjars live in maximum number. Maximum Gujjar population live in Karnah, Keeran, Awara, area of the district. Nomadic Gujjars also constitute a good number of Gujjars of the district. The main profession of such Gujjars include agriculture, sheep flocking and business of dairy products. The literacy rate among Gujjars in this district is about 18%.

The socio- economic difficulties faced by gujjars includes:-

Lack of fertile land in hilly areas.

Lack of mutual communication and competition.

Establishment of school away from Gujjar population.

Shelling on the boarders resulting in destroying the educational developmental and agriculture activities.

BARAMULLA

In Uri tehsil, the tribe constitute 40% of the total population of the area. About 17% Gujjars of the district are literate. They have agriculture as a main source of livelihood. Being a border area the basic facilities of the life are not available to Gujjars of the district. The standard of living of this district is better but the Gujjar population is facing acute difficulties which include:

Location of agriculture land near LOC.

Road links are not easily accessible.

Shortage of financial resources.

Due to shelling, delay in the implementation of various schemes for the development of tribals.

LEH / KARGIL

Districts of Leh and Kargil also have Gujjar population. In the Zanskar tehsil of Kargil bakerwal Gujjar live in large number. Drass area also has Gujjar population.

The literacy rate among them is less than 5%. The main problem faced by Gujjar in Leh and Kargil is Socio-economic and can be categorized as:-

Location of meadows away from school and other basic facilities.

Domination of Local Tribes like Changpa, Brokpa, Shine, Balti and Purigpa over the local market of mutton and dairy products.

Lack of hospital facilities resulting in disease and death to themselves and cattles.

SOCIO -ECONOMIC REFORMS FOR GUJJARS

Establishment of centres for sale of wool, dairy and mutton products on district and Tehsil headquarters for consumption of these products.

Providing high breed sheep, goats, buffaloes and horses to Gujjar.

Establishment of various unites to give boost to folk art and crafts of Gujjar tribe.

Providing easy term loan for establishment of new unites of art and Craft.

Providing of fertile agriculture land to nomadic Gujjars away from the LOC or boarder areas.

For economic prosperity the NGO'S should play their education role in providing modern technology to Gujjar.

Establishment of co-operative societies for banhara and bakerwal Gujjars.

Providing feed and other fodder to banharas and bakerwals on subside rates.

Introduction of modern technology for the Gujjars who have adopted agriculture as means for livelihood.

Providing free insurance cover by the govt. to nomadic people and their cattle.

Providing professional skills to illiterate Gujjar men and women so as to establish their own unites.

Providing of govt. jobs to educated Gujjar youth so that inclination towards education an encase.

Availability of water, electricity and other basic facilities to the Gujjars living in hilly areas so that they can develop agriculture activities.

Providing necessary training to look after agricultural level.

Construction of roads to the areas where Gujjars live in summer season.

Optimum use of the natural resources in and around the areas where Gujjar resides.

Construction of Kaccha roads in Peerpanchal areas.

Providing assistance to Gujjars living below the poverty live.

CONCLUSION

Gujjars are spread almost all the regions of J&K. The State of Jammu and Kashmir had been the advent of Gujjars during 9th and 10th century A.D. Known as one of the ancient races of India, they form distinct cultural background. Gujjars are mainly divided between those who continue to pursue a nomadic life and those who are settled on land. As nomadic tribes they are involved in pastoralism and transhumance with their livestock's. They are a milk selling community. Economically gujjars are very poor. Livestock economy of the gujjars is managed by the male. The success of livestock economy of the gujjars depends on both men and women.

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