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PERCEPTUAL MAPPING OF STUDENTS FOR ENGAGEMENT IN CLASS: AN EMPIRICAL STUDY OF STUDENT APATHY TOWARDS HIGHER EDUCATION

DR. D. S. CHAUBEY

DEAN

DEPARTMENT OF RESEARCH & STUDIES

UTTARANCHAL UNIVERSITY

DEHRADUN

K. R SUBRAMANIAN.

RESEARCH SCHOLAR

UTTARAKHAND TECHNICAL UNIVERSITY

DEHRADUN

ABSTRACT

The concern for shrinking attendance in class rooms in institutions of higher learning has been engaging the attention of academicians and administrators of education for a long time. A lot of published literature has created a national and international awareness of this critical issue. Hence it is the subject matter of the present research study. The area selected for the study is Dehradun and nearby areas of Uttarakhand because of the proximity and convenience of the researchers, who have knowledge of the institutions of higher learning in this part of the country. This area is fast becoming a major hub in the country for higher education. The research has brought out significant conclusions and suitable recommendations have been made for the benefit of academicians, administrators and policy makers. The authors sincerely hope this work would benefit the student and teaching community for creating a joint awareness and a problem solving attitude. Conclusions and recommendations are self explanatory.

KEYWORDS

perceptual mapping, student engagement, student apathy, motivation, intrinsic and extrinsic factors.

INTRODUCTION

While student success is important at every educational level, it gains significance during the college years because this phase often represents the last formal education many students receive before competing for work. During the college years, students develop their abilities and match them with specific needs in the labor market. For this reason, education during these years is of particular importance. However, as in other levels of their educational careers, students sometimes fail to attain adequate learning outcomes. Although motivation was identified as a fundamental aspect of learning for college students, many teachers at the college level are not trained as extensively in teaching methods and communication as are their counterparts in elementary and secondary school. College teachers must manage several tasks simultaneously. The pressure to publish, to acquire external funds (grants), to serve on a variety of committees, and to stay on top of administrative duties may compete with the desire to improve classroom impact. It has been observed in academic as well as administrative circles that there is a growing disinterest among students of higher education to attend classes. The researchers were keen to find out the status of students in India particularly in the Dehradun area of Uttarakhand which is emerging as a major hub of educational institutions for higher learning.

REVIEW OF LITERATURE

A lack of motivation to learn could be at the root of the problem. In a study by Smilkstein (1989), a group of college students were asked to list the stages of the learning process. The students developed a six-step process, with the number one step being motivation. That is, motivation was considered to be the necessary cornerstone on which the other steps follow and build. Often the emphasis for college faculty is on research rather than on presentation skills. Sheridan (1988) stated that faculty members found themselves trapped in a value system in which status is gained through scholarly productivity, and even though they might have wanted to gain satisfaction from teaching, they were unprepared for the demands. Sheridan suggested that concerns about teaching at universities were generally regarded as a second-best preoccupation of college teachers who had not been successful in research. Trice and Dey (1997) stated that a major goal of college students was to receive practical training related to specific jobs, whereas their teachers had the goal of encouraging students' broad intellectual development. Trice suggested that this gap was widening. A study by Negron-Morales (1996) reported that practices rated by faculty as frequently used were consistently those rated by students as least-used. Moreover, the expectations most mentioned by students in that study were those least mentioned by faculty. Such differences in perceptions illustrated the mismatch between students' and teachers' expectations.

These differences might be related to contrasts in learning and teaching styles. Gailbraith and Sanders (1987) reported that instructors tended to teach the way they preferred to learn, a practice which would not benefit students with learning styles differing from their teachers'. If the needs of these students were not met, such situations could result in a loss of motivation.

Result of Lack of Motivation

When college students are not motivated in a particular class, a common outcome is a lost desire to attend class, followed by frequent absences and plummeting grades. Launius (1997) suggested that class attendance at colleges was positively correlated with academic achievement. Van-Blerkom (1996), like Launius, found a significant correlation between class attendance and final grades. Davenport (1990) found that students classified as having good attendance in a class received final grades of at least A, B, or C. For students with poor attendance, there were several grades of D or F. Although college teachers could enact strict attendance policies and penalize students who failed to attend, this study was concerned with exploring what intrinsically motivates college students to continue attending class; what brings them to class because of a desire to be there, not because of external factors such as a mandated attendance policy. This study also looked at how college teachers' classroom performance can influence that motivation.

To understand how a college teacher motivates students within a class, a deeper understanding of the following questions is necessary: What is motivation? Which type of motivation is more valuable to the student: intrinsic or extrinsic motivation? Who is responsible for motivating students to continue coming to class to learn? And how does a college teacher motivate students to continue coming to class to learn?

What is Motivation?

Lumsden (1994) claimed that student motivation dealt with the students' desire to participate in the learning process and the reasons or goals underlying involvement or non-involvement in academic activities. She discussed three types of motivation: intrinsic motivation, extrinsic motivation, and motivation to learn. Intrinsically motivated students participate in an activity for enjoyment, the learning it permits, and/or the sense of accomplishment it brings. Extrinsically motivated students, on the other hand, participate in an activity only to receive a reward or to avoid punishment external to the activity itself. Grades are a prominent example of an extrinsic reward. Spaulding (1992) suggested that in extrinsic motivation it was "the goal" (i.e., high grades) not the "doing" that

explained performance, whereas it was the actual "doing" that explained the primary reason for intrinsic motivation. According to Marshall (1987), motivation to learn referred to the meaningfulness, value, and benefits of academic tasks to the learner regardless of whether or not the tasks were intrinsically interesting. Therefore, student motivation to learn might come from intrinsic or from extrinsic sources.

Intrinsic Verses Extrinsic Motivation

Both learning for the joy of learning and learning to gain an external reward are prevalent. The question that might be asked is, "Which of these sources of motivation is more valuable for student learning?" Condry and Chambers (1978) found that when confronted with complex intellectual tasks, students with greater intrinsic orientation used more logical information-gathering and decision-making strategies than did those students with an extrinsic orientation. Lepper (1988) found that extrinsically oriented students were likely to expend minimal effort for maximal reward. Research also supported the idea that when intrinsically motivated students were given extrinsic rewards for their efforts, a reduction in their level of intrinsic motivation resulted (Deci, 1971, 1972a, 1972b; Lepper & Green, 1975; Lepper, Green, & Nisbett, 1973). Spaulding (1992) concurred with this finding and suggested that when students' perceptions of self-determination (intrinsic motivation) were undermined by teachers' use of extrinsic rewards, the initial level of intrinsic motivation decreased. Spaulding also stated that even though a student's rewarded behaviors might increase, when the extrinsic rewards were taken away, the level of intrinsic motivation was lower than it had been initially. However, Brewer, Dunn, and Olszewski (1988) noted that several variables influenced intrinsic motivation including self-determination, feelings of competence, feedback, task challenge or difficulty. They further concluded that any factor that influenced these determinants affected, in turn, intrinsic motivation, although only indirectly. In contrast, Włodkowski (1986) criticized extrinsic motivation based on the moral contention that "bribing" students was inherently wrong. His concern was that students would become reinforcement junkies.

Who Is Responsible for Motivating Students?

If the most valuable learning occurs when a student is intrinsically motivated, the next consideration should be to determine who is responsible for motivating students to come to class and learn for the love of learning. In a classroom environment, the teacher and the student represent two of the forces that may promote motivation to attend class and to learn for intrinsic reasons. Unfortunately, researchers have not agreed on who carries the burden of this responsibility. Tollefson (1988) reported that teachers typically attributed students' low achievement to low effort. Moreover, teachers viewed student characteristics such as poor work habits as being more important than either classroom or teacher variables. In some instances, students agreed that it was their responsibility to motivate themselves. Higbee (1996) found that most students attributed failures and successes on assignments to their own actions. Dickens and Perry (1982) reported that questionnaire results indicated a majority of students believed they had control of their academic performance, as compared to only 10% who believed they had little or no control. Other studies have suggested that teachers have primary responsibility for motivating students to learn. Brophy (1987) suggested that teachers viewed themselves as active socialization agents who were capable of stimulating students' motivation to learn. One of the major findings in a study by Small (1996) was that instructors were perceived by students as having the prime responsibility for learners' interest or boredom. McCutcheon (1986) further reported that a survey indicated students believed that out of 51 possible choices, the main reason they missed a class was their negative perceptions of the professor and the course.

How to Motivate Students?

If teachers have a responsibility to motivate students to attend class and to learn, it is important for teachers to understand specifically how to motivate students. Brewer and Marmon (2000) and Wilson and Cameron (1996) identified three general areas teachers in training used to evaluate themselves: instruction, relationships, and management. Instruction involved teacher skills and competencies. Relationships concerned the attitudes teachers had toward their students. Management dealt with classroom organization and planning. These three categories also represented the major areas under a college teacher's control. Likewise, each of these areas provided the teacher with three ways to motivate students to learn. This study explored each of these areas and the effect each one had on motivating college students to choose to come to class to learn. In this study, instruction was referred to as "teaching methods," relationships as "personal qualities," and management was termed "classroom management." Following is a discussion of each of these categories.

Teaching methods

Historically, the lecture has served as the primary college teaching method. However, this method of instruction could be on the decline. Bonwell and Sutherland (1997) claimed that evidence of the effectiveness of active learning approaches as a way to facilitate learning was too compelling to ignore. Brewer (1997) confirmed this, stating that lectures could be too long, could fail to encourage reflective thinking, provided limited feedback, and were not appropriate for hands-on training. Small (1996) reported that color instruction that incorporated a variety of attention-gaining and maintaining strategies appeared to be the best way to promote interest and prevent boredom.

One way to offer variety in the classroom is to use cooperative learning groups. With this approach, the teacher facilitates groups or teams of students working together to solve practical problems. One study found that achievement and motivational gains were significantly higher for students in a cooperative learning classroom in comparison with a traditional lecture classroom (Nichols & Miller, 1993). McGonigal (1994) reported that cooperative groups and a varied teaching approach aimed at maintaining student interest helped increase student motivation and performance in a Spanish class. Richardson, Kring, and Davis (1997) found that students with the highest grade point averages preferred professor-assisted discussions over lectures. Based on these findings, it appeared that offering a variety of creative activities, including cooperative groups, instead of teaching solely by lecture, could motivate students. Brewer (1997) offered the following 12 teaching methods in addition to the lecture: small-group discussions, role-playing, case studies, demonstrations, panels, inquiry methods, buzz groups, programmed instruction, directed study, experiments, brainstorming, and questioning. This study investigated some of these alternative methods of teaching and also explored the following teaching techniques: (a) allowing students to share experiences with each other, (b) employing visual aids using modern technology, and (c) incorporating a variety of activities during one class period.

Personal qualities

The personal qualities a college teacher possesses may also impact students' motivation to learn. Teven and McCrosky (1996) reported that levels of learning were positively influenced when students perceived their teachers to be caring. Brewer (1997) stated that numerous surveys have shown that the most effective educators have been perceived as caring, enthusiastic, consistent, and impartial when dealing with students. He also referred to the adage, "They won't care what you know 'til they know that you care." Wilkenson (1992) expressed similar views, suggesting that teachers impacted students more by their character and commitment than by their verbal communication. Darr (1996) found that teacher behavior appeared to be the factor that most strongly influenced students' evaluation of instruction. Thayer-Bacon and Bacon (1996) argued that teacher-caring encouraged student growth and learning and created a safe environment for risk-taking. Sass (1989) reported his findings on eight characteristics that encouraged high classroom motivation. The number one characteristic was enthusiasm. Rapport with students was also listed among the top eight characteristics. It appeared that motivation was sometimes related to instructors' personal characteristics, rather than what he or she actually taught. Arnett (2002) found that teachers' out-of-classroom rapport with students was also an important factor in motivating students. Through outside contact with instructors, students may feel that the instructor cares about building a relationship with them on an informal level, which may motivate them to perform better in class. In this study, the researchers examined the following personal qualities a college teacher might possess: humor, knowledge of a subject, patience, enthusiasm, friendliness, respect toward students, participation with students in activities, knowing students' names and interests, professionalism, and openness to feedback.

Classroom Management

Effective classroom management might also affect a student's motivation to learn in the college classroom. Brewer, DeJonge, and Stout (2001) and Karsenti and Thilbert (1994) suggested that highly structured, well-organized, and outcomes-oriented teachers seemed to maintain student motivation. Though class structure and organization were important, balancing the classroom environment with flexibility and student empowerment could be just as important. Friday (1990) believed that an authoritarian teaching style was less satisfying for students than was a democratic teaching style. Luechauer and Shulman (1992) argued that college business classes that were bureaucratic and teacher-focused created feelings of powerlessness among students. Instead, he recommended a class environment that empowered students to form an open and creative team environment. Hancock (2001) concurs that students achieve more poorly in highly evaluative situations, in which instructors exert significant control over classroom procedures and competition among students is emphasized. Students who are

test anxious are particularly more sensitive to situations that they perceive to be highly evaluative. High cognitive-level students (those who employ more complex cognitive structures and think more abstractly) also seem to benefit from teaching methods that are less rigid and more flexible, according to another study by Hancock (2002). However, students with low conceptual levels (those with few cognitive structures who avoid ambiguity and process information concretely) tend to benefit from highly organized environments, he states. Individualized instruction tailored to different types of students may not always be possible, but "knowledge of how most students characteristically respond to direct or indirect instruction may enable the professor to maximize effectiveness for the majority" (p. 66). Instructors can aid in enhancing students' self-efficacy by providing accurate feedback that is specific to the task (Linnenbrink & Pintrich, 2003). For instance, instead of general statements such as "good paper," teachers can point out specific details of the paper that were effective, such as "well-thought-out introduction," or "smooth transitions between paragraphs." Instructors should not provide positive feedback or insincere praise to students when it is not deserved; instead, they should point out areas that need improvement to help students maintain accurate efficacy judgments, according to Linnenbrink and Pintrich. Providing students with challenging tasks that require some extra effort, they suggest, can also boost motivation and help students build skills and develop expertise.

OBJECTIVES OF THE STUDY

In this study the researchers strove to answer the questions about the role a college teacher had in motivating students to come to class to learn and understand the underlying fundamental reasons for student apathy. The researchers had the facility to get useful data collected from Dehradun area of Uttaranchal and so the opportunity to collect data through a structured Questionnaire was used. With these in mind the following specific objectives were identified for the study.

1. Bring out significant differences, if any, in demographic profile of students who are "motivated to attend" and "unmotivated to attend" classes.
2. Identify major influences in creating 'student interest' or 'apathy' for studies.
3. Expectations of students from class participation and motives for attending lecture classes.
4. Underlying Factors influencing students for participation in education and attendance in classes.
5. Identification of Major underlying motivating/De-motivating factors for improving class attendance by students.

RESEARCH METHODOLOGY

A structured Questionnaire was used for the survey (See Annexure -). Out of the 500 questionnaires sent out 441 questionnaire responses were found complete and valid which were used for further data analysis and conclusion. SPSS software was used for data analysis and the tabulated data is available in the following pages with suitable table numbers allocated for easy identification for analysis. A test was made to compare the means between each of the items on the "motivated to attend" and "unmotivated to attend" surveys to check for significant differences. A analysis of variance (ANOVA) was used to determine whether or not significant interactions between the factors "motivated" versus "unmotivated" existed, survey scores, demographic profile of students etc. If significant differences between mean scores on the surveys existed, small-scale generalizations were made about why students were motivated (or not motivated) to continue attending college classes because of teacher attributes.

ANALYSIS OF DATA AND INFERENCES

Demographic classification of respondents: No significant difference between age categories of respondents was observed and so it is concluded that the inferences were true for all age categories of students. However in Table 1 it is seen that the respondents were predominantly men. From the tabulation it is observed that the majority of respondents were either graduates or post graduates.

TABLE 1: DEMOGRAPHIC CLASSIFICATION OF RESPONDENTS

	Categories	Count	Percentage
Gender	Male	357	81.0
	Female	84	19.0
Age	Up to 17 Years	77	17.5
	17-20 Years	101	22.9
	20-25 Years	76	17.2
	25-30 Years	94	21.3
	Over 30 years	93	21.1
Education Level	Up to Matriculation	40	9.1
	Intermediate	84	19.0
	Graduation	248	56.2
	Post Graduate	69	15.6

The table adds to the value of research in that it fairly represents a significant sample of Aspirants for higher education, since the data is dominated by young people pursuing graduate and post graduate studies of the two major gender categories. Major influencers for selection of a particular Course of studies are PARENTAL INFLUENCE, PEER PRESSURE AND MEDIA through publicity and promotional advertisements. This is highlighted in Table 2. *It is sad that the influence of teachers seem to be minimal.*

MAJOR INFLUENCERS TO SELECT PRESENT COURSE / PROFESSION

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Media	40	9.1	9.1	9.1
competition	134	30.4	30.4	39.5
Parents	172	39.0	39.0	78.5
Friends and Relatives	79	17.9	17.9	96.4
Teachers	16	3.6	3.6	100.0
Total	441	100.0	100.0	

Table 3 indicates class attendance pattern. It is disturbing to note that more than 40% of the students attend fewer than 20 classes/ week – perhaps less than 50% of total classes on an average. *This clearly brings out that there is a problem of attendance. This reinforces the need for and appropriateness of this research study. This is the starting point and a validation for the purpose of research.* (On an average there are about 40-50 classes per week in most of the Indian educational institutions).

TABLE 3: CLASS ATTENDANCE PER WEEK

	Frequency	Percent	Valid Percent	Cumulative Percent
Up to 10 Classes	102	23.1	23.1	23.1
10-20 Classes	78	17.7	17.7	40.8
20-30 Classes	53	12.0	12.0	52.8
30-40 Classes	193	43.8	43.8	96.6
More than 40 Classes	15	3.4	3.4	100.0
Total	441	100.0	100.0	

Interest, which needs to be addressed from other data analysis and inference. 'The clash with other subjects or classes is an untenable reason and it is institutional and has to be something to do with time table or scheduling or faculty availability. 'Boring lectures' is definitely a matter of concern and needs to be addressed by concerned faculty and management. One other reason gives a valid clue on how to improve class attendance as the matter which is available through networks and websites can be channelized to compliment class inputs.

TABLE 4: REASONS OF CLASS ABSENTEEISM

	Responses		Percent of Cases
	N	Percent	
genuinely sick	239	17.3%	54.2%
Too busy	216	15.7%	49.0%
Had to work	65	4.7%	14.7%
Clash with another subject	263	19.1%	59.6%
The lectures were boring (process)	229	16.6%	51.9%
The topic was boring	81	5.9%	18.4%
Did not like the lecturer	70	5.1%	15.9%
I do not like the subject	2	0.1%	0.5%
Could not be bothered	9	0.7%	2.0%
Get the lectures on web	17	1.2%	3.9%
I can get through the subject without going to lectures	113	8.2%	25.6%
Lectures are a waste of time	47	3.4%	10.7%
Home Sickness	28	2.0%	6.3%
Total	1379	100.0%	312.7%
a. Group			

DESCRIPTIVE STATISTICS (Table 5)

Analysis of means and standard deviation) of the sample gives the following conclusions as indicated below:

1. The urge to work independently is great and so class attendance is cited as helpful.
2. The faculty profile – a friendly attitude, enthusiasm and willingness to help students and respect them as they are with their faults and follies results in better class attendance and participation.
3. One of the key elements identified for student motivation to attend classes is their realisation that class attendance has a significant impact on academic performance as per the feedback obtained from them; This may arise out of the need for minimum prescribed attendance for pass marks and eligibility for end of term examination as well as a good grade internal assessment.
4. Effective teaching aids like Audio-visual aids, Electronic media and excellent presentation of topics.

TABLE 5: DESCRIPTIVE STUDY

	N	Mean	Std. Deviation
Presentation of challenging and provocative ideas influence me most to attend class.	441	3.7823	1.07566
I genuinely enjoy learning and feel lectures make knowledge meaningful	441	3.6667	.89949
I always see education as a means towards some end	441	3.4830	.85297
I am motivated to attend class because I have an urge to work independently	441	4.0181	.92424
I remain in class because of fear of losing attendance	441	2.9909	1.26488
I am not able to attend class because of other assignment and busy schedule.	441	3.3447	1.12776
A variety of learning activities like experiment or hand on activity in the classroom motivate me to attend class.	441	3.8889	.87068
Teaching aid like Effective audio and visual aids attract me to attend class.	441	3.8912	.78737
The availability of subject material on alternate sources like internet and other gadget distract me from class room teaching.	441	3.6440	1.16882
Opportunity of Brainstorming, knowledge of subject matter and humorous and enthusiastic approach of faculty attract me to attend classes.	441	3.8503	.76593
Friendly and approachable faculty and their nature of Respect toward students motivate me to attend class.	441	4.2902	.69552
I am particularly interested in information that will help me in my assessment tasks or exam questions	441	3.6553	.89647
The introduction of on-line databases and 'e-readings has made class room teaching and physical library irrelevant	441	3.2971	1.12824
My extra assignment and paid employment and maturing age compel me to work and keep me away from the class.	441	2.7823	1.11508
I do not attend class because this subject is not important for me.	441	2.7438	1.51211
I do not attend class because lecture is not useful to me	441	2.9206	1.33163
Class attendance has a significant effect on academic performance'	441	4.0136	1.04002
Professional attitude and clarity of course objective influence me most in attending class	441	3.9388	1.17488
Valid N (list wise)	441		

FACTOR ANALYSIS

Before conducting factor analysis on the tabulated data a test for significance and adequacy of data collected was carried out as indicated in the Table 6. It is noted that the sampling adequacy is O.K. since the KMO value obtained is 0.553 which is greater than acceptable value of 0.50. The test of sphericity is also significant and so the correlation matrix is not an identity matrix since the associated probability is less than 0.05.

TABLE 6: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.553
Bartlett's Test of Sphericity	Approx. Chi-Square	4962.220
	df	171
	Sig.	.000

TABLE 7: COMMUNALITIES

	Initial	Extraction
The presentation of challenging and provocative ideas influence me most to attend class.	1.000	.801
The desire for knowledge and clarity of explanation of the subject motivate me to attend class. ,	1.000	.805
I genuinely enjoy learning and feel lectures make knowledge meaningful	1.000	.838
I always see education as a means towards some end	1.000	.825
I am motivated to attend class because I have an urge to work independently	1.000	.839
I remain in class because of fear of losing attendance	1.000	.859
I am not able to attend class because of my assignment and busy schedule.	1.000	.780
A variety of learning activities like experiment or hand on activity in the classroom motivate me to attend class.	1.000	.640
Teaching aid like Effective audio and visual aids attract me to attend class.	1.000	.631
The availability of subject material on alternate sources like internet and other gadget distract me from class room teaching.	1.000	.743
Opportunity of Brainstorming, knowledge of subject matter and humorous and enthusiastic approach of faculty attract me to attend classes.	1.000	.755
Friendly and approachable faculty and their nature of Respect toward students motivate me to attend class.	1.000	.719
I am particularly interested in information that will help me in my assessment tasks or exam questions	1.000	.740
The introduction of on-line databases and 'e-readings has made class room teaching and physical library irrelevant	1.000	.817
My extra assignment and paid employment and maturing age compel me to work and keep me away from the class.	1.000	.792
I do not attend class because this subject is not important for me.	1.000	.911
I do not attend class because this lecture is not useful to me	1.000	.843
Class attendance has a significant effect on academic performance'	1.000	.826
Professional attitude and clarity of course objective influence me most in attending class	1.000	.823

Extraction Method: Principal Component Analysis.

TABLE 8: TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.507	23.722	23.722	4.507	23.722	23.722	2.976		15.661
2	2.665	14.024	37.747	2.665	14.024	37.747	2.605	13.713	29.374
3	2.216	11.663	49.410	2.216	11.663	49.410	2.178	11.465	40.839
4	1.883	9.911	59.321	1.883	9.911	59.321	2.097	11.038	51.877
5	1.447	7.617	66.938	1.447	7.617	66.938	1.878	9.886	61.764
6	1.248	6.566	73.504	1.248	6.566	73.504	1.655	8.711	70.475
7	1.023	5.382	78.887	1.023	5.382	78.887	1.598	8.412	78.887
8	.740	3.895	82.782						
9	.657	3.456	86.238						
10	.560	2.948	89.186						
11	.432	2.276	91.462						
12	.390	2.055	93.516						
13	.333	1.754	95.271						
14	.230	1.212	96.483						
15	.178	.938	97.421						
16	.165	.866	98.287						
17	.137	.719	99.006						
18	.124	.654	99.660						
19	.065	.340	100.000						

TABLE 9: ROTATED COMPONENT MATRIX

	Component						
	1	2	3	4	5	6	7
The availability of subject material on alternate sources like internet and other gadget distract me from class room teaching.	.801						
The presentation of challenging and provocative ideas influence me most to attend class.	.759			.396			
A variety of learning activities like experiment or hand on activity in the classroom motivate me to attend class.	.758						
I always see education as a means towards some end	.636				.403		
I am particularly interested in information that will help me in my assessment tasks or exam questions	.582		.526				
I do not attend class because this subject is not important for me.		.937					
My extra assignment and paid employment and maturing age compel me to work and keep me away from the class.		.831					
I do not attend class because this lecture is not useful to me		.705		.439			.360
I genuinely enjoy learning and feel lectures make knowledge meaningful			.899				
The introduction of on-line databases and 'e-readings' has made class room teaching and physical library irrelevant	.370		.645	.330			
Teaching aid like Effective audio and visual aids attract me to attend class.			.571				.418
I am not able to attend class because of my assignment and busy schedule.				.838			
I remain in class because of fear of losing attendance	.359			.791			
I am motivated to attend class because I have an urge to work independently					.891		
The desire for knowledge and clarity of explanation of the subject motivate me to attend class. ,			.309		.575	.367	.445
Opportunity of Brainstorming, knowledge of subject matter and humorous and enthusiastic approach of faculty attract me to attend classes.				.445	.569	.382	
Professional attitude and clarity of course objective influence me most in attending class						.870	
Friendly and approachable faculty and their nature of Respect toward students motivate me to attend class.						.613	
Class attendance has a significant effect on academic performance'		.477					.878

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

TABLE 10: FACTOR ANALYSIS

FACTOR NO:	FACTOR NAME	COMPONENT VARIABLES	FACTOR LOADING
F1	Attractive class presentation and material content	The availability of subject material on alternate sources like internet and other gadget distract me from class room teaching. The presentation of challenging and provocative ideas influence me most to attend class. A variety of learning activities like experiment or hand on activity in the classroom motivate me to attend class. I always see education as a means towards some end I am particularly interested in information that will help me in my assessment tasks or exam questions	0.801 0.759 0.758 0.636 0.582
F2	Relevance of class teaching content for job performance	I do not attend class because this subject is not important for me. My extra assignment and paid employment and age compel me to work and keep me away from the class. I do not attend class because lecture is not useful to me	0.937 0.831 0.705
F3	Modern Audio-visual teaching aids and e-learning and on line data	I genuinely enjoy learning and feel lectures make knowledge meaningful The introduction of on-line databases and 'e-readings' has made class room teaching and physical library irrelevant Teaching aid like Effective audio and visual aids attract me to attend class.	0.899 0.645 0.571
F4	Inconvenient class schedules	I am not able to attend class because of my assignment and busy schedule. I remain in class because of fear of losing attendance	0.838 0.791
F5	Shared knowledge ,opportunity for clarification through discussion	I am motivated to attend class because I have an urge to work independently The desire for knowledge and clarity of explanation of the subject motivate me to attend class Opportunity of Brainstorming, knowledge of subject matter and humorous and enthusiastic approach of faculty attract me to attend classes	0.891 0.575 0.569
F6	Professional attitude and objectivity of faculty	Professional attitude and clarity of course objective influence me most in attending class Friendly and approachable faculty and their nature of respect toward students motivate me to attend class.	0.870 0.613
F7	Class attendance significant for academic performance	Class attendance has a significant effect on academic performance'	0.878

Table 7 – Communalities as obtained by application of SPSS software is further analysed and Tabulated in Table 8 for extracting principal components. In the language of Factor analysis, the proportion of variance of a particular item that is due to common factors (shared with other items) is called communality. The proportion of variance that is unique to each item is then the respective item's total variance minus the communality. Each observed variable's communality is its estimated squared correlation with its own common portion--that is, the proportion of variance in that variable that is explained by the common factors. Most factor analysis programs first estimate each variable's communality as the squared multiple correlations between that variable and the other variables in the analysis, then use an iterative procedure to gradually find a better estimate. In Table 8 total variance is explained and the correlation between the 19

variables is extracted through an iterative process (Elgin values) and the squared values are tabulated and sum of squared values are rotated to get a lesser number of significant factors for further analysis of underlying common factors. Table 9 gives the rotated component matrix for a more sharp analysis and factor loadings. Analysis of principal components and associated variables give rise to the following 7 significant factors as indicated in the Table 10 – Factor analysis. The 7 significant factors are: Attractive class presentation and material content, Relevance of class teaching content for job performance, Modern Audio-visual teaching aids and e-learning and on line data, Inconvenient class schedules, Shared knowledge, opportunity for clarification through discussion, Professional attitude and objectivity of faculty and Significance Class attendance for academic performance.

CONCLUSION AND RECOMMENDATION

Data analysis has clearly revealed that there are 6 underlying factors which contribute for improving student motivation and participation in academic classes and improving class attendance in institutions of higher learning. These factors - **Motivating factors** are given below:

1. Attractive class presentation and material content by faculty aided by institutional infrastructure enabling such presentations.
2. Faculty members have to constantly remind the students of the importance and Relevance of class teaching content for job performance
3. Modern Audio-visual teaching aids and e-learning and on line data will enhance the image and value of class participation.
4. Shared knowledge, opportunity for clarification through discussion will restore student confidence and improve attendance in classes.
5. Professional attitude and objectivity of faculty is very important in gaining student confidence for attendance and class participation.
6. Making students realize and reinforcing the message that Class attendance significant for academic performance will help.

The above are so called motivating factors for improving student attendance and answers the first four objectives stated in the research methodology and proposal.

De-Motivating factors

In contrast to the above, the lack of the above factors will contribute to student De-motivation and slide back in class attendance. Factor analysis has brought one significant factor responsible and De-motivation i.e. Objective 5 of the research proposal i.e., *Inconvenient class schedules*. This is clearly a controllable factor by teaching faculty and administrative heads and senior professors. Management may also administer and monitor the academic teaching and activity schedules.

The study clearly brings out a perceptual mapping of students towards higher education and their expectations from institutions of learning. By fulfilling the aspirations of students, management can successfully stem the rot and improve the quality of education and simultaneously improving the viability of such institutions. It is clearly seen from data collected and analysed that 'Parental influence' is the most significant factor in selecting a particular course of studies for higher education. Parents must avail appropriate guidance and counseling from educational institutions of their choice as well as from education administrators and academic faculty. Parents must also involve in the development of their wards by regular review of academic achievements and Personality Development programs and interaction individually or in groups with the management of the institutions of higher learning.

Teachers' influence in the selection of a particular course of studies seems to be presently insignificant from the data obtained through research. There should be more involvement of academic teaching staff in counseling and guiding of students right from the entry level for selection of appropriate course of studies and specializations. To solve the problem of 'Boring lectures' the need to train and retrain faculty to meet the growing and varied demands of teaching and providing a satisfactory learning experience and outcome for students to meet the corporate and industry needs. An interactive process of curriculum development may be designed with inputs from industry Managers to make the higher studies relevant for employment and prospects for growth and employability of students.

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EFFECTIVE FOOD PACKAGE DESIGN AND CONSUMER ATTRACTION**DR. R. RAJESWARI****PRINCIPAL****SRI SARADA COLLEGE FOR WOMEN****SALEM****T. RAMYA****RESEARCH SCHOLAR****SRI SARADA COLLEGE FOR WOMEN****SALEM****ABSTRACT**

Marketers nowadays face the complex task of making their product identifiable among the other competitive ones. The only product exposure a consumer contacts prior to purchase of a product is the package. So marketers utilise this package as a face of the product to attract consumers' attention and also use it as a tool to establish their brand. Package is essential for any product however its essentiality is very high for food products. A food product becomes presentable and saleable only with the package. So designing a package for a product is thus a challenging job for a manufacturer. A package design does more than just making the package appealing. It reflects the creativity and personality of the company. The impact of an effective package design in attracting a consumer is to be identified by a marketer to aid them in designing their packages.

KEYWORDS

food package design, marketing.

INTRODUCTION

A package design has become a part of the product design because it is package that preserves and protects the product until it reaches the end consumer. Package also helps in product identification by ensuring uniqueness to the appearance of the product. Marketers nowadays face the complex task of making their product identifiable among the other competitive ones. They try to exhibit their products in the best manner by designing the packages most elegantly. The only product exposure a consumer contacts prior to purchase of a product is the package. So marketers utilise this package as a face of the product to attract consumers' attention and also use it as a tool to establish their brand.

Food markets have become more competitive and wide with the advancement and growth of technology. To survive in the competitive market, firms try to improve the quality of the food products and also strive to project that product quality in all possible ways. A product however good it may be, should be presented in such a way that it appeals to the consumer in a positive way. When it does not communicate positively to the consumer there are chances for the product to lose in the market. At the point of purchase product package is the communication life blood of a firm.

Package is essential for any product however its essentiality is very high for food products. A food product becomes presentable and saleable only with the package. Food package should protect the contents, preserve its quality and should maintain the taste of the food. Food marketers use packages as a medium to convince consumers about the quality and the nutritive value of their products. So package design for a processed food product gains more attention and concentration among food manufacturers.

PACKAGE DESIGN

Marketers try to grab consumer's attention with the help of package design. A visually appealing and a striking design has a greater impact on a prospective buyer. A well designed and interesting package attracts customer's attention more than a poorly designed bland one. Package design also plays a key part in associating a brand to a product and establishing it, thus making it identifiable to the consumer. A package design does more than just making the package appealing. It reflects the creativity and personality of the company. There is lot of science behind a package design including the shape, materials used and the functionality of the package. Most of all a package design should intend to protect the contents well.

STATEMENT OF THE PROBLEM

Consumer Behaviour is one of the stimulating and challenging areas in marketing studies. It is a human activity focused on the purchasing, consuming and using of products and services. Understanding the behaviour of consumers towards packed food products has become an essential and most demanding activity because food industry has become one of the largest sector in terms of production, consumption and growth. Package plays a vital role in food retailing because without package, saleability of the processed food is not possible. Package is the first introduction of the product to the consumer. Sometimes failure of a product may not be due to lack of product qualities but due to lack of presentations. Packages give unique identity and recognition to the product. The more effectively a product is packed the more effective is its identity and individuality. So manufacturers strive to make their products more appealing by enhancing their attractiveness and convenience. Thus, it becomes prominent to identify the impact of the food packages on the behaviour of the consumers.

LITERATURE REVIEW

Gordon and Watts et al (1994) had stated that colours are used to communicate the features on packages of the product like taste, flavour etc. Their study also found that colours have an impact on the behaviour of consumers, their brand evaluations and brand choices. Eva Pongracz (1998) opined that the packaging appearance have become increasingly important as it attracts the customers attention from supermarket shelves by its range of colours and shapes. She concluded that companies will have to worry not just about how their product tastes but also about how it looks. According to Louw et al., (2005) packaging has the positive impact on consumer buying behaviour. Packaging among the 4 p's of marketing is a very powerful tool, its impact reaches deep in consumers mind as compared to advertising. Their study affirmed that even at the point of purchase it is packaging that influences the buying decision and dominates a product selection over its competitors. The study concluded that right packaging can help a brand carve a unique position in the market place and in the minds of consumers. According to Richardo (2008) consumers are not certain about the quality and product performance to choose among competing products. Hence they rely on cues as extrinsic attributes like brand, price, package and warranty as signals of perceived quality. He had articulated that colours and shapes are important elements of marketing strategies. Mitul and Bhavesh (2012) had narrated that the consumer buying behaviour is dependent on the packaging and its features. Packaging elements like packaging colour, background image, packaging material, font style, design of wrapper, printed information and innovation are taken as predictors by consumers.

OBJECTIVES OF THE STUDY

With the help of the literature about packages the following objectives were chosen for the study.

1. To identify the consumers attraction for food package and analysing how food package attraction varied with differing demographic profiles.
2. To elucidate the benefits of the effectively designed food packages and consumers expectations about such benefits.

LIMITATIONS

1. Packaging is essential for any kind of product. But the present study is limited towards processed pre packed, branded food products only.
2. The primary data was collected from Salem district of Tamilnadu. The inferences and results obtained may or may not fit to the other parts of the country.
3. Consumer's bias may influence the data collected and thus affect the interpretations and results.

METHODOLOGY

The research was conducted during October, November and December 2013 in Salem district. 665 respondents were selected from the four revenue divisions Attur, Mettur, Salem, Sankari on convenience sample selection method based on population of the region. A well structured pre-tested questionnaire was used to collect information from the respondents. Descriptive statistical analysis, Chi-Square test, Factor analysis, T-test, F-test were used for the analysis of data using SPSS.

ANALYSIS AND RESULTS

Table-1 depicts the percentage analysis of the age group and food package attraction. Of the total 665 respondents 77.7% have stated that they are attracted towards the food package. The respondents in the age group of 35-44 have greater attraction towards food package (80.7%). In the age group of 25-34, out of 201 respondents 155 have attraction for food package. In the age group of 18-24, 78.9% respondents are attracted towards food package. The elder category of respondents above the age of 45 have lower attraction of 73.2%. It indicates that middle aged people might have greater interest in appearance followed by the youngest group of people who might have an attraction towards bright colours.

TABLE-1: AGE GROUPS AND FOOD PACKAGE ATTRACTION

		Age of the Respondents									
		18-24		25-34		35-44		45+		Total	
		N	%	N	%	N	%	N	%	N	%
Do food packages attract your attention?	Yes	131	78.9	155	77.1	138	80.7	93	73.2	517	77.7
	No	35	21.1	46	22.9	33	19.3	34	26.8	148	22.3
	Total	166	100.0	201	100.0	171	100.0	127	100.0	665	100.0

Source: Primary Data

TABLE-2: GENDER AND FOOD PACKAGE ATTRACTION

		Gender					
		Male		Female		Total	
		N	%	N	%	N	%
Do food packages attract your attention?	Yes	223	82.3	294	74.6	517	77.7
	No	48	17.7	100	25.4	148	22.3
	Total	271	100.0	394	100.0	665	100.0

Source: Primary Data

Table-2 reveals that greater number of male respondents are attracted towards food package-223 out of 271 (82.3%). 74.6% of female respondents have an attraction for food package with a difference of 7.7% between the two groups. It shows that men are more attracted towards package elements like colour, shape, design etc.

TABLE-3: OCCUPATION AND FOOD PACKAGE ATTRACTION

		Occupation of the Respondent									
		Business		Salaried		Professional		House Wives		Total	
		N	%	N	%	N	%	N	%	N	%
Do food packages attract your attention?	Yes	71	77.2	170	82.1	101	82.1	175	72.0	517	77.7
	No	21	22.8	37	17.9	22	17.9	68	28.0	148	22.3
	Total	92	100.0	207	100.0	123	100.0	243	100.0	665	100.0

Source: Primary Data

Table-3 reveals the occupation wise opinion of respondents towards food package attraction. 82.1% of the respondents in both salaried and professional group are attracted towards food package. 71 out of 92 respondents under the business category are attracted towards food packages. House wives have lesser attraction towards food package among respondents (72.0%).

TABLE-4 RESIDENTIAL AREA AND FOOD PACKAGE ATTRACTION

		Residential Area					
		Urban		Rural		Total	
		N	%	N	%	N	%
Do food packages attract your attention?	Yes	329	76.5	188	80.0	517	77.7
	No	101	23.5	47	20.0	148	22.3
	Total	430	100.0	235	100.0	665	100.0

Source: Primary Data

Table-4 shows the attraction for food package among rural and urban respondents. It could be seen that the rural respondents are more attracted towards food package(80%). However 329 respondents of the total 430 from urban area are attracted towards food package(76.5%). It was revealed in several studies that rural consumers are more attracted towards displays, hoardings and these are considered effective communication tools in rural areas. Moreover it was also found that rural consumers have more interest towards the value for money. This may lead them to give more attention to every detail of the product. So higher attraction towards packages among rural consumers can be seen from the study.

TABLE-5: CHI-SQUARE RESULTS FOR DEMOGRAPHIC PROFILES AND FOOD PACKAGE ATTRACTION

Demographic Profile	Value	df	p	Sig.
Age	2.539 ^a	3	.468	Not Significant
Gender	5.457 ^a	1	.019	Significant
Occupation	8.279 ^a	3	.041	Significant
Residential Area	1.069 ^a	1	.301	Significant

Source: Primary Data

Table-5 shows the chi-square results of the demographic profile and food package attraction. It is found that there is no significant association between age and attraction towards food package. However there is significant association between Gender, Occupation and Residential area and food package attraction.

EFFECTIVE FOOD PACKAGE DESIGN AND EXPECTED BENEFITS

In order to know the opinion of the respondents with regard to their expected benefits from an effective food package design a list of 13 statements were presented to them on a five point Likert's scale. The respondent's opinion is given in the table-6.

TABLE-6: EFFECTIVELY DESIGNED FOOD PACKAGE

Benefits of Food Package Design	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Attracts and grabs attention	65	9.8	57	8.6	187	28.1	251	37.7	105	15.8	665	100.0
Makes the product available in required size	15	2.3	61	9.2	149	22.4	312	46.9	128	19.2	665	100.0
Provides convenience of food storage	23	3.5	58	8.7	144	21.7	272	40.9	168	25.3	665	100.0
Gives safety of food maintenance	14	2.1	48	7.2	130	19.5	236	35.5	237	35.6	665	100.0
Provides easiness in opening/closing	19	2.9	73	11.0	146	22.0	235	35.3	192	28.9	665	100.0
Is made from good quality material	37	5.6	80	12.0	153	23.0	217	32.6	178	26.8	665	100.0
Facilitates for easy identification of brands	42	6.3	71	10.7	121	18.2	251	37.7	180	27.1	665	100.0
Avoids spilling of the contents	25	3.8	80	12.0	129	19.4	256	38.5	175	26.3	665	100.0
Supports easy handling and transport	25	3.8	61	9.2	97	14.6	284	42.7	198	29.8	665	100.0
Tempts us to take packages from shelves	69	10.4	85	12.8	142	21.4	220	33.1	149	22.4	665	100.0
Induce us to purchase the product	41	6.2	71	10.7	171	25.7	271	40.8	111	16.7	665	100.0
Makes us feel that the kitchen will look beautiful with that package	95	14.3	113	17.0	154	23.2	179	26.9	124	18.6	665	100.0
Adds value to the product	54	8.1	77	11.6	136	20.5	237	35.6	161	24.2	665	100.0

Source: Primary Data

TABLE-7: RESULTS OF KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.786
Bartlett's Test of Sphericity	Approx. Chi-Square
	Df
	Sig.

Source: Primary Data

Table-6 shows the respondents opinion about their various expectations when a package is said to be effectively designed. Table-7 shows the results of the KMO and Bartlett's test of sphericity. It is seen that the data is sufficient to carry the factor analysis (Sig. Value = 0.000; Kaiser -Meyer-Olkin Measure of Sampling Adequacy=0.786). Table-8 shows the rotated component matrix which clearly groups the items under four components or factors. The factors extracted are 1) Package Appeal; 2) Safety and Ease of Convenience; 3) Identification; 4) Package Design.

TABLE-8: FACTOR ANALYSIS TO FIND THE MAJOR FACTORS THAT CONSTITUTE EFFECTIVE DESIGN

Rotated Component Matrix	Component			
	1	2	3	4
Induce us to purchase the product	.753			
Adds value to the product	.745			
Makes us feel that the kitchen will look beautiful with that package	.741			
Tempts us to take packages from shelves	.585			
Gives safety of food maintenance		.720		
Is made from good quality material	.323	.662		
Provides easiness in opening/closing		.613	.346	
Provides convenience of food storage		.573	.365	
Avoids spilling of the contents			.741	
Supports easy handling and transport			.709	
Facilitates for easy identification of brands			.600	
Attracts and grabs attention				.800
Makes the product available in required size				.800
Total Variance Explained %	25.563	13.332	9.136	7.836
Component Name	Package Appeal	Safety and Ease of Convenience	Identification	Package Design

Source: Primary Data

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalisation

a. Rotation converged in 5 iterations

GENDER AND EFFECTIVELY DESIGNED FOOD PACKAGE

An independent sample t test was conducted to compare the opinion about the benefits of the effective package design among the two gender groups. The factors grouped by conducting the Principal Component Analysis was used for t-test.

TABLE-9 GENDER AND EFFECTIVELY DESIGNED FOOD PACKAGE

	Levene's Test for Equality of Variances		t-test for Equality of Means			
	F	Sig.	T	df	Sig. (2-tailed)	Remarks
Package Appeal	5.719	.017	-.211	540	.833	Not Significant
Safety & Ease of Convenience	.548	.460	.224	663	.823	Not Significant
Identification	.888	.346	-1.262	663	.207	Not Significant
Design	.535	.465	-.882	663	.378	Not Significant

Source: Primary Data

There was no significant difference in package appeal between male ($M=-.01$, $SD=1.06$) and female ($M=.01$, $SD=.96$); $t(540) = -0.211$, $p=0.833$ respondents. Thus there is no differences in opinion between male and female with respect to Package Appeal. i.e., they consider it same.

There was no significant difference in the view of safety and ease of convenience between male ($M=.01$, $SD=.98$) and female ($M=-.01$, $SD=1.01$); $t(663) = .224$, $p=0.823$ respondents. These results shows that the factor safety and ease of convenience is of same importance between both the groups.

The difference between the male ($M=-.06$, $SD=1.03$) and female respondents ($M=.04$, $SD=.98$) regarding the factor identification was not significant, $t(663) = -1.262$, $p=.207$. Both male and female have the same opinion with respect to identification.

Gender has no significant difference in the opinion about the package design. The male respondents ($M=-.04$, $SD=.98$) and female respondents ($M=.03$, $SD=1.01$) view the design of the package in the same manner $t(663)=-.882$, $p=.378$.

RESIDENTIAL AREA AND EFFECTIVELY DESIGNED FOOD PACKAGE

To identify the relationship between the opinion of the respondents in the rural and urban area with regard to the effective food package design independent samples t test was conducted.

TABLE-10 RESIDENTIAL AREA AND EFFECTIVELY DESIGNED FOOD PACKAGE

	Levene's Test for Equality of Variances		T-test for Equality of Means			
	F	Sig.	T	df	Sig. (2-tailed)	Remarks
Package Appeal	0.234	0.629	2.071	663	0.039	Significant
Safety & Ease of Convenience	8.29	0.004	1.922	419.73	0.055	Not Significant
Identification	0.044	0.835	2.2	663	0.028	Significant
Effective Design	17.027	0	5.43	391.93	0	Significant

Source: Primary Data

There was significant difference in package appeal with regard to residential area. The respondents in the urban area ($M=.06$, $SD=.99$) have different opinion against the respondents in the rural area ($M=-.11$, $SD=1.02$), $t(663)=2.071$, $p=.039$ with regard to package appeal.

There was no significant difference in the component of safety and ease of convenience between urban ($M=.06$, $SD=.94$) and rural ($M=-.11$, $SD=1.10$); $t(419.73) = 1.922$, $p=.055$ respondents. This results shows that the factor safety and ease of convenience is of equal importance for both the groups.

The difference between the urban ($M=.06$, $SD=.98$) and rural ($M=-.12$, $SD=1.02$) respondents regarding the factor identification was significant $t(663) = 2.200$, $p=.028$. Both view the identification factor in different manner.

The urban respondents ($M=.16$, $SD=.88$) and rural respondents ($M=-.03$, $SD=1.13$) have difference of opinion with regard to package design with $t(391.93)=5.430$, $p=.000$.

AGE AND EFFECTIVELY DESIGNED FOOD PACKAGE

To compare the opinion of the respondents regarding the effect and benefits of package design between all the age group of respondent's one-way ANOVA test was conducted. The results of the grouped factors were considered for the test.

TABLE-11: AGE AND EFFECTIVELY DESIGNED FOOD PACKAGE

	18-24	25-34	35-44	45+	F	Sig.	Remarks
Package Appeal	0.01	-0.11	0.01	0.14	1.613	.185	Not significant
Safety & Ease of Convenience	-0.10	0.10	-0.04	0.02	1.410	.239	Not significant
Identification	-0.07	0.00	0.07	0.00	.494	.686	Not Significant
Design	-0.20	-0.01	0.21	0.00	4.813	.003	Significant

Source: Primary Data

The results of one-way ANOVA for 'package appeal' and age groups shows that there was no significant difference in age group with respect to package appeal at $p>0.05$ [$F(3,661) = 1.163$, $p = 0.185$]. This results shows that all four age categories are equal in opinion about package appeal.

The F test between 'safety and ease of convenience' and age groups shows that there was no significant difference in age group with respect to safety and ease of convenience at $p>0.05$ [$F(3,661) = 1.410$, $p = 0.239$]. All age categories view the factor safety and ease of convenience similarly.

The Age groups for the factor 'Identification' shows no significant difference at $p>0.05$ [$F(3,661) = .494$, $p = 0.686$]. Identification factors are viewed equally among all age categories.

There is difference in opinion with regard to design of the package among the different age groups of the respondents at $p>0.05$ [$F(3,661) = 4.813$, $p = 0.003$]. Design is viewed differently by different age groups.

OCCUPATION AND EFFECTIVELY DESIGNED FOOD PACKAGE

To compare the opinion of the respondents regarding the effect and benefits of package design between the respondents belonging to different occupational group one-way ANOVA test was conducted.

TABLE-12 OCCUPATION AND EFFECTIVELY DESIGNED FOOD PACKAGE

	Business	Salaried	Professional	House Wives	F	Sig.	Remarks
Package Appeal	0.05	0.08	-0.06	-0.05	.871	.456	Not Significant
Safety & Ease of Convenience	0.09	0.00	0.21	-0.14	3.883	.009	Significant
Identification	-0.16	0.01	0.06	0.02	.996	.394	Not Significant
Package Design	0.01	0.04	-0.28	0.10	4.216	.006	Significant

Source: Primary Data

Table-12 depicts the results of one-way ANOVA for 'package appeal' and occupation. It is seen that there was no significant difference in occupation with respect to package appeal at $p>0.05$ [$F(3,661) = .871$, $p = 0.456$]. This results shows all respondents with different occupation have similar opinion about package appeal.

The F test between 'safety and ease of convenience' and occupation shows that there was significant difference in opinion among different occupational groups with respect to safety and ease of convenience at $p>0.05$ [$F(3,661) = 3.883$, $p = 0.009$]. Each category view the factor safety and ease of convenience differently.

The occupational groups for the factor 'Identification' shows no significant difference at $p>0.05$ [$F(3,661) = .996$, $p = 0.394$]. Identification factors are viewed equally among all occupational categories.

There is significant difference in opinion with regard to design of the package among the respondents of the different occupational category at $p>0.05$ [$F(3,661) = 4.216$, $p = 0.006$].

CONCLUSION AND RECOMMENDATIONS

Package has become the primary vehicle to convey manufacturer's information to the consumers. Package projects the initial impression that consumers form about a product, its quality or its value. Thus manufacturers pay more attention to the package design especially in case of food products as package has a direct contact with food that is packed. So factors like quality of material, convenience of usage, protection are given more attention. It is seen from the study that majority of consumers are attracted towards food package. However when package design is considered attraction should not be the only benefit expected of an effective design. Safety of food maintenance, providing easiness in opening and closing, supporting easy handling and transport are the important benefits expected by consumers from a food package when it is said to be effectively designed. So it could be stated that though consumers have general attraction towards food package they also expect other features to be considered in designing a food package besides giving it a good appearance.

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DO ASIAN STOCK MARKETS INTERACT?

PRASHANT JOSHI
PROFESSOR & HEAD
DEPARTMENT OF MANAGEMENT
UKA TARSADIA UNIVERSITY
BARDOLI

ABSTRACT

The paper attempts to analyze long-term relationships among major stock markets of Asia namely India, China, Hong Kong and Japan using the Johansen and Juselius multivariate cointegration approach during Jan 2010 to June 2014. Short-run dynamics are captured through vector error correction models. The analysis reveals that there is an evidence of cointegration among the markets demonstrating that stock prices in the countries studied here share a common trend. The results reveal that the speed of adjustment of Indian stock market is higher than other stock markets of Asia.

KEYWORDS

stock market, asian markets, finance.

1. INTRODUCTION

The issue of stock market integration and comovements of stock prices across economies has received considerable attention in economic literature. Integration is the process by which markets become open and unified so that participants in one market have an unimpeded access to other markets. The financial market's integration in general implies that in absence of administrative and informational barriers, risk adjusted returns on assets of the same tenor in each segment of the market should be comparable to one another.

Recent globalization and free movements of capital across boundaries of nation have integrated financial market worldwide. Technological innovations have improved market integration. Careful examination of international stock market movements in recent years suggests that there exists a substantial degree of interdependence among national stock markets. It is argued that unexpected development in international stock markets seem to have become important "news" that influences domestic stock markets (Eun & Shim, 1989).

With the automation and liberalization of the Indian stock markets, there has been a perceptible change in the Indian Stock market towards the later part of the 1990s. Trading system in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) has reached a global standard. It has created a nationwide trading system that provides equal access to all investors irrespective of geographical location. In that sense, technology has brought about equality among the investors across the country. The stock markets introduced the best possible systems; practiced in advanced stock markets like electronic trading system, rolling settlement in place of the account period settlement, increase in trading hour, dematerialization of shares and introduction of derivatives etc. The focus on the external sector has prompted many Indian companies, especially those in the area of information technology, to list at the US stock exchanges. With the introduction of advanced practices, transparency has also increased in the stock market. Further, among the significant measures of opening up of capital market, portfolio investment by foreign institutional investors (FIIs) such as pension funds, mutual funds, investment trusts, asset management companies have made the turning point for the Indian stock markets. With the financial sector reforms initiated in 1991, not only FIIs and NRIs are allowed to invest in Indian stock markets, Indian corporate have been allowed to tap the global market with global depository receipts (GDR), American depository receipts (ADR) and foreign currency convertible bonds (FCCB) since 1993. All these changes have led to substantial improvement in market capitalization, liquidity and efficiency of the Indian capital market.

The deregulation and market liberalization measures and the increasing activities of multinational companies have accelerated the growth of Indian stock market. Thus, given the newfound interest in the Indian stock markets during liberalization period, it is interesting to know integration of Indian stock markets. The financial markets, especially the stock markets, for developing and developed markets have now become increasingly integrated despite the uniqueness of the specific market and country profile. This has happened specifically due to financial liberalization adopted by most of the countries around the world, technological advancement in communications and trading systems, introduction of innovative financial products and creating more opportunities for international portfolio investments. This has intensified the curiosity in exploring international market linkages.

Eun and Shin (1989) detected the presence of substantial amount of interdependence among national stock markets of USA, UK, Canada, Germany, Australia, France, Japan, Switzerland and Hongkong. Using daily closing price data during the period January 1980 through December 1985, the study found a substantial amount of multi-lateral interactions among the national stock markets. The analysis indicated that innovations in the U.S. were rapidly transmitted to other markets in a clearly recognizable fashion, whereas no single foreign market can significantly explain the U.S. market movements.

Over the past 40 years, stock market prices have been analyzed using different methods and data sets by investors and researchers with an objective to determine the forecastability of price changes. Chung and Ng (1991) have shown that developments in the U.S. market have significant influence on return of Tokyo stock market on the next day, but Tokyo stock market of Japan does not influence the returns of U.S. market. Given the U.S.'s dominant economic and political strength in the world market, this finding does not seem surprising. However, the recent leading role of other stock markets of the world and their interactive participation in the U.S. may possibly signal a reversal of the widely-held notion that the spillover stock market effect is solely from the U.S. to other stock markets.

Bhattacharya and Samantha (2001) investigated the extent to which news on NASDAQ helped price formation at the beginning and at the end of a trading day at the Indian bourses using daily data of stock price indices from January 3, 2000 to October 31, 2000. They analyzed the impact of NASDAQ on SENSEX through Ordinary Least Square (OLS) equations under cointegration and error correction framework¹. The study showed that the news on NASDAQ had played an important role in price formation at the beginning of the new trading day at the Indian bourses. Thus, the study suggested the integration of the Indian capital market with the US market.

Wong, Agrawal and Du (2004) investigated the long-run equilibrium relationship and short-run dynamic linkage between the Indian stock market and the stock markets in major developed countries (United States, United Kingdom and Japan) after 1990 using the Granger causality and cointegration method. Using weekly closing prices data from January 1, 1991 to December 31, 2003, they found that Indian stock market was integrated with mature markets.

Compared to other emerging stock markets in Asia, the Indian stock market has been recognized as relatively less sensitive to changes of Asian and other developed markets of the world. Therefore, in spite of the fact that Indian stock market has largest number of listed companies, it has received little attention while undertaking studies on interconnectedness of world stock markets. Researchers have rarely included the Indian Stock Market while studying the influence of the U.S. markets on Asian markets and interdependence among Asian stock markets (Wong & Ng, 1992, Ng, 2002). These researches are evidences that Indian stock market has not only received relatively less attention of scholars and researchers in the field of international finance but also the market is considered to be somewhat isolated from international markets.

¹In Cointegration, a linear combination of two series, each of which is integrated of order one, is cointegrated of order zero. Error Correction Model is a time series model in first differences that contains an error correction term which works to bring two I(1) (the series that can be transformed into stationary by taking first difference) series back into long-run equilibrium.

Ahmad, Ashraf and Ahmed (2005) examined the interlinkages and causal relationship between the Nasdaq composite index in the US, the Nikkei in Japan with that of NSE Nifty and BSE Sensex in India using daily closing data from January 1999 to August 2004. The study used Granger Causality and Johansen cointegration² methods to examine short run and long term relationship among the stock markets respectively. The results of Co-integration test revealed that there was no long-term relationship of the Indian equity market with that of the US and Japanese equity markets. Granger causality test suggested that there was a unidirectional relationship from Nasdaq and Nikkei to Indian stock markets.

Hoque (2007) explored the dynamics of stock price movements of an emerging market such as Bangladesh with that of USA, Japan and India using daily closing price data starting from January 1, 1990 to December 31, 2000. The indices used for Bangladesh, India, Japan and USA were Dhaka Stock Exchange (DSE) All Share Price Index, BSE30, Nikkei 225 and S&P500 respectively. They analyzed the long term relationships among the markets using the Johansen multivariate cointegration approach and short-term dynamics were captured through vector error correction models. Vector Auto Regression³ was used to study the impact of shocks of these markets on own markets and other markets. The analysis showed that there was evidence of long term cointegration among the markets suggesting that stock prices in the countries share a common stochastic trend. Impulse response analysis shows that shocks to US market do have an impact on Bangladesh stock market. The response of Bangladesh stock market to shocks Indian stock market is weak. Shocks to Japanese stock market do not generate a response in the Bangladesh stock market.

Our literature review suggests that there are few studies on integration of Indian stock markets with developed and developing stock markets of Asia. With liberalization in India, changes in the economic environment of the world and growing interdependence, other countries like India, China, Japan and Hongkong etc, it is interesting to investigate the integration of stock price movements of India with respected to developed and developing stock markets of Asia. The purpose of the paper is to provide such analysis with a special emphasis on integrating relationship of selected stock markets.

The organization of the paper is as follows. Section 2 discusses research design. Results are presented in section 3. Section 4 summarizes.

2. RESEARCH DESIGN

2.1 SAMPLE AND PERIOD OF STUDY

The study uses data on daily closing price of Sensex of India, Shanghai Stock exchange of China, Henseng of Hongkong and Nikkei of Japan starting from 1st January 2010 to 1st June, 2014. Many changes took place during the period like introduction of rolling settlement, transactions in futures and options, the bull run and the highs in the indices, increased FII inflows across the world stock markets, gradual lifting of restrictions on capital flows and relaxation of exchange controls in many countries etc. These changes might have influenced the degree of comovement among the stock markets. It will be instructive to examine the cointegration of the stock markets.

2.2 METHODOLOGY

Daily returns are identified as the difference in the natural logarithm of the closing index value for the two consecutive trading days. It can be presented as:

$$R_t = \log(P_t / P_{t-1}) \quad \text{or} \quad R_t = \log(P_t) - \log(P_{t-1}) \quad \text{Equation 1}$$

Where R_t is logarithmic daily return at time t . P_{t-1} and P_t are daily prices of an asset at two successive days, $t-1$ and t respectively.

2.2.1 UNIT ROOT TEST

Augmented Dickey-Fuller (ADF) test is employed to test the validity of market integration hypothesis. A unit root test is a statistical test for the proposition that in an autoregressive statistical model of a time series, the autoregressive parameter is one. It is a test for detecting the presence of stationarity in the series. The early and pioneering work on testing for a unit root in time series was done by Dickey and Fuller (Dickey and Fuller 1979 and 1981). If the variables in the regression model are not stationary, then it can be shown that the standard assumptions for asymptotic analysis will not be valid. In other words, the usual "t-ratios" will not follow a t-distribution; hence they are inappropriate to undertake hypothesis tests about the regression parameters.

Stationary time series is one whose mean, variance and covariance are unchanged by time shift. Nonstationary time series have time varying mean or variance or both. If a time series is nonstationary, we can study its behaviour only for a time period under consideration. It is not possible to generalize it to other time periods. It is, therefore, not useful for forecasting purpose.

The presence of unit root in a time series is tested with the help of Augmented Dickey-Fuller Test. It tests for a unit root in the univariate representation of time series. For a return series R_t , the ADF test consists of a regression of the first difference of the series against the series lagged k times as follows:

$$\Delta r_t = \alpha + \delta r_{t-1} + \sum_{i=1}^p \beta_i \Delta r_{t-i} + \varepsilon_t \quad \text{Equation 2}$$

$$\Delta r_t = r_t - r_{t-1}; r_t = \ln(R_t)$$

The null hypothesis is $H_0: \delta = 0$ and $H_1: \delta < 1$. The acceptance of null hypothesis implies nonstationarity.

We can transform the nonstationary time series to stationary time series either by differencing or by detrending. The transformation depends upon whether the series are difference stationary or trend stationary.

2.2.2 CO-INTEGRATION TEST

The purpose of the co-integration test is to determine whether a group of nonstationary series is co-integrated or not. The presence of cointegrating relation forms the basis of the Vector Error Correction (VEC) model specification. The test for the presence of cointegration is performed when all the variables are non-stationary and integrated of the same order. Cointegration exists for variables means despite variables are individually nonstationary, a linear combination of two or more time series can be stationary and there is a long-run equilibrium relationship between these variables. In the present study, we use method proposed by Johansen (1991). This method can be explained by considering the following general autoregressive representation for the vector Y .

$$Y_t = A_0 + \sum_{j=1}^p A_j Y_{t-j} + \varepsilon_t \quad \text{Equation 3}$$

where Y_t is a $nx1$ vector of nonstationary variables, A is a $nx1$ vector of constants, p is the number of lags, A_j is nxn matrix of coefficients and ε is assumed to be a $nx1$ vector of Gaussian error terms.

In order to use Johansen's test, the above vector autoregressive process can be reparametrized and turned into a vector error correction model of the form:

$$\Delta Y_t = A_0 + \sum_{j=1}^{p-1} \Gamma_j \Delta Y_{t-j} + \Pi Y_{t-p} + \varepsilon_t \quad \text{Equation 4}$$

where

² It is applied when series are non stationary and integrated of the same order. The purpose of the test is to determine whether a group of non-stationary series is co-integrated or not.

³ A model for two or more time series where each variable is modeled as a linear function of past values of all variables plus disturbances that have zero means given all past values of the observed variables.

$$\Gamma_j = -\sum_{i=j+1}^p A_j \quad \text{and} \quad \Pi = -I + \sum_{i=j+1}^p A_j$$

Equation 5

Δ is the difference operator and I is nxn identity matrix.

The issue of potential cointegration is investigated when we compare the both sides of equation 4. As Y_t is integrated of order 1 i.e. $I(1)$, ΔY_t is $I(0)$, so are ΔY_{t-j} .

This implies that left-hand side of equation 4 is stationary since ΔY_{t-j} is stationary; the right hand side of equation 4 will also stationary ΠY_{t-p} is stationary. The Johansen test centres on an examination of the Π matrix. The Π can be interpreted as a long run coefficient matrix. The test for cointegration between the Y 's is calculated by looking at the rank of the Π matrix via eigenvalues. The rank of the matrix is equal to the number of its characteristic roots (eigenvalues) that are different from zero. The information on coefficient matrix between the levels of the Π is decomposed as $\Pi = \alpha\beta$, where the relevant elements, the α matrix are adjustment coefficients and β matrix contains the cointegrating vectors.

There are two test statistics for cointegration under the Johansen method to test for number of characteristic roots. There are trace and the maximum eigenvalues test:

$$\lambda_{trace}(r) = -T \sum_{i=r+1}^g \ln(1 - \hat{\lambda}_i)$$

Equation 6

and

$$\lambda_{max}(r, r+1) = -T \ln(1 - \hat{\lambda}_{r+1})$$

Equation 7

where $\hat{\lambda}$ is the estimated values of the characteristic roots obtained from the estimated Π matrix, T is the number of usable observations and r is the number of cointegrating vectors.

The trace test statistics, test the null hypothesis that the number of distinct cointegration vectors is less than or equal to r against the alternative hypothesis of

more than r cointegrating relationships. From the above, it is clear that λ_{trace} equals zero when all $\hat{\lambda} = 0$. The maximum eigenvalue statistics test the null hypothesis that the number of cointegrating vectors is less than or equal to r against the alternative of $r+1$ cointegrating vectors.

Johansen and Juselius (1990) provided critical values for the two statistics. If the test statistics is greater than the critical value from Johansen's table, reject the null hypothesis in favour of the alternative hypothesis discussed above.

2.2.3 SHORT-RUN DYNAMICS OF THE SYSTEM

Short run dynamics of the system is examined through error correction model. The discussion on the model is given in the following section.

2.2.3.1 ERROR CORRECTION MODEL

If variables are nonstationary and are cointegrated, the adequate method to capture short run dynamics is Vector Error Correction Models (VECMs). It examines the responses of a variable to changes and innovations in other variables and the adjustments that it takes to correct for any deviations from the long-run equilibrium relationship. Under cointegration, the VECM can be written as:

$$\Delta Y_t = \alpha\beta'Y_{t-1} + \sum_{i=1}^{k-1} \Gamma_i \Delta Y_{t-i} + A_t + \varepsilon_t$$

Equation 8

where α is the matrix of adjustment or feedback coefficients, which measures how strongly deviations from equilibrium, the r stationary variables $\beta'Y_{t-1}$, feedback into the system. If there are $0 < r < p$ cointegrating vectors, then some of the elements must be non zero.

3. RESULTS AND DISCUSSION

A prerequisite for testing cointegration between the stock indices is the all variables are non-stationary. The first phase in the estimation process is deciding the order of integration of the individual price index series in natural log levels. The log of the indices, denoted as LSensex, LSSE, LHSI and LNIKKEI are tested for unit roots using the Augmented Dickey-Fuller (ADF) test using lag structure indicated by Schwarz Bayesian Information Criterion (SBIC). The results of the Augmented Dickey Fuller test for unit root test are given in Table 1. It shows that all the variables are non-stationary at their log level. However, they are stationary at their first difference and are integrated of order one as the actual values reported in the Table 1 exceed MacKinnon's critical values of -3.43, -2.86 and -2.56 at 1%, 5% and 10% levels respectively. Thus, all the series under investigation are $I(1)$. This means that all the series are individually integrated.

TABLE 1: UNIT ROOT TEST

Stock markets	Log Level	First Difference of Logarithmic series
LSensex	-0.768 (0.830)	-31.018 (0.000)
LSSE	-1.936 (0.314)	-33.078 (0.000)
LHSI	-2.58 (0.097)	-32.555 (0.000)
LNIKKEI	-0.579 (0.872)	-34.038 (0.000)
LSP500	-2.293 (0.174)	-56.350 (0.000)

Johansen cointegration test is sensitive to the lag length (Enders, 2004). We employ AIC criteria to select the lag length to include in the analysis. Here, AIC selects the model with 2 lag.

The second phase involves an assessment on the five market series for cointegration. The cointegration test is to determine whether or not the five nonstationary price indices share a common stochastic trend. Table 2 presents the results of cointegration tests pertaining to the indices. The results reveal the presence of significant cointegrating relationships between the stock market indices under investigation. Both the λ_{trace} and λ_{max} test show two significant cointegrating ranks. This indicates the presence of long-run equilibrium relations between the India, China, Hongkong and Japan stock markets. In other words, by and large all the stock indices are moving together.

TABLE 2: JOHANSEN'S COINTEGRATION TEST RESULTS FIVE INDICES

λ_{trace}				
Hypothesized		Trace		
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.038957	77.98779	54.07904	0.0001
At most 1	0.020570	34.83410	35.19275	0.0446
At most 2	0.009231	12.26181	20.26184	0.4256
At most 3	0.002015	2.190039	9.164546	0.7397
At most 4	0.038957	77.98779	54.07904	0.0001
λ_{max}				
Hypothesized		Max-Eigen	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.038957	43.15369	28.58808	0.0004
At most 1 *	0.020570	22.57229	22.29962	0.0458
At most 2	0.009231	10.07177	15.89210	0.3279
At most 3	0.002015	2.190039	9.164546	0.7397
At most 4	0.038957	43.15369	28.58808	0.0004
Max-eigenvalue test indicates 2 cointegrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

*Figure in the parenthesis are t-statistics.¹ The cointegrating vector is normalized on the NSE stock index.

The model adequacy test of Johansen cointegration is tested using Portmanteau test for autocorrelations. The result of the test at lag length is tabulated as below:

TABLE 3: PORTMANTEAU TEST FOR AUTOCORRELATION

Lags	Q-test	Prob	Adj. Q test	Prob	Df
5	90.51	0.08	90.82	0.076	45

The result suggests no residual autocorrelation after the model is fit. It implies that the model is adequate to capture the cointegration among the stock markets.

The second phase involves estimation of five error correction equations, based on cointegrated model. Table 5 represents the results of VECM. It is used to examine the short run equilibrium dynamics of the stock indices.

TABLE 3: RESULTS OF VECM MODEL

Error Correction:	D(LSensex)	D(LSSE)	D(HSI)	D(LNIKKEI)
ECM(-1)	0.052583	0.006214	-0.014029	0.089022
	[-1.986]*	[0.9087]	[-0.4789]	[3.8289]

*Indicates t-statistics

The results suggest that the error correction terms or adjustment coefficients are statistically significant for Sensex. The speed of adjustment coefficients is low in magnitude. It can be seen from the Table 4 that the coefficients of error correction terms of all stock markets except Sensex and SSE are negative. For instance, the positive coefficient of (0.005) of the cointegrating relation in the Sensex equation means that the return of the underlying goes up when the cointegrating equation shows positive values (direct relationship). The negative coefficients indicate that the returns of the stock markets go down when the cointegrating equation shows positive values (inverse relationship). The speed of adjustment of Indian stock market is marginally higher than rest of the stock markets. The results in the table 4 suggest that Indian stock market goes back to equilibrium faster.

4. SUMMARY

The present study endeavored to explore the dynamics of stock price co-movements of USA, India, China, Hong Kong and Japan stock markets. Cointegration model is used to examine the long-run equilibrium relationship among the time series. The results demonstrate that stock prices in those countries share a common trend. In general long-term relationship and short-term dynamics have been detected in this study.

The existence of market integration among the stock indices under investigations indicates that diversification among these five markets leads to little benefit to international portfolio investors. The results have several policy implications. If the markets are integrated, arbitrage opportunities would be very low. The absence of arbitrage opportunity may lead to low level of speculation leads to better market efficiency and the return would be proportionate to the risk.

The speed of adjustment of Indian stock market is higher implying it absorbs news faster than other stock markets and it is considered to be more informationally efficient than other stock markets.

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A STUDY ON CUSTOMER MOBILE APPLICATIONS USAGE PATTERN AND THEIR SATISFACTION**ABDULKHADAR J. MAKANDAR****STUDENT****DEPARTMENT OF MANAGEMENT STUDIES****BASAVESHWAR ENGINEERING COLLEGE (AUTONOMOUS)****VIDYAGIRI****SANJAY HANJI****ASSOCIATE PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****BASAVESHWAR ENGINEERING COLLEGE (AUTONOMOUS)****VIDYAGIRI****BRIJMOHAN VYAS****ASST. PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****BASAVESHWAR ENGINEERING COLLEGE (AUTONOMOUS)****VIDYAGIRI****DR. M. M. MUNSHI****ASSOCIATE PROFESSOR****DEPARTMENT OF PG STUDIES IN BUSINESS ADMINISTRATION & RESEARCH****VISVESVARAYA TECHNOLOGICAL UNIVERSITY****MACHE****ABSTRACT**

A Mobile application (or mobile app) is a software application designed to run on Smartphone, tablet computers and other mobile devices. They are usually available through application distribution platforms, which are typically operated by the owner of the mobile operating system, such as the Apple App Store, Google Play, Windows Phone Store, and BlackBerry App World. Some apps are free, while others must be bought. Usually, they are downloaded from the platform to a target devices i.e. mobiles, such as i-phones, android phones or windows phones, but sometimes they can be downloaded to laptops or desktops. Advances in Smartphone technology have enabled the prevalence of mobile applications. Such a variety of mobile applications make the Smartphone more interesting and more humanized, and running these applications has become the major function of Smartphones. The popularity of mobile applications has continued to rise, as their usage has become increasingly prevalent across mobile phone users. However, the most challenging task for companies and researchers is to know and predict mobile user's application usage patterns and tastes which is very important for improving Smartphone performance. Hence this research is undertaken to know the customer usage patterns and preferences of mobile apps. The results are discussed and conclusion is drawn.

KEYWORDS

Mobile APPS, Customer Usage Patterns, Satisfaction, Smart phones.

1. INTRODUCTION

The term "app" has become popular, and in 2010 was listed as "Word of the Year" by the American Dialect Society. In 2009, technology columnist David Pogue said that newer Smartphone could be nicknamed "app phones" to distinguish them from earlier less-sophisticated Smartphone.

Mobile apps were originally offered for general productivity and information retrieval, including email, calendar, contacts, and stock market and weather information. However, public demand and the availability of developer tools drove rapid expansion into other categories, such as mobile games, factory automation, GPS and location-based services, banking, order-tracking, and ticket purchases. The explosion in number and variety of apps made discovery a challenge, which in turn led to the creation of a wide range of review, recommendation, and duration sources, including blogs, magazines, and dedicated online app-discovery services.

The popularity of mobile applications has continued to rise, as their usage has become increasingly prevalent across mobile phone users. A May 2012 comscore study reported that during the previous quarter, more mobile subscribers used apps than browsed the web on their devices: 51.1% vs. 49.8% respectively.

Advances in Smartphone technology have enabled the prevalence of mobile applications. Such a variety of mobile applications make the Smartphone more interesting and more humanized, and running these applications has become the major function of Smartphones. However, the limited resource of current Smartphone requires both researchers and companies paying more attention to the way of effectively managing mobile applications. **A challenging task is how to predict mobile user's application usage patterns for improving Smartphone performance.** Although the usage patterns can be treated as the time series prediction problem, traditional time series models are usually too complex to be directly adopted by the Smartphone environment.

1.1 USAGE PATTERN

Consumption is simply defined as the total demand for all consumer goods and services. Consumption as the spending by households on goods and services such as clothing, food items, entertainment, health services and acquisition of assets among others. (Anyanwu (1995) and Frank and Bernanke (2001))

1.2 CUSTOMER SATISFACTION

In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations. If the performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied (Philip Kotler and Kevin Lane Keller)

1.3 APPS

A mobile application, most commonly referred to as an app, is a type of application software designed to run on a mobile device, such as a Smartphone or tablet computer. Mobile applications frequently serve to provide users with similar services to those accessed on PCs. Apps are generally small, individual software units with limited function. (Technopedia).^[1]

1.4 SMARTPHONE

A **Smartphone**, or **Smartphone**, is a mobile phone built on a mobile operating system, with more advanced computing capability and connectivity than a feature phone. (Wikipedia)^[2]

There are 67 Million Customers are using Smartphone's in Indian Territory.

2. LITERATURE REVIEW

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Times of India Mobile app numbers have a jarring note (May 5, 2011): According to ABI Research: Estimates that 44 billion mobile apps would be downloaded by 2016. This might seem enormous – 8 billion mobile apps were downloaded in 2010.

Times of India "Facebook India's mobile user base swells to 62 million" (August 14 2013): The California-based firm reported a healthy growth of 5 % in its monthly active users (MAUs) in India to 82 million as of June 30, 2013 from 78 million in June 30, 2012. "As of June 30, 2013, 62 million people in India accessed Facebook through their mobile phones. It has 82 million MAUs in India and the firm believes that the next billion users are going to come through mobile," Facebook India Country Growth Manager Kev in D'Souza told PTI. Globally, mobile MAUs raise by 51 %, 81.9 million as of June 30, 2013 from 543 million as of June 30, 2012, the company said while presenting its quarterly results.^[5]

Times of India, "Free apps to account for over 80% download in 2012" (Sept 11 2012): Free apps will account for 89% of total downloads in 2012, according to Gartner. Worldwide mobile app store downloads will surpass 45.6 billion in 2012, with free downloads accounting for 40.1 billion, and paid-for downloads totalling 5 billion. "In terms of the apps that consumers are buying, 90 percent of the paid-for downloads cost less than \$3 each," said Sandy Shen, research director at Gartner.^[6]

Mary Meeker (Sept 10 2013): India ranks fifth among the top countries for Smartphone users with an estimated 67 million subscribers in 2013, behind China, the US, Japan and Brazil.^[7]

3. STATEMENT OF THE PROBLEM

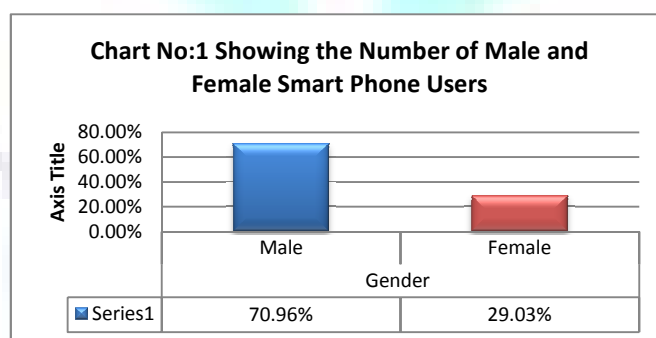
According to the literature review, it is seen that mobile apps market is growing at a faster rate. Apps and Smart phone companies are making lot of effort in understanding the customer preferences of apps and their usage patterns. However, much research has not been carried out in this area. Hence this research makes an attempt to discover the customer preferences of apps and their usage patterns.

4. OBJECTIVES OF THE STUDY

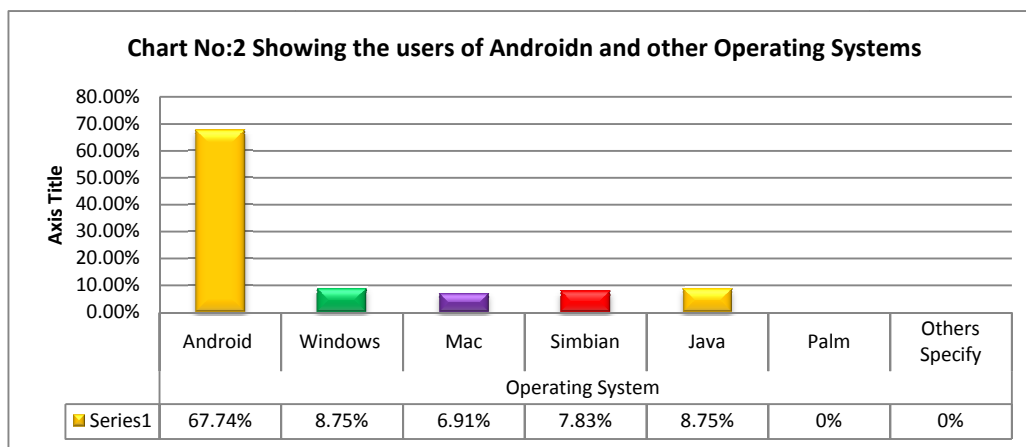
1. To understand the customer preferences and usage patterns of different types of apps based on different demographics, operations systems etc.
2. To study the customer satisfaction level towards apps they currently using.

5. RESEARCH METHODOLOGY

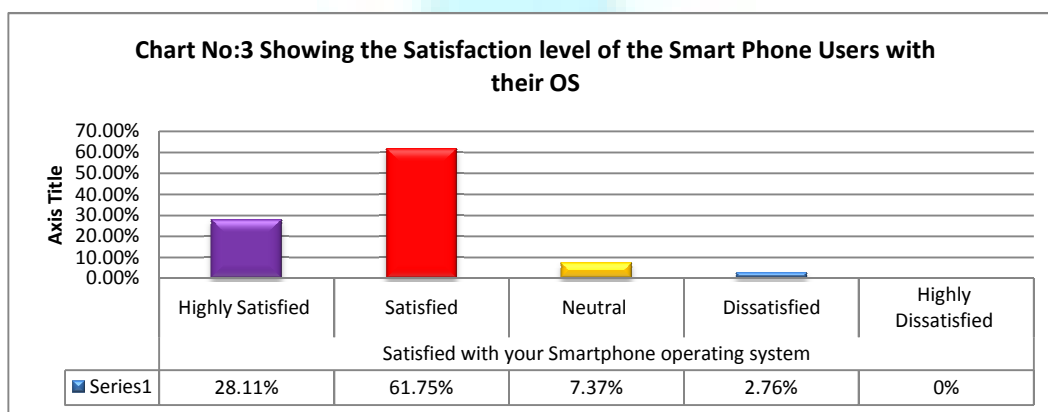
This research has adopted both exploratory and descriptive research designs. In exploratory research many focus groups and depth interviews were conducted among various demographics to understand the insights of apps usage patterns and their tastes and preferences. Based on the ideas generated during exploratory research the descriptive research design was finalised. A well structured questionnaire was developed for the same and data was collected. The research has been conducted in north Karnataka region, India. The sample units chosen were all smart phone users and the sample size to which questionnaires were administered was 250 out of which 217 respondents only responded. Hence the response rate is 86.8%.

6. RESULT AND DISCUSSION

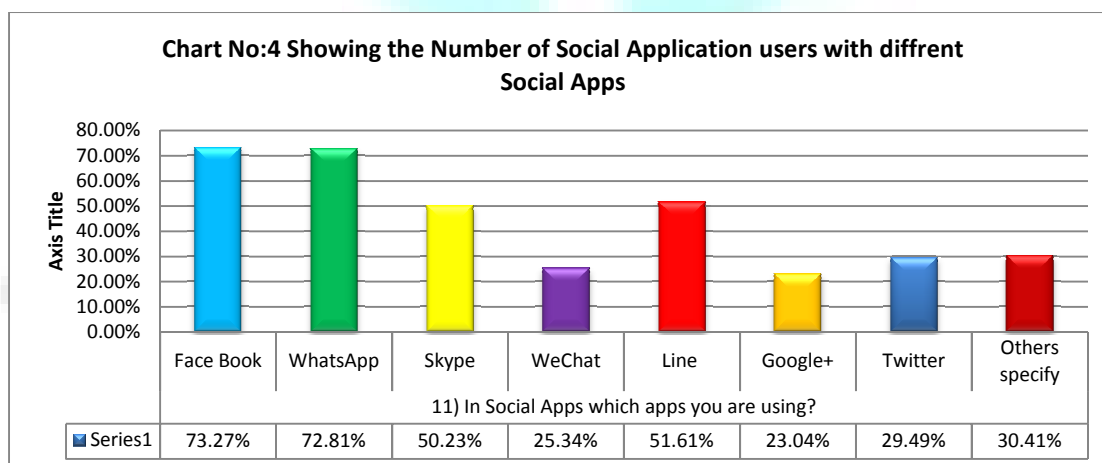
From chart 1, it is seen that 70.96% of Male and 29.03% of Female users are there of Smartphones. This analysis is limited only to the sample but it gives clear picture that there are less female Smartphone users when compared to male users. This difference might be because many women are housewives and they don't go out for work and this is why many women in smaller towns don't use Smartphones. But when it comes to men they have a great tendency to use Smartphone. It is a kind of status symbol of most men to have a smart phone here in this region.



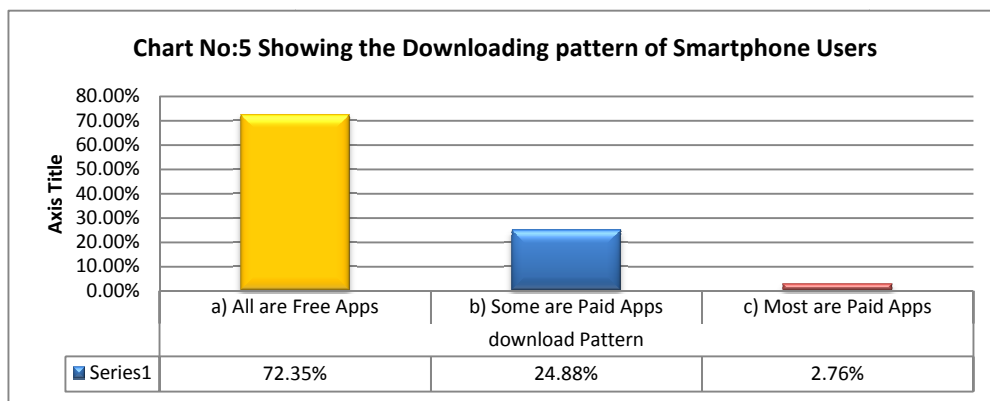
From chart 2, it is seen that The in total respondents, 67.74% of Smartphone Respondents prefer Android OS, 8.75% prefer Windows OS, 6.91% Prefer MAC or Apple as their OS, most of the respondents prefer the Android as Operating System as compare with other Operating System because Android have free Applications, the Android Operating System is User friendly and Android supports all the Applicattem are High End Operating System, Simbian and Java OS are older version of the trend.



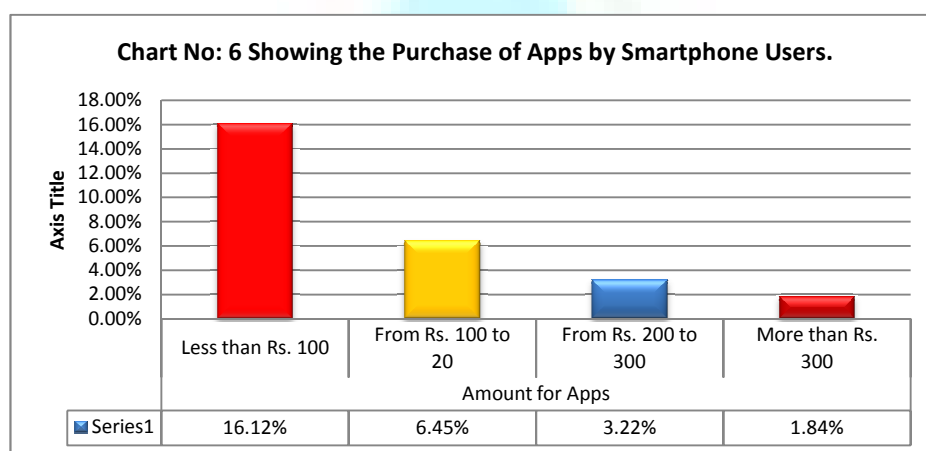
From chart 3, it can be observed that, in total respondents, 61.75% of respondents satisfied with their Operating Systems, 28.11% of respondents are highly satisfied, 7.37% said neither satisfied nor dissatisfied and remaining 2.76% said they are dissatisfied with their OS. most of the respondents are satisfied with their Smartphone OS because they get different apps which are easily downloaded and uploaded in the OS. The Smartphone helps to used to all the apps within a short time and these can be stored and used as per our requirement and only few respondents say they are dissatisfied from their smart phone because their OS is somewhat difficult to use and some important Apps will not run on their specifications.



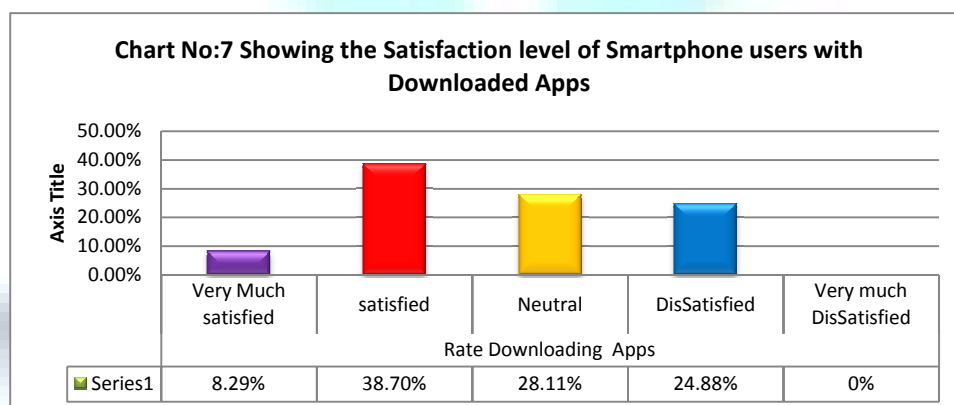
From chart 4, it is seen that, when compared to all social apps 73.27% of the respondents use facebook App and 72.81% of the respondents use what's app, 50.23% of the respondents use Skype app and further 51.61% use line app, 25% use WeChat remaining 23.04% use Google+ app in their smart phones. Most of the respondents use facebook app because now a day's respondents use facebook as a social Apps rather than website and this Apps is not only youngsters but the middle aged respondents also use the facebook so, it has become one of the basic app of the mobile. Majority of the respondents use the What's up App and Skype because most the respondents use these sites as a communication media where they find their friends easily and share anything they want it may be Text, Media File etc.. This makes respondents to attract towards them.



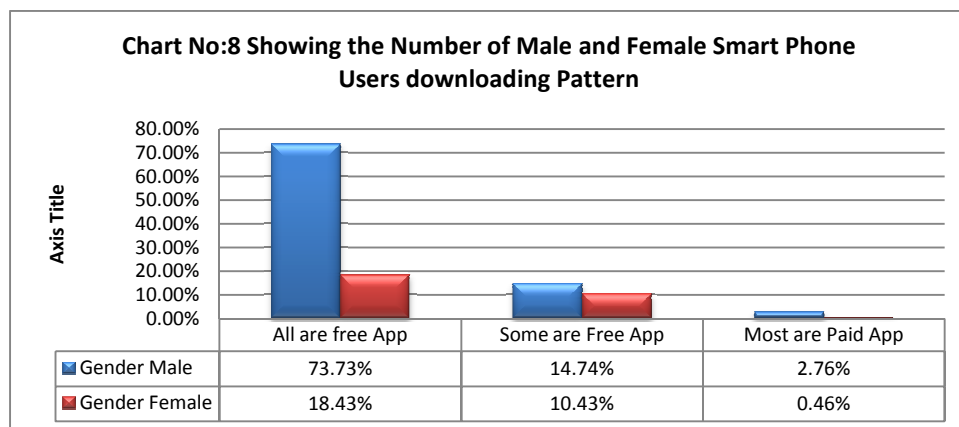
From chart 5, it is understood that, in total respondents, 72.35% of the respondents use only free Apps in their Smartphones, 24.88 % respondents are used combination of paid and free Apps and remaining 2.76% of respondents use only paid Apps. Most of the respondents use only free apps because they don't wanted to purchase the Apps while they are getting in All in free what they need, further 24.88% of respondents are usually download the free Apps as well as paid Apps because some Important Apps will not provide for Free Access, where as remaining very less percentage of respondents use only paid apps because their OS is not providing them the Free Apps usage so they go for free Apps.



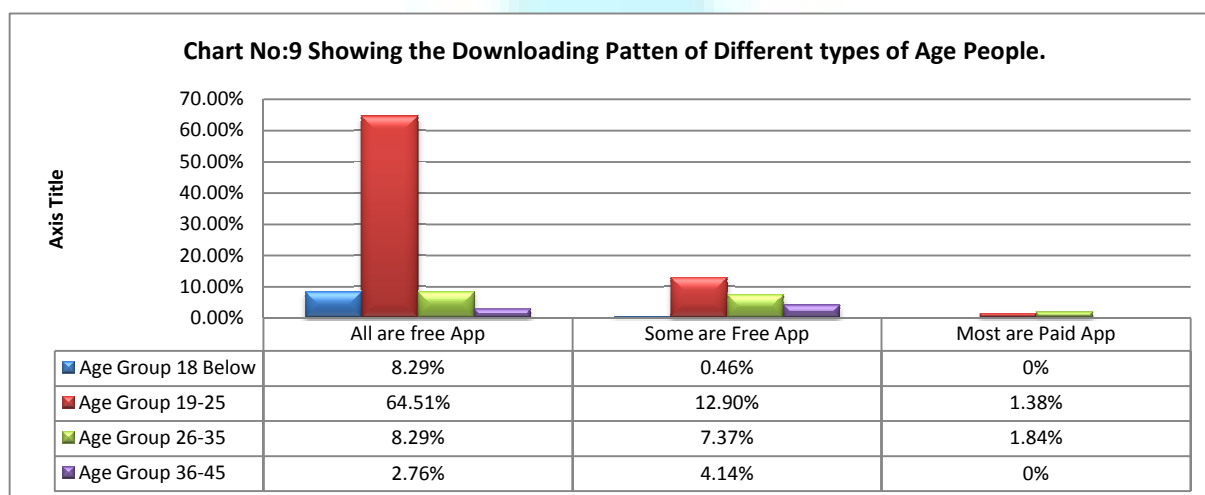
From chart 6, it is seen that, In total respondents 16.12% of respondents spend less than 100 rupees to purchase the Apps, 6.45% of respondents spend between 100 to 200 rupees further 3.22% of respondents spend between 200 to 300 rupees and remaining 1.84% of respondents says they spend more than 300 rupees for the purchase of Apps. The Apps also going to purchase by the respondents because the respondents are wanted to use the premium version of the mobile Apps, that they completes task, so they can get satisfaction.



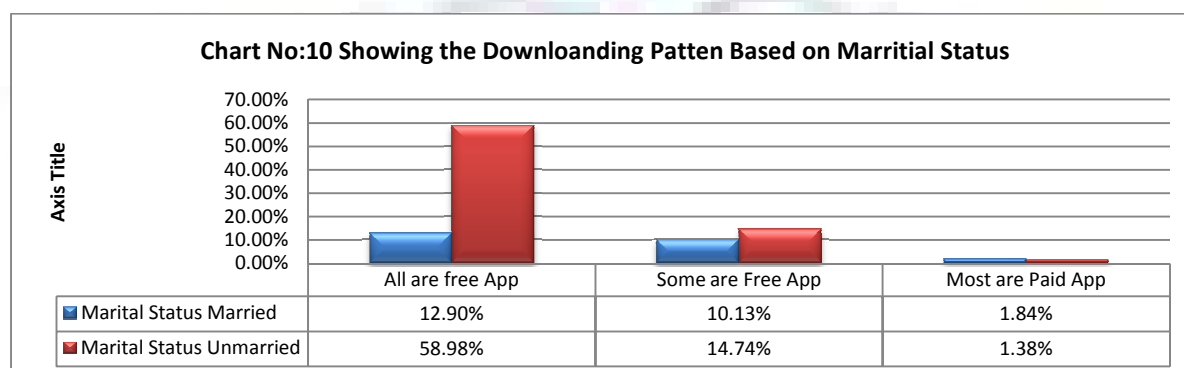
From chart 7, it is seen that in total respondents of downloading Apps, 38.70% of them are satisfied, where as 28.11% of are neither satisfied nor dissatisfied, 24.88% of are Dissatisfied and remaining 8.29% of very much satisfied with the performance of overall Downloading of Apps. In total respondents of downloading of Applications, most of them are satisfied followed by some of them are neither satisfied nor dissatisfied and remaining are dissatisfied apart from this some are very much satisfied with the Downloading of Mobile Applications. Because most of the download are happen based on the usage, outcome of the Apps and the satisfaction level of the Users.



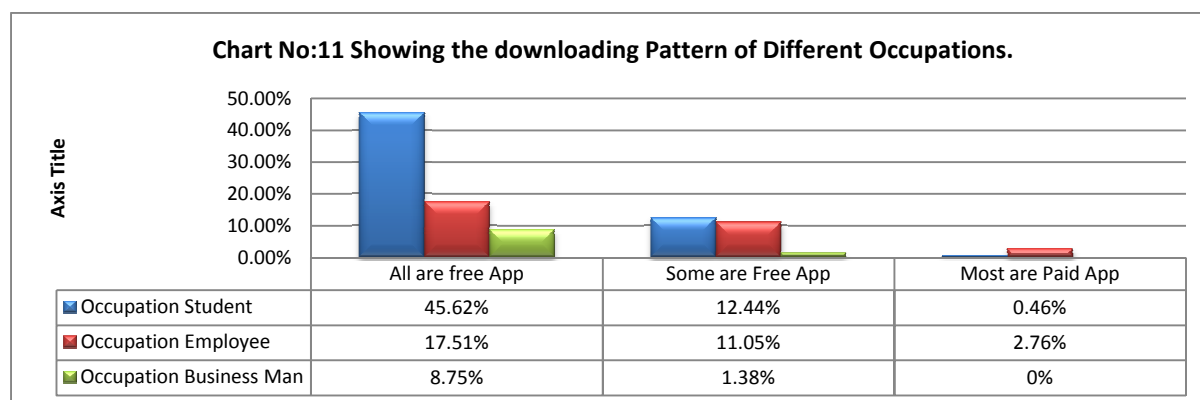
From chart 8, it is seen that the downloading patterns of Applications are differ from each other based on Gender. The 92.16% of Apps Downloads are free in nature with a combination of male (73.73%) and Female (18.43%), 25.17% respondents are mixture of Paid and Free apps and 3.22% of Respondents are using lots of paid apps only. In total responders there will be more no. of Male's (71.23%) % Female (29.32%) are there. In Downloading of Application the most of the respondents are male (71.32%) and females (29.32%) are less in no. Where the Most of Male responders are download the Free apps only (73.73%) and Female's (18.43%) are used Free Application because when they getting Free apps then why should they pay more rather than internet charges and Apps users are always concern with free apps only.



From chart 9, it is seen that, In total download of apps 71.88% of applications are Free Apps, 24.88% of Apps are Somewhat paid and 3.22% of Apps are wholly paid Apps. In total no of free apps there will be 8.29% of respondents are under 18 of age, 64.51% of 19-25 of age, 8.29% of 26-35 years of Age and 2.76% of 36-45years of age. In mixture of Paid and Free Apps there will be 0.46% of responders are under 18 of age, 12.90% of 19-25 of age, 7.37% of 26-35 years of Age and 1.14% of 36-45years of age. In Paid Apps there will be 1.38% of responders are 19-25 of age, 1.84% of 26-35 years of Age and there are no user of paid apps in fewer than 18 of age and 36-45years of age. The young age respondents are very much concern about the download pattern (64.51%) Compare to other age group because they want free application and they don't want to pay for the things. They are getting full features of Apps in one or another then they not even to think for pay the price for the Apps. So it is brief that the age factor is effect to the Download pattern of Mobile applications.



From chart 10, it is seen that total the Mobile Application downloading pattern of Married people are 24.78% in that 12.90% of married respondents download only Free Apps, 10.13% of mixture of Paid and Free Apps and 1.84% of only paid apps Total Unmarried respondents who download the Apps are 75.11% where 58.98% of download the Free Apps only , 14.04% of mixture of Paid and Free apps and 1.38% of users use only Paid Apps. The Unmarried people will use the more no. Of apps where the researcher found that they download mostly free Apps and some of them are download mixture of paid and unpaid Apps. Because they were very much crazy about the new trend and they are looking for new technology up gradations where they find more no. Of applications so they go for the free apps and some people are wanted to show their status so they go for the mixture of free and paid apps because sometimes as per the OS they didn't find some Apps freely so they go for paid apps.



From chart 11, it is seen that in total respondents 71.88% are download all free apps in that 45.62% of Student, 17.51% Employees & 8.75% of Business man are involved. Like that In total respondents 28.88% of download the Mixture of Paid and Free apps in that 12.44% of Students, 11.05% of employees and 1.38% of Business man are download the kind of Apps, lastly in total respondents there were 3.22% of respondents are only who use Paid apps only. The students are using more no. Of free applications because they have the time to try different kind of applications and they wanted to try new technology. So students always go for the free apps and along with student's employees and Business man also go for free Apps but when they students cannot find the required feature which they needed, then only they for the paid apps so that download pattern called as combination of Paid and Free Apps. When we talk about Business man, they will not try to download more apps because they will not use more no. Of apps rather than business apps even though they download that will be Free apps or Combination.

7. FINDINGS

1. By the research it is found that, in Bagalkot city there are more no. of male respondents are using Smartphone that is 70% of total respondents and ¼ of total respondents are Female respondents in the city.
2. The researcher found from the study is, in Bagalkot city respondents purchase the Smartphone based on the Operating System of the Smartphone, where they Bagalkot city respondents have the Smartphone users, mainly they Android OS Mobiles that is 67.74% of the total respondents. Remaining 32.26% of Respondents include the Windows, Apple, Simbian and Java.
3. By the Study it can be found that, 61.74% of the respondents are satisfied with their Smartphone Operating System because of User friendliness and Free Apps they provide for their users.
4. By the study it is found that, in total social Applications Facebook and What's up are most commonly used App in the Bagalkot City that is more than 70% where as Skype and Line have used more than 50% and remaining WeChat, Google+, Twitter and others are used quite nicely.
5. By the research it is found that, in total respondents, 72.35% of the respondent's use only free Apps in their Smartphones, 24.88% respondents are used combination of paid and free Apps and remaining 2.76% of respondents use only paid Apps.
6. By the study it is found that, In total respondents of Security Apps, 46.54% are neither satisfied nor dissatisfied with the performance of Security Apps, because the apps they download they are not that extent to provide overall security like Theft protection, Virus protection, and general protection like Message, gallery, Apps etc. So the respondents are neither satisfied nor dissatisfied.
7. By the study it is found that, total respondents of downloading Apps, 38.70% of them are satisfied, where as 28.11% of are neither satisfied nor dissatisfied, 24.88% of are Dissatisfied and remaining 8.29% of very much satisfied with the performance of overall Downloading of Apps.
8. By the study it is found that, in total Respondents there will be 71% of Male and 29% of Female using Smartphone based on their Operating Systems. In total Male respondents 49.30% are using Android OS, Remaining Windows OS, Mac OS, Simbian OS and Java OS. In same way Females are 18.43% of Android OS, remaining other OS.
9. By the research it is found that, in total Respondents there are more no. Of students are involved (58.52%) where, they used more as android OS (45.62%), Followed by Windows (4.14%), Apple (2.30%), Simbian and Java (3.22%). The Employee (31.36%) are also involved in respondents where, are use of is Android 15.66%, Windows, Apple & Simbian 4.60%, and Java of 1.84% of Total Employee are used. Finally the Business Man they also involved in the survey with the percentage 10.13% of total Respondents where, only Android and Java OS are used of 6.45% & 3.68% respectively.

8. CONCLUSION

The Mobile Applications are growing in the Apps industry. In recent years, there have been dramatic changes to the way users behave, interact and utilize the Mobile Apps. More and more users are accessing the internet via mobile devices like smart phones to take use of Mobile Apps. By this study it can be concluded that the Mobile Application are mostly used by young generation, Unmarried, Students were they always downloaded the Free Applications rather than paid Apps and thus the Apps are achieve the objective of both low complexity and self-learning. In Bagalkot city the Womens Smartphone users are very less in number because many women are households and they don't go out for work and this is why many women in smaller towns don't use Smartphones and they not even known to Mobile Apps. and most of the Smartphones have Android Operating System because the OS is very user friendly and gives more number of Free Apps to the Users from its play store.

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EVALUATION OF RAJIV AAROGYASRI SCHEME IN ANDHRA PRADESH AND SURVEY OF PATIENTS OPINION**DR. D. SHREEDEVI****PROFESSOR****APOLLO INSTITUTE OF HOSPITAL ADMINISTRATION****HYDERABAD****ABSTRACT**

Poverty is undoubtedly one of the greatest challenges facing India. Given the large proportion of its underprivileged population, the delivery of basic universal services seems almost unattainable. This issue is exemplified in public health service delivery. It is very common for poor Indians to use their life savings to access quality treatment for themselves and their loved ones. To address this problem of indebtedness of the poor due to overwhelming health costs, the Government of Andhra Pradesh launched the Rajiv Aarogyasri Healthcare Insurance Scheme in 2007 under which free tertiary healthcare services are provided to holders of below poverty line (BPL) ration cards. BPL families can avail benefits of this healthcare insurance policy without having to pay any premium. This study captures the objective, functioning, achievements and impact of Aarogyasri. The study was conducted for the period April 2007 to December 2013 based on patient data. Simple tools such as frequency counts, percentages, ratios, averages, and so on were used to understand efficiency of insurance mode, and measure the performance of the scheme. A brief analysis of the scheme based on officially available data and media reports from a public health perspective revealed that 87% of population of AP was covered under the scheme. From the sample study, it was found that males had 40% higher utilization than females under the scheme. The cost benefit ratio of insurance mode was 81% when compared to 91% for Trust mode. Implementation of the scheme through the insurance mode is highly inefficient in terms of cost. Patients' opinion regarding the scheme revealed that majority of them were happy with the scheme, none of them had a poor opinion about the flagship project of Government of Andhra Pradesh. The scheme has already contributed to its successful replication throughout the state. It aims to support the replication of such a scheme elsewhere in order to achieve 'Health for All', ensuring that the most underprivileged sections of society are able to claim their 'right to live'.

KEYWORDS

Aarogyamithras, AHCT, BPL, PPPs, Preauthorised therapies, RACHI.

INTRODUCTION

Health care in India often faces heavy criticism. Serious shortcomings in quality of and access to services, quantity of personnel and equipment, and levels of funding haunt the public health care system. Moreover, government hospitals face a myriad of problems, exposing the poorest sectors of society to insufficient and low quality treatment. With diseases and the numbers of affected on the rise, it is crucial to develop a sound and effective health care delivery process. In such circumstances, a public private partnership may offer a solution.

Subsequently, the Government of Andhra Pradesh developed an innovative scheme for quality health service delivery to the underprivileged in 2007. The Rajiv Aarogyasri Community Health Insurance Scheme (RACHI) is a state funded health insurance scheme for the 2.03 crore BPL families in Andhra Pradesh. The scheme aims to achieve 'Health for all' by assisting poor families in their struggle out of indebtedness through the provision of free insurance through a unique Public Private Partnership (PPP) model.

ABOUT THE SCHEME

In the year 2007, the scheme was introduced on a pilot basis in three districts. It has subsequently been extended through five phases to the remaining 20 districts. The scheme is implemented in two streams:

INSURANCE SCHEME: The scheme implemented through an identified insurer on payment of premium.

AAROGYASRI TRUST SCHEME: The scheme implemented directly by the Trust by entering into contract agreement with network hospitals.

Aarogyasri-I is operated through Insurance Mode, whereas Aarogyasri-II is BPO mode. Encouraged by the success of Aarogyasri-I scheme, Government has launched with effect from 17th July, 2008 Aarogyasri –II scheme to include a large number of additional surgical and medical diseases to enable many more BPL people who are suffering from acute ailments to lead a healthy life. Aarogyasri –II scheme is an extension of the ongoing Health Insurance Scheme.

Together, Aarogyasri I and II cover 942 medical procedures. The scheme provides coverage for meeting expenses of up to Rs. 1.50 lakhs per family per year for hospitalization and surgical procedures in any of the network hospitals. The insurance coverage is for a period of one year from its commencement date. Primary health care is also provided in the network hospital through free screening, outpatient consultation and health camps. Rajiv Aarogyasri Community Health Insurance Scheme seeks to improve access of BPL families to quality medical care and treatment for identified diseases through a network of healthcare providers. All transactions are cashless for covered procedures. This is a state government scheme privately operated. Under this, hospital bills of the insured persons are paid by the insurance company. The premium for insurance company is paid by the government. People do not have to pay anything under this scheme.

ADMINISTRATIVE STRUCTURE

The administrative structure of Aarogyasri is comprised of the following organizations:

- 1. Aarogyasri Healthcare Trust** - The Trust is administered by a Chief Executive Officer who has administrative functions such as formulating packages and pricing, managing contracts with insurer(s) and network hospital providers, approving claims, and monitoring.
- 2. The Insurance Company** - The insurance company is selected through an open bidding process. After selection, the company signs a MoU with the Trust and then goes on to sign MoUs with network hospitals and the Zilla Samkhyas. The insurer manages all frontend and backend insurance administration, including empanelment (registration) of hospitals, hiring of staff for scheme facilitation, claims processing, reimbursements to providers, oversight of hospitals, monitoring and feedback mechanisms.
- 3. Network Hospitals** - Network hospitals offer healthcare facilities and treatment to Aarogyasri beneficiaries.
- 4. District Administration** - The district collector is the chairman of the district level monitoring committee. These committees are largely responsible for mobilization and spreading awareness about the scheme through health camps and campaigns. They review the implementation of the scheme through regular review meetings and oversee the functioning of the field staff. They work in close association with local self help groups and other field functionaries.
- 5. Aarogyamithras** - Aarogyamithras, 'Friends of Health', are the health coordinators who assist the patients in registration, admission, evaluation, preauthorization, treatment, discharge and post-discharge follow-up.
- 6. Software Company** - The entire scheme is processed online - registration of the patient and their details, to empanelment of hospitals, health camp details, preauthorization, treatment and other services at the hospital, discharge and post-treatment follow up services, claim settlements, and payments, An online monitoring system and the e-office tool are used for effective tracking of patients and administration.

KEY SUCCESS FACTORS

Some key innovations and success factors in Aarogyasri were:

- **Not collecting a premium** - the cost of the premium would have prevented many of the poorest from enrolling even if the amount were nominal
- **A collaborative private sector** – The private sector in Andhra Pradesh agreed to low reimbursement rates for services provided and agreed to conduct compulsory health camps where thousands of rural people would be screened every day
- **“White Cards”** – White Cards, or ration cards, were an existing targeting mechanism utilized by the state to identify the poorest.
- **The use of technology** – The technology utilized by Aarogyasri facilitates end-to-end cashless claims processing, from pre-authorization to provider payment; the technology also facilitates a robust monitoring mechanism
- **Health camps** – All empaneled hospitals are required to conduct free health camps in rural areas to screen patients, identify undetected illness, and refer patients to in-network hospitals as needed
- **Community representation** – Aarogya Mithras are patient advocates employed by Aarogyasri to oversee each in-network hospital and serve as representatives of the insured to help them navigate the system of care, receive quality care, prevent fraud, and conduct reviews and evaluations of service provision

REVIEW OF LITERATURE

Health is one of the key determinants of the poverty levels of a household. Households using inpatient services, especially at private hospitals, were more likely to face catastrophic expenditures and impoverishment from out-of-pocket payments (Limwattananon, Tangcharoensathien, & Prakongsai, 2007). Reducing the prevalence of catastrophic health expenditure is a policy objective of government, which can be achieved by focusing on increased financial protection offered to poor and expanding government financed benefits for poor and chronically ill by including and expanding inpatient coverage and adding drug benefits (George, Akaki, & Natia, 2009). Xu et al., 2003 identified three key preconditions for catastrophic payments: the availability of health services requiring payment, low capacity to pay, and the lack of prepayment or health insurance.

Rao et al, conducted a rapid evaluation of the scheme and found that 111 beneficiaries per 100,000 BPL populations had utilised the scheme until the end of September 2008. Cardiac, cancer and neurological interventions made up 65% of all treatments administered by the scheme. The evaluation has revealed that there is scope for the scheme to improve strategic purchasing, quality of care, integration, continuous audit and in-built evaluation. The evaluation has emphasised on developing more coherent, cohesive and integrated health system with convergence of preventive, promotive and curative services taking into account the wider determinants of health. Sunitha in her article critically analyses the procedures and the cost incurred in private and public hospitals and finds that Aarogyasri is skewed towards curative tertiary care and is a big drain on the state exchequer with questions of sustainability. Yellaiah had discussed the coverage and features of major health insurance schemes in India and also examined the role of Rajiv aarogyasri scheme in AP. He attempted to measure the performance of the scheme by providing various statistics.

IMPORTANCE/NEED FOR THE STUDY

Health risks probably pose the greatest threat to lives and livelihoods of poor households. The low income and high medical expenses can lead to debt, sale of assets, and removal of children from school in the poorest families. Thus, a short- term health shock can contribute to long-term poverty. The study assumes importance on the above backdrop to evaluate whether the scheme is performing well so that it can be implemented in other states of the nation to benefit the poor and help them to avail the healthcare services.

OBJECTIVES OF THE STUDY

- ❖ To evaluate the performance, successful implementation of Rajiv Aarogyasri Scheme based on certain indicators.
- ❖ To find out the patients opinion about the scheme among sample patients

RESEARCH METHODOLOGY**SCOPE**

The scope of the study includes the beneficiaries who are enrolled in Aarogyasri Scheme

SAMPLE DESIGN AND SIZE

100 Samples are randomly selected from those enrolled in Aarogyasri scheme in network hospitals, in Hyderabad.

SOURCES OF DATA

Patients opinion was collected through primary data i.e., through questionnaire, direct interaction and observation. Secondary data is collected from journals, websites, hospital records, and AHCT annual reports.

TOOLS OF ANALYSIS

Simple tools such as frequency counts, percentages, ratios, averages, medians and so on are used for analysis

ANALYSIS AND INTERPRETATION OF THE DATA

The data has been analysed into two sections. Section- A deals with the Evaluation of the scheme on the basis of certain indicators. Section – B deals with the patient opinion about the scheme from the respondents who have enrolled under the scheme.

SECTION – A EVALUATION OF THE SCHEME

The scheme is evaluated on the basis of performance in terms of certain indicators, implementation mechanism and hospital network.

The performance of the scheme was looked at in terms of the trends in therapies preauthorized by the Trust. Pre-authorization is a prior sanction given to the hospital by the Trust for an in-patient treatment. The RACHI scheme has achieved its intended objective to improve access to health care by the poor. The progress of the programme in terms of quantitative indicators is presented as follows. The following table shows certain vital health statistics regarding the scheme.

TABLE 1: VITAL STATISTICS OF THE AAROgyASRI SCHEME SINCE INCEPTION IN APRIL 2007 TILL DECEMBER 2013

Vital Statistics	Provisioning – private/public	Number of Cases
Health Camps		36,394
BPL Cards Covered		223 Lakhs
Therapies reserved for Govt. Hospitals		133
Population Covered		777 Lakhs
Cards utilized		11.25 Lakhs
Therapies Covered		938
Preauthorization	Government	556,108
	Private	1,548,260
	Total	2,104,368
Outpatients	Government	559,884
	Private	4,009,203
	Total	4,569,087
Inpatients	Government	660,468
	Private	1,659,201
	Total	2,319,669
Patients	Screened	7,090,728
	Registered	7,390,739
Surgeries/Therapies	Government	549,173
	Private	1,537,836
	Total	2,087,009
Amount preauthorized	Government	Rs. 1322 Crore
	Private	Rs. 4256 Crore
	Total	Rs. 5579 Crore

Source: AHCT Annual Reports and website

Since the inception of the programme from April 2007 to December 2013, 36,394 health camps had been held at villages in 23 districts. A total of 7,090,728 people have been screened and of those 4,569,087 treated as outpatients and 2,319,669 treated as inpatients. Till date, 2,087,009 surgeries/therapies have been conducted for the patients. In this only 549,173 underwent surgeries in government hospitals and 1,537,836 underwent surgeries in private hospitals. The pre authorized amount is Rs. 5579 Crore with an annual budget of around 1,000 crore.

I) SCHEME PERFORMANCE

Indicators	Data Needed and Calculation	Purpose
Therapies Preauthorized (TP)	Frequency of Therapies and their Costs	To assess the absolute volumes under the scheme
Expenditure Incurred	Expenditure by Aarogyasri Health Care Trust (AHCT)	To assess the expenditures by AHCT
Person Utilization Rate (PUR)	Number of TP/ Number of Beneficiaries Covered	This gives the number of therapies being, preauthorized for a given procedure if one lakh persons are covered under the scheme for one year.

Based on count, 80% of cases preauthorized are surgical and 20% are medical cases. Based on cost, of all therapies preauthorized 85% are surgical cases and 15% are medical cases.

TABLE 2: EXPENDITURE INCURRED BY AAROgyASRI TRUST TILL DECEMBER – 2013

Year	Government Hospitals (Rs. Crores)	Private Hospitals (Rs. Crores)	Total (Rs. Crores)
2008	3.11	52.29	55.40
2009	77.16	429.51	506.67
2010	168.86	737.87	906.73
2011	221.63	790.20	1011.83
2012	270.70	843.59	1114.29
2013	324.93	885.72	1210.65
Total	1066.39	3739.18	4805.57

Source: AHCT Annual Reports

TABLE 3: PERSON UTILIZATION RATE FROM 2009 - 2013

Year	2009	2010	2011	2012	2013
Person Utilization Rate in terms of numbers	5337	7766	9236	9410	9850

Source: AHCT Annual Reports

Person Utilization Rate has been gradually increasing from 2009 to 2013 i.e., the number of therapies being preauthorized has been increased

II) IMPLEMENTATION MECHANISM

Indicators	Data needed and calculation	Purpose
Cost Benefit Ratio (CBR)	Total Claim amount paid to Hospitals/Total Expenditure incurred by Trust	To compare the efficiency between the two modes of implementation (i.e., trust mode and insurance mode)
Claim Denial Ratio (CDR)	Total Cost Claim amount paid to Hospitals for Claims Raised/ Total Cost of Claims Raised	To compare the level of deductions made between the two modes

EXPENDITURE THROUGH INSURANCE AND TRUST MODES

TABLE 4: COST BENEFIT RATIO – INSURANCE VS TRUST MODES (Rs. in Crores)

	2008 – 09	2009 – 10	2010 – 11	2011 – 12	2012 – 13	Total
(A) Insurance Premium Expenditure	133.1	478.9	747.6	831.8	915.0	3106.4
Insurer Claim Paid	94.4	390.8	540.7	714.2	788.3	2528.4
CBR	70.9	81.6	72.3	85.9	86.1	81.4
(B) Total Trust Expenditure	9.9	127.5	266.7	299.6	311.0	1014.8
Trust Claim Paid	0.0	112.3	257.4	289.4	263.0	922.1
Administrative Expenses	9.9	15.3	9.3	10.2	48.0	92.7
CBR	--	88.0	96.5	96.6	84.6	90.9

Source: AHCT Annual Reports

TABLE 5: CLAIM DENIAL RATIOS

CDR%	2008	2009	2010	2011	2012	2013
SCHEME						
Overall CDR	0.1	5.7	8.2	7.0	8.5	8.4
CDR in Private NWH	0.1	4.7	7.1	5.7	6.7	7.0
CDR in Govt. NWH	1.3	12.2	13.8	12.2	14.6	13.1
INSURANCE MODE						
Overall CDR	0.1	5.9	8.6	7.2	8.7	8.4
CDR in Private NWH	0.1	4.7	7.3	5.8	6.9	6.9
CDR in Govt. NWH	1.3	12.8	15.1	13.5	15.6	16.2
TRUST MODE						
Overall CDR	5.4	7.5	6.5	7.8	8.5	7.6
CDR in Private NWH	4.7	6.6	5.2	5.8	7.0	6.2
CDR in Govt. NWH	10.7	11.7	10.1	12.4	12.5	11.8

Source: AHCT Annual Reports

CDR in Government network hospitals is more in insurance mode when compared with trust mode from the year 2009 onwards.

III) NET WORK HOSPITALS

Indicators	Data needed and calculation	Purpose
Empanelled Hospitals or Beds	Number of active Net work hospitals or Beds on a given date	To know the number of hospitals or beds available
Average Claim Size	Total cost of Claims paid/number of Claims Settled	This gives the average size of the claims in rupees

TABLE 6 EMPANELLED HOSPITALS EXISTING ON THE BEGIN OF CALENDAR YEAR AND THERAPIES PREAUTHORIZED DURING THE YEAR

Empanelment	2007	2008	2009	2010	2011	2012	2013
All Hospitals	0	105	348	360	346	364	425
All Beds	0	29000	62093	64552	64264	66349	70931
TP (Overall)	11251	156168	320885	376452	434693	445858	534986
Private NWH	0	105	254	262	248	260	275
Pvt Beds	0	29000	36472	38731	38443	40298	41410
TP (Pvt Hosp.)	10557	130562	258571	288319	319205	299318	359152
Government NWH	0	94	98	98	98	104	150
Govt. Beds	0	NA	25621	25821	25821	26221	29521
TP (Govt. Hosp.)	694	25606	62314	88133	115488	146540	175834

Source: AHCT Annual Reports

Presently there are in total 425 empanelled hospitals with 70931 Beds available

TABLE 7: CALENDAR YEAR WISE CLAIM SIZES (in thousands)

	Calendar Year	2008	2009	2010	2011	2012	2013
Total Scheme	Mean (ACS)	53336	33193	27530	26121	24441	23560
	Standard Deviation	41158	34496	27104	25136	25039	24289
	Median	40000	25000	22000	20000	20000	20000
	Q Range (IQR)	55000	25000	17000	20000	20000	20000
Insurance	Mean	53336	34612	28589	27434	25852	30165
	Standard Deviation	41158	33473	27129	24792	23489	25179
	Median	40000	25000	22000	22000	20000	22000
	Q Range (IQR)	55000	39500	23000	20000	20000	18000
Trust	Mean	0	30366	25853	23333	20380	21941
	Standard Deviation	0	36283	26981	26177	28655	23788
	Median	0	25000	21508	20000	15000	15000
	Q Range (IQR)	0	10000	15000	19341	15000	17000

Source: AHCT Annual Reports

ACHEIVEMENTS AND FEW INSIGHTS

While Aarogyasri has yet to be fully evaluated, some results to date include:

- ❖ The scheme currently covers 85% of below-the-poverty line households in the state- which totals 65 million people
 - ❖ The scheme started with 330 procedures covered and has been gradually extended to 938 procedures.
 - ❖ The majority of beneficiaries utilizing the scheme are illiterate and have a rural address
 - ❖ Cardiac, cancer, and neurological interventions make up 65% of all treatments administered by the scheme.
 - ❖ Anecdotal evidence suggests that the scheme has had an impact on reducing the financial barriers to accessing care and utilization of services has increased.
- ❖ Patients are satisfied with the Aarogya Sri Scheme and have very good opinion about the scheme.
- ❖ Majority of the patients avail the surgeries at low or no cost, which will help them by covering the cost of care after a health shock.
- ❖ Camps are conducted by only few hospitals and hence awareness of people regarding the scheme is comparatively less than those hospitals who conduct camps.
- ❖ Majority of the farmers with low income group are benefited with the scheme.
- ❖ Public hospitals do not comply with most of the protocol guidelines designed by the Aarogyasri trust.

SECTION – B PATIENTS OPINION

One hundred samples are randomly selected from those enrolled in Aarogyasri scheme in network hospitals, Hyderabad and their opinions about the scheme have been analyzed. There are eighteen questions are included in the questionnaire to know the background of the beneficiary and at the same time to know the opinion. Out of 100 beneficiaries enrolled in the scheme, who are chosen for the study 49% are females and 51% are males. Among the beneficiaries 46% lie between age group of 41-60 years, 29% lie between 21-40 years, 18% lie between 61-80 years, and 7% lie between 0-20 years.

Among the beneficiaries of the AarogyaSri scheme, 58% of them are farmers, 24% work in private sector or have their own business. 10% are retired and 8% are students. Majority of farmers are benefited from the scheme. 38% of the beneficiaries are uneducated, 34% of them have finished their primary education. 18%

have finished their secondary education (intermediate). Only 10% are graduates. 62% of beneficiary's income level lies between Rs. 1000-5000 per month. 33% of beneficiaries' income level lies between Rs. 6000-10,000. 4% of them are between Rs.11,000-15,000. 1% of beneficiaries' income lies between Rs.16,000-20,000 per month. Lower income group are benefited from this scheme. 70% of the beneficiaries are Unique Healthcare Identification number (UHID) card holders. Balance 30% are not UHID card holders.

49% of beneficiaries are aware of the AarogyaSri scheme through their relatives. 31% are aware by friends, 15% are aware of the scheme by pamphlets and only 5% are aware by camps. Network hospitals should show more involvement in conducting camps and distributing pamphlets to bring awareness among the people regarding AarogyaSri scheme. 54% of patients are beneficiaries of the AarogyaSri scheme from past 3-4 years, 25% from past 1-2 years and 21% from past 5-6 years. This shows that people are interested to enroll in the scheme to avail services. Among beneficiaries 84% have undergone surgeries, 13% are out patients and only 3% have availed medical emergencies. Most of the beneficiaries are availing surgical treatment and getting benefited. 35% of beneficiaries underwent eye surgeries. 17% underwent surgeries in obstetrics. 14% underwent surgeries in cardiac and general surgery. 2% surgeries were orthopaedic and genitourinary. 3% were medical emergencies. 97% of the beneficiaries said that they did not pay extra amount other than the fixed tariff. Only 3% said they paid extra amount. 95% of the beneficiaries have chosen as they are not affordable. Only 3% have chosen based on the quality of treatment and 2% have chosen based on distance of the hospital. Majority of the beneficiaries got enrolled as they are not affordable to pay. 94% of the beneficiaries are satisfied with the treatment given. Only 6% are not satisfied. 69% of beneficiaries have very good opinion about the scheme. 21% have Good opinion about the scheme. Only 10% have average opinion about the scheme. 68% of beneficiaries had an annual amount coverage of Rs. 1000-50,000, 26% had annual amount of coverage between Rs.51,000-1,00,000, 4% had an annual amount of coverage of Rs.1,01,000-1,50,000, 2% had amount coverage of 1,51,000-2,00,000. 74% of the family members had taken treatment during the past one year. About 26% of them have not availed the treatment. These are the major findings from the survey of sample patients.

RECOMMENDATIONS

- ❖ Since most of the people with lower income group are getting benefited by this scheme, hence it can be positively implemented in other states also.
- ❖ We can create awareness about the scheme among people through camps, by distributing pamphlets, puppet shows and by educating about the benefits of the scheme.
- ❖ Regular auditing by the higher authority can be conducted to check whether hospitals are complying with the protocol guidelines.
- ❖ Training the hospital staff regarding the scheme for its effective functioning.

CONCLUSIONS

The Rajiv AarogyaSri Community Health Insurance in Andhra Pradesh has been very popular social insurance scheme with a private public partnership model to deal with the problems of catastrophic medical expenditures at tertiary level care for the poor households.

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STUDY ON THE TIME DURATION OF INTERNSHIP IN HOTEL MANAGEMENT COURSE CURRICULUM

DR. ANIL CHANDHOK
PROFESSOR
M. M. INSTITUTE OF MANAGEMENT
M. M. UNIVERSITY
MULLANA

DR. BHAVET
FACULTY
SHREE RAM INSTITUTE OF BUSINESS & MANAGEMENT
URJANI

ABSTRACT

The changes in the hotel industry are fast and the course curriculum needs to be in accordance with the needs of the industry. Unfortunately, syllabus of hotel management is not uniform throughout the country. There are differences in the internship training from academic program to academic program. The training in the course curriculum of Hotel management course is widely recognized and must be beneficial to all the stakeholders concerned. Students must be benefited by working in the real life situation which cannot be created in the classrooms where as industry professional could identify potential employers by evaluating the performances of the trainee's. This paper is an attempt to find the right time and duration of internship component in the course curriculum of hotel management course. The research instruments used in the study was questionnaires focused on student's training component. Four different survey versions were created for each of the four groups surveyed for the study: Hotel management students pre-training, Hotel management students post-training, hotel management faculty members and hotel industry professionals. Statistical test was performed on all stakeholder opinions regarding right duration of training in terms of weeks. Significant differences were found between stakeholders opinions in terms of right duration of training for both the times. Significant differences were found between stakeholder's opinions in terms of right time for training for first time however there is no statistical difference in right time for training for the second time. Universities offering hotel courses and other affiliated institutions needs to review prevailing training component in their course curriculum to make it as effective as possible by adapting a uniform practice which would be beneficial to all stakeholders concerned

KEYWORDS

Stakeholders, Internship, Adapting, Affiliation.

INTRODUCTION

The success of any course lies on its course curriculum and contents. The changes in the hotel industry are very fast and the course curriculum needs to be in accordance with the needs of the industry. Unfortunately, the syllabus is not uniform throughout the country. While there is no perfect training model for all hotel education programs, quality field experiences should reflect the program's objectives within the parameters of the program, on the principle that in order to implement a successful training program there should be a commitment from all the parties involved - the university, the industry and the student. This paper is an attempt to find the right time (in which semester students should go for the training) and right duration (number .of weeks) of on the job training component in the course curriculum of Hotel management course by examining the current opinions of the stakeholders

INTERNSHIP COMPONENT

There are differences in the training format from academic program to academic program. The training in the course curriculum of Hotel management course is widely recognized beneficial to all the stakeholders concerned. Students are benefited by working in the real life situation which cannot be created in the classrooms where as industry professional could identify potential employers by evaluating the performances of the trainee's .The academic institutions by incorporating the training in their course curriculum leads to strengthen the employability skills of the students provided it should be a win –win situation to all concerned. However, when stakeholders reveal their perceptions of key factors of training experiences, different aspects might exist which often leads to challenge to all stakeholders involved in the training process. When all groups of stakeholders communicate the aspects that they value most in an training experience and the goals that they wish to achieve, each group can better understand the other. Unfortunately, little research on the topic has been performed. Present research is an attempt to find right time & duration of internship.

LITERATURE REVIEW**TRAINING STRUCTURE**

Previous research studies also show that internship periods were too short and the majority of interns are of the view that the most appropriate internship period should be six months (Oliver, 2010; Mihail, 2006). Mihail (2006) also found in his study that most of the interns preferred to have internship periods ranging from six to nine months instead of three months. This indicated that interns are willing to have a longer internship period and believe that they can learn more within a six month period. Oliver (2010) remarks that the short amount of time an internship lasts really never lets the student become a fully functional employee because there is not so much to take in for them. In their study of hotel internships, Downey & DeVeau (1988) expounded views of the industry and concluded that more internship hours, better coordination, and more documentation in terms of both written and oral reporting were needed. Collins (2001) conducted a study among 113 students at Bilkent University's School of Tourism and Hotel Management in Turkey, and suggested holding orientation for students before undertaking their placement, having a professional control system to monitor the industrial training experience, holding mid-term intern review to gauge the progress, and reviewing the grading system to emphasize the importance of placement. Jenkins (2001) considered internship programmes as unstructured and poorly organized and found that students generally complain about the quality; and it appears that many hotel students, through exposure to the subject and industry, become considerably less interested in selecting hotel as their career of first choice. Lent et al. (2002) stated "the relative endorsement of these experiential factors supports the practice of exposing students to career exploration activities (e.g., job shadowing, internships, realistic job previews) that enable them to clarify their interests, values, and skills in relation to particular occupational fields and work tasks". Lam & Ching (2006) conducted a study among students from four hotel schools and colleges in Hong Kong with a total of 307 usable questionnaires. The study found that all the student perception scores about internship were lower than expectation scores, implying that there is quality shortfall in internship. The study made the point that schools should involve students and employers to participate in the planning stage by inviting them to sit in meetings before consolidating a training programme for students; and schools should collect information about needs and interests of students as well as employers. Cho (2006) conducted a study among students from seven colleges in Korea, and 285 completed surveys were collected. The study concluded that there was a significant level of discrepancy between satisfaction and expectations indicating that expectations were not fully met. The respondents were not satisfied with the quality of the internship. Jane Spowart (2006) the

students mentioned that often their opinions are not accepted by either the industry mentors or academic instructors. They would like to know about handling stress and felt they themselves should be open-minded, ask questions and express themselves. Through having to work shifts and long hours, they discovered the true nature of a demanding and time-consuming workplace and that the real world is different to what they had anticipated and far less glamorous. Despite these harsh realities of the industry, the majority were of the opinion that the work-integrated learning period had been a rewarding experience. Min-Hsing Liu (2010) emphasised that when arranging internships, schools should communicate with hotel businesses to provide intern students with formal or informal mentors to help counsel internship students to quickly familiarize with the working and living condition and also integrate into the workplace. Senior staffs or cadres should also explain the characteristics of the hotel industry and matters to pay attention to. This supervisor should exhibit leadership abilities and act as a role model for intern students, which can enhance mentoring functions and increase job satisfaction. This study demonstrates there is still great room for improvement for mentoring functions in future an internship program. The major stakeholders involved in a college-level hotel internship are: industry professionals, students, and faculty. All three of these groups contribute to the overall quality, education, and career preparation of an internship experience. A well-planned internship program jointly developed by industry representatives, faculty members and students can maximize the potential to successfully prepare high quality hotel management graduates for the workplace (Pauze, Johnson, & Miller, 1987). Although recognizing the needs of each stakeholder group is typically noted by internship coordinators, there has been much debate regarding the level of influence each of these stakeholders should have over hotel internship experiences. There is a need for standardization of efforts of education and industry to assure that programs are adequately preparing the future workforce of the hotel industry (Mateo, 1991). In The Journal of Technical Writing and Communication (2003), Kirk Amant states the need for educators and internship providers to find ways to revise internship experiences so that educators, internship providers, and students/interns can use internship experiences in a way that benefits all three parties. A major challenge in designing evaluation strategies for academic programs is that the two groups who would appear to be natural allies in this endeavor, practicing professionals and educators, are sometimes at odds over it (Anderson, 1995). Both groups share the same desire for academic programs to prepare students to become productive employees and valued members of the profession, but because practicing professionals and educators are employed by differing types of organizations with very dissimilar types of traditions and missions, the two groups tend to emphasize different goals for education (Anderson, 1995). The differing emphasis too often lead to mutual recriminations, with faculty accusing practicing professionals of wanting colleges and universities to become job training sites for specific companies and industries, and practicing professionals complaining that educators fail to impart enough of the practical know-how required in the workplace (Anderson, 1995). In addition, many students are becoming critical consumers of education. As students complete their studies, they tend to analyze what they receive for their time and money invested in education (Mateo, 1991).

RESEARCH QUESTION

When is the right time for the students to send for training experiences in terms of semester and for what duration?

RESEARCH METHODOLOGY

INSTRUMENTS

The research instruments used in the study were questionnaires focused on student's training component. Four different survey versions were created for each of the four groups surveyed for the study: Hotel management students pre-training, Hotel management students post-training, hotel management faculty members and hotel industry professionals. Questions framed based on research questions. Apart from collecting information on duration and time, respondents were also asked to give their opinions on category of assignments given during training duration, cooperativeness of industry professionals, level of knowledge of the trainees, overall performance of the trainees, treatment of industrial professionals and rate the training experiences. Rating scale was used to gather the opinions of the respondents

THE RESEARCH OBJECTIVE

To find the right time and duration of internship component in the course curriculum of Hotel management course as per different stakeholders.

PARTICIPANTS

The sample population of the study includes four groups'. First and second one are hotel management students enrolled in three years degree courses of Hotel Management institutions in the region of Punjab, Haryana and Chandigarh. Students were further divided into Pre training students and Post training students. The pre training students are those who have not undergone industrial training and are in the initial phase of their course (I year students) where as Post training students are those who have completed their industrial training and are in the final phase of their course (III year). Both students groups were selected from various academic institutions such as 1) state university 2) deemed university 3) private universities 4) National council of hotel management institutions 5) central university. Third are the hotel industry professionals working in 3 or above three star approved Hotel (3, 4, and 5 star) Hotels employee working at Managerial, assistant managerial and supervisory level. Fourth were the hotel management faculty members working in various academic institutions in the region of Punjab, Haryana and Chandigarh.

TABLE 1: PERCENTAGE OF THE REGION WISE STAKEHOLDERS SAMPLE SIZE

Respondents	Region (%)		
	Punjab	Haryana	Chandigarh
Industry Professionals	39	32	29
Faculty	49	15	35
Students –Pre Industrial Training	35	37	28
Students –Post	32	32	36

TABLE 2: PERCENTAGE OF THE RESPONDENT'S FURTHER BREAK UP BY INSTITUTION WISE

Respondents	Inst type %			
	State	Deemed	Private	National Council
Faculty	51	9	22	18
Students –Pre Industrial Training	36	5	32	27
Students –Pre Industrial Training	36	5	32	27
Students –Post	50	4	27	19

TABLE 3: PERCENTAGE OF THE BREAKUP OF RESPONDENTS BY STAR CATEGORY WISE

Respondents	STAR (%)		
	3 Star	4 Star	5 Star
Industry Professionals	32	47	21
Students –Post	15	58	27

RESPONSE RATE

A total of 150 surveys were mailed to industry professionals working within the lodging industry. Of these mailed surveys, 100 were returned, with a response rate of 66.6%. A total of 300 surveys were distributed to post training students out of which 285 were found complete and useable for data tabulation, with a response rate of 95%. Similarly a total of 300 surveys were distributed to pre training students and there were 276 pre-training student respondents observed, with a response rate of 92 %. Surveys were distributed by faculty members to students enrolled in their hotel management courses. A total of 200 faculty

members surveyed for this study using a mailed and personal approach method, out of which 150 questionnaire were found usable, with a response rate of 75 %.Table summarises the response rate of all focus group of respondents.

RESPONSE RATE

TABLE 4

Respondent	Survey distributed	Survey returned	Response Rate %
Industry professionals	140	100	71.4
Faculty members	200	150	75
Post training students	300	285	95
Pre training students	300	276	92

RESULTS & DISCUSSIONS

COURSE CURRICULUM REQUIRES CHANGES

All four survey focus groups were asked existing course curriculum of Hotel Management course require any changes for Industrial Training component, in terms of right time (in which semester students should go for training) and duration (for how many no. of weeks)

Out of total responses, 71%(n=71) industry professional, 62 %(n=93) faculty members,45 % (n=125)pre industrial training students and 54%(n=154) post industrial training students were agreed yes course requires changes .It was found that majority all focus groups except pre students heavily admit that existing course pattern require changes in terms of industrial training structure . Low percentage of agreement was observed in case of pre to training students for changes required in the course curriculum. This might be due to reason that they are in first year of their course structure and not in a position to evaluate the effectiveness of the training by changing the current practice.

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PEARSON CHI-SQUARE TESTS

TABLE 5

REQUIRE CHANGES		
Stakeholders	Chi-square	23.854
	df	3
	Sig.	.000*
Designation	Chi-square	9.202
	df	7
	Sig.	0.238
SEX(1M,2F)	Chi-square	1.291
	df	1
	Sig.	0.256
Experience	Chi-square	3.147
	df	3
	Sig.	0.369
STAR	Chi-square	0.73
	df	2
	Sig.	0.694
Region	Chi-square	7.993
	df	2
	Sig.	.018*
Inst type	Chi-square	8.0062
	df	3
	Sig.	.00459*

Those respondents marked yes, course structure require changes were further asked to provide information on right duration and time of training in terms of weeks that best represent the right duration of the training and right time which means in which semester students should go for training

TABLE 6: PERCENTAGE OF THE RIGHT DURATION PREFERRED BY STAKEHOLDERS

Responses are in %		First time Duration								
		4	8	12	16	20	24	28	48	Total
Stakeholders	Industry Professionals	3	6	7	4	20	48	7	6	100
	Faculty	0	2	11	8	76	3	0	0	100
	Students –Pre	10	18	24	18	19	10	0	0	100
	Students –Post	14	12	21	25	22	7	0	0	100
Designation	Principal	0	17	0	0	83	0	0	0	100
	HOD	0	0	7	7	86	0	0	0	100
	Sr. Lecturer	0	6	12	6	71	6	0	0	100
	Lecturer	0	0	17	9	71	3	0	0	100
	Instructor	0	0	5	10	81	5	0	0	100
	Manager	0	17	8	0	8	42	17	8	100
	Assistant Manager	0	0	4	4	33	46	4	8	100
	Supervisory	6	6	9	6	14	51	6	3	100
SEX(1M,2F)	Male	8	10	17	15	34	14	1	1	100
	Female	8	12	19	18	28	13	1	0	100
Experience	0-5 yrs	2	0	7	6	52	28	4	2	100
	6-10 yrs	2	5	11	8	47	25	0	3	100
	11-15 yrs	0	3	9	6	65	15	3	0	100
	Above 15 yrs	0	17	8	0	42	8	17	8	100
STAR	3 Star	9	15	9	7	13	33	9	7	100
	4 Star	15	8	15	20	24	17	0	1	100
	5 Star	2	9	26	25	21	16	2	0	100
Region	Punjab	8	10	16	18	31	14	1	2	100
	Chandigarh	11	14	19	13	30	12	1	1	100
	Haryana	5	7	17	17	38	14	2	0	100
inst type	State University	10	14	22	15	30	8	0	0	100
	Deemed University	0	13	27	13	47	0	0	0	100
	Private University	5	11	23	22	32	8	0	0	100
	National Council	13	8	10	20	44	5	0	0	100

TABLE 7: PERCENTAGE OF DURATION PREFERRED BY STAKEHOLDERS FOR SECOND TIME

		4	8	12	16	20	24	Total
Stakeholders	Industry Professionals	100	0	0	0	0	0	100
	Faculty	26	6	29	3	26	10	100
	Students –Pre Industrial Training	90	10	0	0	0	0	100
	Students –Post	77	0	14	0	9	0	100
Designation	Principal	0	0	0	0	100	0	100
	HOD	50	0	20	0	10	20	100
	Sr. Lecturer	25	0	25	0	50	0	100
	Lecturer	11	0	67	0	11	11	100
	Instructor	14	29	0	14	43	0	100
	Manager	100	0	0	0	0	0	100
	Assistant Manager	100	0	0	0	0	0	100
	Supervisory	100	0	0	0	0	0	100
SEX(1M,2F)	Male	68	4	15	0	9	4	100
	Female	65	4	12	4	15	0	100
Experience	0-5 yrs	43	14	7	7	21	7	100
	6-10 yrs	44	0	38	0	19	0	100
	11-15 yrs	64	0	14	0	7	14	100
	Above 15 yrs	0	0	0	0	100	0	100
STAR	3 Star	60	0	20	0	20	0	100
	4 Star	82	0	14	0	4	0	100
	5 Star	94	0	0	0	6	0	100
Region	Punjab	66	2	12	2	15	2	100
	Chandigarh	71	6	10	0	10	3	100
	Haryana	64	4	21	0	7	4	100
inst type								0
	State University	55	7	17	3	17	0	100
	Deemed University	0	0	50	0	50	0	100
	Private University	61	5	16	0	13	5	100
	National Council	82	0	12	0	0	6	100

INDUSTRY PROFESSIONALS

First time duration: Among industry professionals, out of total responses 48% of the sample preferred industrial training to be of 24 weeks, 20% of the sample preferred training should be of 20 weeks, 7% preferred training to be of 12 and 28 weeks, 6% of sample preferred training to be of 8 and 48 weeks, remaining 3 % of the sample preferred training to be of 4 weeks. Hence *majority of the sample preferred training duration should be of 24 weeks.*

For second time: 100% of the sample preferred training to be of 4 weeks.

FACULTY MEMBERS

First time duration: Among faculty members *majority (76%) of respondents preferred training to be of 20 weeks* followed by 11% preferred 12 weeks

Second time: Out of total responses 29% of the sample preferred training to be of 12 weeks, followed by 26 % of sample preferred 4 weeks and 20 weeks duration.

PRE STUDENTS

First time duration: In case of Pre to training students, 24 % of the sample preferred 12 weeks of training and 19% of the sample preferred it should be of 20 weeks.

Second Time: Majority of the sample 75% preferred training to be of 4 weeks duration

POST STUDENTS

First time duration: Among Post to training students, 25 % of the sample preferred training duration of 16 weeks, 22% preferred it should be of 20 weeks

Second time: Majority of respondents (74%) preferred 4 weeks duration for second time.

Designation wise: In terms of designation wise, Principal preferred training to be of 20 weeks duration for the first time and 100% response was for 20 weeks duration for second time. Similarly in case of H.O.D, majority (86%) of the sample preferred training duration of 20 weeks for first time and 50 % of the sample preferred 4 weeks duration for second time. Sr.Lecturer (71%) also preferred 20 weeks duration for first time and preferred same duration of 20 weeks in the second time. Out of total responses 71 % Lecturer preferred 20 weeks duration in training for first time and 67% preferred 16 weeks duration in the second time. Among Managers of Hotel operation, 42% of the sample, preferred 24 weeks for first time and 100% of the sample, preferred 4 weeks duration for second time, similar preference was marked by assistant managers and supervisory level employees.

In terms of star category of hotels, 33% of the sample, preferred to be of 24 weeks duration in first time training and 60% of the sample, preferred 4 weeks duration in second time. Among 4 star hotels, 24% of the sample, preferred 20 weeks duration in first time and 82% preferred 4 weeks duration in the second time, whereas among 5 star hotels preferred 12 weeks duration in the first time and 63 % of the sample preferred 4 weeks duration in second time

Among universities ,all preferred 20 weeks duration in the first time of training (30% (n=46)state,47% (n=7)deemed,32%(n=35) private,44% (n=40)national council and 56 % of the sample in case of state universities preferred 4 weeks duration in second time,50 % of sample in case of deemed university preferred 12 weeks and 20and 53% of the sample in case of private universities preferred 4 weeks for second time ,similarly 82% of the sample in case national council also preferred 4 weeks .

Right Duration: Among stakeholders, different opinions were expressed in terms of duration of the training .By comparing the median value of all stakeholders opinions for first time training, it was observed that right duration of training for first time in the course curriculum as per **industry professionals is of 24 weeks**, where as **faculty members preferred, that it should of 20 weeks**, **post to training students preferred it should be of 16 weeks** and **pre students preferred 16 weeks**. The duration of training was found in decreasing order starting from 24 weeks to 16 weeks. Consensuses among stakeholders were found for second time duration that is of 4 weeks, however the median value of faculty members is 12 weeks.

TABLE 8

		Stakeholders			
		Industry Professionals	Faculty	Students –Pre Industrial Training	Students –Post
1st Time Duration	Mean	22.20	18.71	13.92	13.95
	Median	24.00	20.00	12.00	16.00
	Mode	24.00	20.00	12.00	16.00
	Maximum	48.00	24.00	24.00	24.00
	Minimum	4.00	8.00	4.00	4.00
	Standard Deviation	8.55	3.18	6.02	5.88
	Total N	100	150	276	285
2nd Time Duration	Mean	4.00	12.97	4.05	6.46
	Median	4.00	12.00	4.00	4.00
	Mode	4.00	12.00	4.00	4.00
	Maximum	4.00	24.00	6.00	20.00
	Minimum	4.00	4.00	3.00	2.00
	Standard Deviation	.00	7.06	.76	5.09
	Total N	100	150	276	285

Statistical significant differences exist among stakeholders ($p=.000$, $p=.000$) revealed by chi square test in terms of duration of training preferred by stakeholders for both the times. In terms of designation of faculty members and industry professional significant differences exist in terms of training duration ($p=.000$, $p=.038$).

PEARSON CHI-SQUARE TESTS**TABLE 9**

		1st Time Duration	2nd time duration
Stakeholders	Chi-square	254.906	45.244
	df	21	15
	Sig.	.000*	0.0001
Designation	Chi-square	107.702	59.653
	df	49	35
	Sig.	.000*	0.0058
SEX(1M,2F)	Chi-square	4.739	4.6821
	df	7	5
	Sig.	0.692	0.4559
Experience	Chi-square	26.566	19.201
	df	21	15
	Sig.	0.186	0.02048
STAR	Chi-square	43.951	4.9677
	df	14	4
	Sig.	.000*	0.2906
Region	Chi-square	15.158	0.8983
	df	14	10
	Sig.	0.367	0.8983
inst type	Chi-square	20.805	13.943
	df	15	15
	Sig.	0.1432	0.5298

In terms of **experience** wise there is **no** statistical difference among respondents for the first time duration($p=0.186$) , where as difference exist for the second time duration ($p=0.02$) In terms of star hotel wise there is significant difference exist for the first time duration ($p=.000$) where as no difference exist for the second time duration ($p=0.2906$)

In terms of regions wise there is no differences were observed for both the duration of the training(0.367,p=0.898)and similarly there is no significant difference exist among universities in the duration of training preferences for both time (p=.143 and p=0.529).Table summarises the results of Chi –square test.

An ANOVA was performed on all stakeholder opinions regarding right duration of training in terms of weeks. Significant differences were found between stakeholders opinions in terms of right duration of training for both the times. For first time F (3,437) =42.127, p=.000) and for second time F (3, 96)=18.398, p=.000).

TABLE 10: SUMMERY OF THE RESULTS OF ANNOVA ON DURATION OF TRAINING (STAKEHOLDERS)

Descriptive								ANOVA	
		N	Mean	Std. Deviation	Std. Error	Minimum	Maximum	F	Sig.
1st Time Duration	Industry Professionals	71	22.20	8.547	1.014	4	48	42.127	.000
	Faculty	93	18.71	3.185	.330	8	24		
	Students –Pre Industrial Training	125	13.92	6.024	.539	4	24		
	Students –Post	152	13.95	5.877	.477	4	24		
	Total	441	16.27	6.796	.324	4	48		
2nd Time Duration	Industry Professionals	14	4.00	.000	.000	4	4	18.398	.000
	Faculty	31	12.97	7.059	1.268	4	24		
	Students –Pre Industrial Training	20	4.05	.759	.170	3	6		
	Students –Post	35	6.46	5.089	.860	2	20		
	Total	100	7.65	6.162	.616	2	24		

TABLE 11: PAIR WISE COMPARISONS RESULTS OF DURATION OF TRAINING AMONG STAKEHOLDERS

Tukey HSD					
Dependent Variable	(I) Stakeholders	(J) Stakeholders	Mean Difference (I-J)	Std. Error	Sig.
1st Time Duration	Industry Professionals	Faculty	3.488	.946	.001
		Students –Pre Industrial Training	8.277	.892	.000
		Students –Post	8.250	.863	.000
	Faculty	Industry Professionals	-3.488	.946	.001
		Students –Pre Industrial Training	4.790	.822	.000
		Students –Post	4.762	.791	.000
	Students –Pre Industrial Training	Industry Professionals	-8.277	.892	.000
		Faculty	-4.790	.822	.000
		Students –Post	-.027	.725	1.000
	Students –Post	Industry Professionals	-8.250	.863	.000
		Faculty	-4.762	.791	.000
		Students –Pre Industrial Training	.027	.725	1.000
2nd Time Duration	Industry Professionals	Faculty	-8.968	1.606	.000
		Students –Pre Industrial Training	-.050	1.737	1.000
		Students –Post	-2.457	1.577	.407
	Faculty	Industry Professionals	8.968	1.606	.000
		Students –Pre Industrial Training	8.918	1.430	.000
		Students –Post	6.511	1.230	.000
	Students –Pre Industrial Training	Industry Professionals	.050	1.737	1.000
		Faculty	-8.918	1.430	.000
		Students –Post	-2.407	1.398	.318
	Students –Post	Industry Professionals	2.457	1.577	.407
		Faculty	-6.511	1.230	.000
		Students –Pre Industrial Training	2.407	1.398	.318

Pair wise comparisons were made between stakeholders. There is a significance difference exist in the opinion between pre , post students and faculty members in comparison to industry professionals p=.000,p=.000 and p=.001 for the first time duration ,However there is no significant difference exist between the opinions of pre and post students (p=1.000)

For the second time duration of the training, there is a significant difference between faculty members and post students (p=.000) in comparison to industry professionals. There is no significant difference between pre and industry professional .There is significant difference in the opinion among industry professionals, pre and post students in comparison to faculty members. There is no significant difference exist between pre and post students opinion in comparison to industry professionals .Similarly there is no significant difference between industry professionals and pre students in comparison to post students. An ANOVA was performed on all types if academic institutions opinions regarding right duration of training in terms of weeks. Results are shown in Table. Significant differences were not found between all universities opinions in terms of right duration of training for both the times. For first time F (3,366) =0.952, p=.415) and for second time F (3, 82)=1.769, p=.159).

TABLE 12: SUMMERY OF THE RESULTS OF ANNOVA ON DURATION OF TRAINING (TYPE OF INSTITUTIONS)

Descriptives								ANOVA		
		N	Mean	Std. Deviation	Std. Error	Minimum	Maximum	df	Mean Square	Sig.
1st Time Duration	State	153	14.5359	5.97806	0.4833	4	24	3	31.584	0.952
	Deemed	15	15.7333	4.65168	1.20106	8	20	366	33.171	
	Private	111	15.4955	5.34258	0.5071	4	24	369		
	National Coun	91	15.6044	6.0238	0.63147	4	24			
	Total	370	15.1351	5.75828	0.29936	4	24			
2nd Time Duration	State	29	8.8276	6.26822	1.16398	4	20	3	70.449	0.159
	Deemed	2	16	5.65685	4	12	20	82	39.814	
	Private	38	8.6316	6.74004	1.09338	4	24	85		
	National Coun	17	6.1176	5.31369	1.28876	4	24			
	Total	86	8.3721	6.39494	0.68958	4	24			

FINDINGS – RIGHT DURATION

Based on data analysis it is concluded that right duration in terms of weeks for industrial training as per industry professional is 24 weeks, where as faculty members opinions regarding right duration is of 20 weeks .In the opinions of pre to training students it is of 12 weeks and by post to training students it is of 16 weeks (10 weeks preferred by 3 star hotel ,where as 16 weeks each preferred by both 4 and 5 star hotel students.

For second there is similarity exist in the opinions of pre ,post and industry professional that is for second time training should be 4 weeks ,where as faculty members mean value is 12 weeks. However similarity exists in the opinions of industry professionals, pre and post students towards right duration in terms of weeks for second time training in the course curriculum is of 4 weeks where as faculty members ideal duration for second time training is of 12 weeks.

RIGHT TIME (WHEN STUDENTS SHOULD GO FOR TRAINING IN THE COURSE CURRICULUM)

TABLE 13.1: PERCENTAGE PREFERENCES OF STAKEHOLDER'S TIME FOR TRAINING

% 1st time Change (in Sem)		1st Sem	2nd Sem	3rd Sem	4th Sem	5th Sem	6th Sem
Stakeholders	Industry Professionals	0	10	8	21	20	41
	Faculty	2	5	17	16	13	46
	Students –Pre Industrial Training	10	22	22	14	20	13
	Students –Post	5	24	11	18	8	35
Designation	Principal	17	0	0	17	50	17
	HOD	0	0	50	21	7	21
	Sr. Lecturer	0	6	18	6	35	35
	Lecturer	3	11	14	11	6	54
	Instructor	0	0	5	29	0	67
	Manager	0	8	8	25	25	33
	Assistant Manager	0	4	4	21	13	58
	spervisory	0	14	11	20	23	31
SEX(1M,2F)	Male	5	15	15	19	15	31
	Female	5	20	14	13	13	34
Experience	0-5 yrs	0	6	7	24	17	46
	6-10 yrs	2	11	11	11	11	55
	11-15 yrs	0	3	32	21	18	26
	Above 15 yrs	8	8	0	25	33	25
STAR	3 Star	2	22	9	13	22	33
	4 Star	4	22	12	21	9	33
	5 Star	2	12	7	21	9	49
Region	Punjab	4	18	17	14	15	32
	Chandigarh	7	17	14	18	15	28
	Haryana	3	15	13	20	13	36
inst type	STATE UNIVERSITY	7	20	15	19	10	29
	Deemed	7	27	13	0	13	40
	Private UNIVERSITY	1	21	20	16	15	27
	NATIONAL COUNCIL	9	11	14	14	16	35

TABLE 13.2: PERCENTAGE PREFERENCES OF STAKEHOLDER'S TIME FOR TRAINING

% 2nd time Change (in Sem)		1st Sem	2nd Sem	3rd Sem	4th Sem	5th Sem	6th Sem
Stakeholders	Industry Professionals	0	0	0	0	7	93
	Faculty	0	0	0	0	19	81
	Students –Pre Industrial Training	0	0	0	5	30	65
	Students –Post	0	0	0	0	23	77
Designation	Principal	0	0	0	0	0	100
	HOD	0	0	0	0	30	70
	Sr. Lecturer	0	0	0	0	25	75
	Lecturer	0	0	0	0	11	89
	Instructor	0	0	0	0	14	86
	Manager	0	0	0	0	0	100
	Assistant Manager	0	0	0	0	0	100
	spervisory	0	0	0	0	11	89
SEX(1M,2F)	Male	0	0	0	0	19	81
	Female	0	0	0	4	27	69
Experience	0-5 yrs	0	0	0	0	14	86
	6-10 yrs	0	0	0	0	6	94
	11-15 yrs	0	0	0	0	29	71
	Above 15 yrs	0	0	0	0	0	100
STAR	3 Star	0	0	0	0	0	100
	4 Star	0	0	0	0	18	82
	5 Star	0	0	0	0	25	75
Region	Punjab	0	0	0	2	27	71
	Chandigarh	0	0	0	0	26	74
	Haryana	0	0	0	0	7	93
inst type							
	STATE UNIVERSITY	0	0	0	3	28	69
	Deemed UNIVERSITY	0	0	0	0	50	50
	Private UNIVERSITY	0	0	0	0	18	82
	NATIONAL COUNCIL	0	0	0	0	24	76

Industry professionals: First time among industry professionals 41 % of the sample marked 6 semester, followed by 21% for 4 semester, 20 % preferred in 5 semester for the first time. Second Time: 18% of the sample, preferred in 6 semester for the second time.

Faculty members: Among faculty members, 46% of the sample, preferred in 6 semester, followed by 17% in 3 semester for the first time. Second time out of total, 27% of the sample preferred in 6 semester.

Pre students: Among Pre students 22% each of the sample, preferred in 2 and 3 semester, followed by 20 % for 5 semester for first time and Second Time, out of total 10 % of the sample, preferred in the 6 semester.

Post Students: Among post students 35% of the sample preferred in 6 semester, followed by 24 % in 2 semester for the first time and 18 % of the sample preferred in the 6 semester for the second time.

Type of Institutions: Among state universities, 20% of the sample, preferred in 2 semester for the first time and 29% for the 6 semester for second time. Among deemed universities, 27 % of the sample, preferred in the 2 semester for first time and 50% preferred in the 5& 6 semester for second time. Among private universities 21 % of the sample preferred in the 2 semester for first time and 82 % preferred in 6 semester for second time. Among national council, 16% of the sample preferred in 5 semester for first time and 76 % of the sample in 6 semester for second time.

TABLE 14

PEARSON CHI-SQUARE TESTS			
		1st time Change (in Sem)	2nd time Change (in Sem)
Stakeholders	Chi-square	67.886	7.01
	df	15	6
	Sig.	.000*	0.32
Designation	Chi-square	68.208	3.244
	df	35	7
	Sig.	.001*	0.862
SEX(1M,2F)	Chi-square	3.517	3.78
	df	5	2
	Sig.	0.621	0.151
Experience	Chi-square	32.591	3.062
	df	15	3
	Sig.	.005*	0.382
STAR	Chi-square	13.166	1.599
	df	10	2
	Sig.	0.215	0.449
Region	Chi-square	8.1	6.131
	df	10	4
	Sig.	0.619	0.19
inst type	Chi-square	19.344	3.7207
	df	15	6
	Sig.	0.1986	0.7144

Statistical significant differences exist among stakeholders ($p=.000$) revealed by chi square test in terms of right for training preferred by stakeholders for first time however there is no statistical difference among stakeholders regarding right time for training of second time(.032) In terms of designation of faculty members and industry professional significant differences exist in terms of right time for the first time($p=.001$),but there is no significant difference among designation for right time of training for second time($p=.862$).Among universities, statistical significant difference were not found in terms of right time for training preference for the first time ($p=.1986$)and there is no significant difference exist among universities in the right time for training preferences for second time ($p=.714$)

An ANOVA was performed on all stakeholder opinions regarding right time for training. Results are shown in Table. Significant differences were found between stakeholder's opinions in terms of right time for training for first time however there is no statistical difference in right time for training for the second time. For first time ($F=14.385$, $p=.000$) and for second time ($F=1.659$, $p=.181$)

TABLE 15: RESULT OF ANNOVA OF RIGHT TIME OF TRAINING

Descriptive								ANOVA	
		N	Mean	Std. Deviation	Std. Error	Minimum	Maximum	F	Sig.
1st time Change (in Sem)	Industry Professionals	71	4.73	1.341	.159	2	6	14.385	.000
	Faculty	93	4.71	1.441	.149	1	6		
	Students –Pre	125	3.51	1.564	.140	1	6		
	Students –Post	152	4.06	1.720	.139	1	6		
	Total	441	4.15	1.632	.078	1	6		
2nd time Change (in Sem)	Industry Professionals	14	5.93	.267	.071	5	6	1.659	.181
	Faculty	31	5.81	.402	.072	5	6		
	Students –Pre	20	5.60	.598	.134	4	6		
	Students –Post	35	5.77	.426	.072	5	6		
	Total	100	5.77	.446	.045	4	6		

Table summarises results of Tukey HSD Test of Right time of training.

Pair wise comparisons were made between stakeholders. Table 10 shows these pair wise comparison results. Table shows that there is no significance difference between industry professional and faculty members ($p=1.000$) and there is significant difference between pre and post to training students in terms of training time.

TABLE 16

Tukey HSD

Dependent Variable	(I) Stakeholders	(J) Stakeholders	Mean Difference (I-J)	Std. Error	Sig.
1st time Change (in Sem)	Industry Professionals	Faculty	.023	.246	1.000
		Students –Pre Industrial Training	1.220	.232	.000
		Students –Post	.673	.225	.015
	Faculty	Industry Professionals	-.023	.246	1.000
		Students –Pre	1.198	.214	.000
		Students –Post	.650	.206	.009
	Students –Pre Industrial Training	Industry Professionals	-1.220	.232	.000
		Faculty	-1.198	.214	.000
		Students –Post	-.547	.189	.020
	Students –Post	Industry Professionals	-.673	.225	.015
		Faculty	-.650	.206	.009
		Students –Pre	.547	.189	.020
2nd time Change (in Sem)	Industry Professionals	Faculty	.122	.142	.826
		Students –Pre	.329	.154	.150
		Students –Post	.157	.140	.675
	Faculty	Industry Professionals	-.122	.142	.826
		Students –Pre	.206	.127	.367
		Students –Post	.035	.109	.988
	Students –Pre Industrial Training	Industry Professionals	-.329	.154	.150
		Faculty	-.206	.127	.367
		Students –Post	-.171	.124	.512
	Students –Post	Industry Professionals	-.157	.140	.675
		Faculty	-.035	.109	.988
		Students –Pre	.171	.124	.512

An ANOVA was performed on all types of universities opinions regarding right time for training. Results are shown in Table. Significant differences were not found between universities opinions in terms of right time for training for first and second time. For first time $F(3,366) = 0.803$, $P = .493$ and for the second time $F(3,82) = 0.845$, $P = 0.473$

TABLE 17

Descriptives								ANOVA			
		N	Mean	Std. Deviation	Std. Error	Minimum	Maximum	df	Mean Square	F	Sig.
1st time Change (in Sem)	State	153	3.902	1.69273	0.13685	1	6	3	2.217	0.803	0.493
	Deemed	15	4.0667	1.94447	0.50206	1	6	366	2.762		
	Private	111	4.0541	1.53645	0.14583	1	6	369			
	National Coun	91	4.2418	1.70841	0.17909	1	6				
	Total	370	4.0378	1.66053	0.08633	1	6				
2nd time Change (in Sem)	State	29	5.6552	0.55265	0.10262	4	6	3	0.184	0.845	0.473
	Deemed	2	5.5	0.70711	0.5	5	6	82	0.217		
	Private	38	5.8158	0.39286	0.06373	5	6	85			
	National Coun	17	5.7647	0.43724	0.10605	5	6				
	Total	86	5.7442	0.46491	0.05013	4	6				

Based on the data analysis, it is concluded that the right time for training is 5 semesters for the first time and 6 semesters for the second time as per industry professionals and faculty members. Whereas pre students median value is 3 for first time and 6 semester for the second time and in case of post students median value is 4 semester (3 preferred by 3 star hotels, 4 semester by 4 star and 5 semester by 5 star hotel students) and 6 semester.

As per universities deemed, private and national council mean score is 4 semester and second time mean score is 6 semester whereas in case of state universities mean score for the first time is 3 semester and 6 semester for the second time. Based on data analysis it is concluded that right duration in terms of weeks for industrial training as per industry professional is 24 weeks, where as faculty members opinions regarding right duration is of 20 weeks. In the opinions of pre to training students it is of 12 weeks and by post to training students it is of 16 weeks. For second there is similarity exist in the opinions of pre, post and industry professional that is for second time training should be 4 weeks, where as faculty members mean value is 12 weeks.

Universities offering hotel courses and other affiliated institutions needs to review prevailing industrial training component in their course curriculum to make it as effective as possible by adopting a uniform practice which would be beneficial to all stakeholders concerned

Sending students early or at the mid of their course for training is known to bring numerous challenges and problems to hotels. In some cases, students would have had little or no experience handling machinery, posing considerable risk to company property Richard Teare et al (1993). At the same time many students are not academically prepared and are not equipped with basic skills needed in industry to carry out assigned task during their training duration.

GENERALISATION - RIGHT DURATION

As per the opinions of industry professionals regarding the right duration of industrial training that is of 24 weeks have a rationale and coincides with the earlier research studies (Oliver, 2010; Mihail, 2006) that interns conveyed, internship duration were too short and the majority of interns think the most right internship period should be of **six months**, whereas Mihail (2006) also found in his study that most of the interns favoured to have internship periods ranging from six to nine months instead of three months. This indicated that interns are ready to have a longer internship period and believe that they can learn more within a six month period. Oliver (2010) remarks that the short amount of time an internship lasts really never lets the student become a **fully functional employee** because there is not so much to take in for them. In the present study results post training students preferred that the right duration of training should be of **16 weeks is almost sufficient** to cover four core areas of the industry that is Front office, Food and Beverage Service, Food and Beverage Production and House Keeping operation, by working **4 weeks** per area and later on they could go for **specialised training of 4 weeks in the area of interest**. The other core areas such as Accounts, Sales & Marketing etc. do not allow students to fully access the different components. Students found this unfair though managers argued that allowing students full access can be quite risky when it comes to strategic areas. The mean of industry professional is 4.26, that the **industry professionals** suggests training duration should be **longer** period that is of 24 weeks due to **high task clarity reason and better job rotation of the trainee** within the hotel operation, for overall success of the training. The mean of faculty members is 3.9 that is **faculty members** preferred **20 weeks** training due to reason that students get to **know the operations of hotel and later they can go for specialised training in their area of interest in the higher semesters**. The mean of **pre students** is 3.02, where the reason is similar to faculty members however the mean of **post students** is 2.61 that is mostly **irrelevant tasks** were provided to the trainees and it should be of shorter duration (16 weeks).

Further **type of institution wise**, all universities of the sample given the similar reason of the training duration that is students get **to know the operations of hotel and later they can go for specialised training in their area of interest in the higher semesters**. Whereas designation wise reason marked by principal, Sr Lecturer, Lecturer and Instructor is that high task clarity and better job rotation of the trainee within the hotel operation factor must be consider in the duration of the training for overall success of the training, where as H.O.D, Managers and Supervisory recommends that students get to know the operations of hotel and later they can go for specialised training in their area of interest in the higher semesters

RIGHT TIME

It is concluded that the right time for training is 4 semesters for the first time and 6 semesters for the second time as per State, Private and Central Universities. As per Deemed and National council, right time for training is 5 semester for the first time and 6 semester for the second time. The rationale behind is that students must **complete required course modules** before taking the industrial training. Industrial training also help schools resolve the high expenses involved in providing needed facilities and equipment (Krasilovsky and Lendt, 1996; Hodgson, 1999). According to Krasilovsky and Lendt (1996), the students also get the chance to meet their future bosses, and have a higher chance of finding a job through the industrial training component.

Frequency and mean of the selected reason for time are given in table in number. The mean of **industry professional** is 4.44 that means, the industry professionals suggest training time should be in fourth semester as it would be a beneficial experience which bridges the gap between university and the workplace where trainees would be **fully academically prepared** to face real work encounters. The mean of **faculty members** is 3.99 that, **to foresee area of interest**, by this time, it will help in **Solving confusion about career choice's**. The mean of **pre students** is 3.19, where the reason is similar to faculty members however the mean of **post students** is 2.97 that is **To see that chosen course matches with aspirations and better to change the career choice in the initial phase**.

Further among **type of institution wise**, Majority universities of the sample had given the similar reason of the training time that **to foresee area of interest, by this time**, it will help in solving confusion about career choices. Whereas designation wise reason marked by principal, Sr Lecturer, Instructor, Manager, asstt manager and supervisor is that Beneficial experience which bridges the gap between university and the workplace where trines would be Fully academically prepared to face real work encounters factor must be consider in the time of the training for overall success of the training.

CONCLUSION

One of the primary benefits of industrial training for students is that students with industrial training experience supposedly have an advantage in the job market, which can translate into their being hired more readily for subsequent jobs. It is a fact that every educational system needs constant review since everything in the world is dynamic (Gothard W. P. 1987) and the industrial attachment exercise is by no means an exception. A number of institutions in the country need to review their industrial attachment training programs to make them as effective as they should be, eradicating any grey areas which hinder the success of this very necessary component. The general view is that industry and training institutions need to work together in the formulation of training programs to make the partnership fruitful and reasonably meaningful to all stakeholders (Harrison, G. 2010). Most institutions have a way of reviewing and assessing the industrial attachment program. Rittichainuwat, Worth, Hanson and Rattanapinanchai (2010), focus the attention on reinforcing the importance of integrating the industry and the academic worlds by collaborating on issues such as curriculum, instruction, and industrial training. The employability of the students could be enhanced by way of rotational training, by assigning valuable tasks to the trainees, extending cooperative hand during the training. All academic institutions must re examine their industrial training component in their course curriculum, because majority of all stakeholders in this study admit that training should be of 20 weeks for the first time and 4 weeks in the second time and the right time of sending students for first time training is in 4 semester and second time is in 6 semester for their specialisation training. Hence sending students in the right time and duration will be beneficial to all stakeholders and will enhance the employability of the students. Moreover programs should provide students with needed tools and educate them to take responsibility in future work life, thus bridging the gap, as one of the findings of this study. Trainees tried to test career choices during the training period; however duration was very short to actually test career choices, the moment they test career choices in a particular department, may be moved to another. Some of them are not adequately rotated in all the departments. On the other hand it was observed that one time practice of industrial training was found in the most of the curriculum of Hotel management institutions and very few institutions have later on specialisation training component in the course curriculum. Hence industrial training has been identified as a major tool in enhancing employability among students provided at the right with right duration and having similar outcomes of training as perceived important by stakeholder's leads to extending quality experiences to the future job prospects and increase their transition rate from academics to chosen industry work environment for the overall development of the economy.

There is no better teacher than experience to allow students to "touch the stove", so to speak, enhance their formal learning curve and in most instances, that curve turns up when industrial training is implemented in the right time frame of the curriculum, leads to enhanced employability of the students.

In the words of Martin Luther King Junior

"We may have all come from different ships, but we are in the same boat now. It would be a win-win situation for all if the stakeholders can work together in cooperation and mutual understanding"

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HUMAN RESOURCE MANAGEMENT MODEL FOR NEW GLOBAL ECONOMY: OVERVIEW**DR. GEETANJALI V. PATIL****PROFESSOR****DEPARTMENT OF MECHANICAL ENGINEERING****B.L.D.E.A'S V.P DR.P.G. HALAKATTI COLLEGE OF ENGINEERING & TECHNOLOGY
BIJAPUR****DR. V. S. PURANIK****PROFESSOR****DEPARTMENT OF INDUSTRIAL & PRODUCTION ENGINEERING****BASAVESHWAR ENGINEERING COLLEGE (AUTONOMOUS)
BAGALKOT****RAMESH S. NAIK****ASST. PROFESSOR****DEPARTMENT OF MECHANICAL ENGINEERING****BASAVESHWAR ENGINEERING COLLEGE (AUTONOMOUS)
BAGALKOT****ABSTRACT**

In this paper an overview of the relevant literature pertaining to role of Human Resource Management (HRM) System for new Global Economy has been done. Here analysis is being done about Human Resource Management, listing and analysis of various existing human resource model, what developments are to be done in improving the Human Resource Management. Some of the Human Resource Management activities and Policies are considered to develop the proposed model. The outcome of these activities is Cordial relation with management, Cordial relation with employee, Employee Motivation, Organizational satisfaction. These Human Resource Management output or outcomes are linked to the organizational performance. In this paper the models for Human Resource Management, Knowledge management and Intellectual Capital are proposed.

KEYWORDS

Human Resource Management (HRM), Human Capital, Intellectual Capital, Knowledge management.

INTRODUCTION

In this paper attempt is being made to examine the implementation of the changing economy of human resource management in the new economy. In this study the considered important concepts and models related to new economy are Human Capital, Knowledge Management and Intellectual Capital. Firstly conceptual analysis of the Human Capital is being done. Numerous studies have been carried out pertaining to human resource management with respect to economical development. In this paper attempt is being made regarding how the elemental constitutes of human resource management are the contributor of global economy. The elemental attributes of Human resource management are Human Capital, Knowledge Management and Intellectual Capital. The constituents of Human capital, Knowledge Management and Intellectual Capital are Knowledge, skills, competencies etc, and how these are inter-related to the economical development. To create the proposed model of HRM for global economy, some of the activities considered are requirements, Forecasting, Recruiting and selection, Integrating employees, Training human resources, communicating with human resources, assessment, Career development, motivation, promotion of human resource.

Over the past two decades the field of Human Resource Management (HRM) has undergone immense paradigmatic growth and widening from both academics and practitioners as well [1]. Human Resource is very important in management of business that 6 Ms of management, viz Men, Women, material, money, market and method. [2] But among all these, men and women are the only living beings could do the effective coordination and utilization of all resources. 'All the activities of any enterprise are initiated and determined by the persons who make up the institution, plants, offices, computers, automated equipment, and all else that make up a modern firm are unproductive except for human effort and direction of all the tasks of management, managing the human component is the central and most important task, because all else depends on how well it is done' [3].

LITERATURE REVIEW

As per Collins & Smith, [4] High-commitment HR practices include various recruitment and selection practices, job design, and incentive practices that focus on developing employees' long-term investment in the firm.

As per Khilji & Wang,; Walton, [5] (Sun et al.,)[6]. High-commitment HR practices foster a high-quality relationship with employees based on reciprocity and interdependence.

Schultz [7] noted that the growth rate of output exceeded the growth rate of relevant input measures (employment and physical capital) suggesting that investment in human capital is probably the major explanation for this difference.

According to Uzawa [8] and Rosen [9] the importance of human capital is in driving economic growth.

According to Nelson and Phelps [10] the ability of nation to adopt and implement new technology from abroad is function of its domestic human capital stock.

According to Khatri [11], people are one of the most important factors providing flexibility and adaptability to organizations.

Satow & Wang [12] found that as a result of development of the global economy, the international dimension of HR practices has become more and more significant. The focus of HR practices has shifted from traditional topics such as internal selection and rewards to concepts such as globalization and international competition.

Romer [13] found that countries with greater initial stock of human capital experience a more rapid rate of introduction of goods and thereby to grow faster.

Becker, Murphy, and Tamura [14] assumed that the rate of return on human capital increases over some range, an effect that could arise because of the spillover benefits from human capital.

Lucas [15] has suggested that one reason physical capital does not flow to poor countries may be that these countries have little investment in human capital.

Benhabib and Spiegel [16] found that human capital stock is positively correlated with the growth of physical capital.

Rowley [17] found that "Knowledge management (KM) is concerned with the exploitation and development of the knowledge assets of an organization with a view to furthering the organization's objectives. The knowledge to be managed includes both explicit, documented knowledge, and tacit, subjective knowledge. Management entails all of those processes associated with the identification, sharing, and creation of knowledge. This requires systems for the creation and maintenance of knowledge repositories, and to cultivate and facilitate the sharing of knowledge and organizational learning. Organizations that succeed in knowledge management are likely to view knowledge as an asset and to develop organizational norms and values, which support the creation and sharing of knowledge".

Hameed [18] noted that KM is described as a systematic process of finding, selecting, organizing, distilling and presenting information in a way that improves an employee's comprehension in a specific area of interest. KM helps an organization to gain insight and understanding from its own experience. Specific KM activities help focus the organization on acquiring, storing and utilizing knowledge for such things as problem solving, dynamic learning, strategic planning and decision making

Kodjo Ezane Joseph, Changjun Dai [19] noted that Globalization is more and more impacting upon the management of human resources (HR). Coping with the international intensity of competition brought about by the "new economy", a knowledge-based economy (KBE) has emerged to replace the old economy that focused on physical assets instead of the hearts and mind of the HR. This KBE utilizes the skills of the HR to the full, which created a new way of thinking about HRM and demands responses on behalf of HR managers. The driving forces of today's economy have impacted upon the management of HR in a variety of ways: the penetration of technology and particularly the use of the internet in business environment has demanded different skills and competencies on behalf of employees and also had effects on education and training needs. Given the driving forces of today's economy, it is clear that the nature of the management of HR is changing.

Kodjo Ezane Joseph, Changjun Dai [20] noted the value of the management of human resources in today's economy is to integrate the elements of that economy into the diverse processes and policies strategies of the enterprises by putting the human resources on their balance sheet as they are fundamental pillars for enterprises to be healthy and competitive. The incorporation of the aspects of that economy into the different processes and policies of the enterprises is to be done through the issues of staffing (recruitment and selection); placement and orientation; and the development of human resources (training and development). Embracing the drivers and tools of today's economy will bring about competitive advantage to the enterprises. With the emergence of this global village (New Economy), enterprises that do not want to lag behind others will have to adopt a people-focused policy that puts their people first, that is, at the center of their corporate strategy. In today's economy impacted by this technological revolution that requires information and communication technologies, the management of human resources is essential as it should be related to the drivers and tools (Internet, Globalization, E-commerce) of the enterprises as human resources are the most important assets of an enterprise; a business cannot be successful without effectively managing this resource.

Miller, William [21] found that Intellectual Capital encompasses much more than patents, copyrights and other forms of intellectual property. It is the sum and synergy of a company's knowledge, experience, relationships, processes, discoveries, innovations, market presence and community influence.

MODELS OF HUMAN RESOURCES MANAGEMENT

Some of the Models of Human Resources Management developed by researchers pertaining to the relative work, are as follows:

HARVARD MODEL

As per Beer et.al. [22] the Harvard model works as a strategic map to guide all managers in their relations with employees and concentrates on the human or soft aspect of HRM. It strives at employee commitment not control. It also works on the premise that employees needed to be congruent, competent and cost effective.

MICHIGAN MODEL

As per Devanna et. al [23] the Michigan model focuses on hard HRM. It holds that people should be managed like any other resources and so obtained cheaply, used sparingly, developed and exploited fully. It also emphasized the interrelatedness of HRM activities. According to this model, selection, appraisal, development and rewards were geared towards organizational performance.

GUEST MODEL

Guest [24] model works on the premise that a set of integrated HRM practices will result to superior individual and organizational performance. It advocates a significant difference of HRM from PM. It holds that HRM strategies like differentiation, innovation, the focus on Quality and cost reduction will lead to practices like better training, appraisal, selection, rewards, job designs, involvement, and security leading to more quality outcomes; commitment and flexibility. It will then affect performance in that productivity will increase; innovation will be achieved as well as limited absences, labor turnover, and conflict or customer complaints.

ANALYSIS OF HUMAN RESOURCE MANAGEMENT IN GLOBAL ECONOMY

As per Ovidiu Nicolescu [25] preliminary considerations are taken, Human Resource Management is among the fields where managerial practices and theoretical-methodological research have been going through extensive development during the last decades. It is a natural situation generated mainly by the following variables:

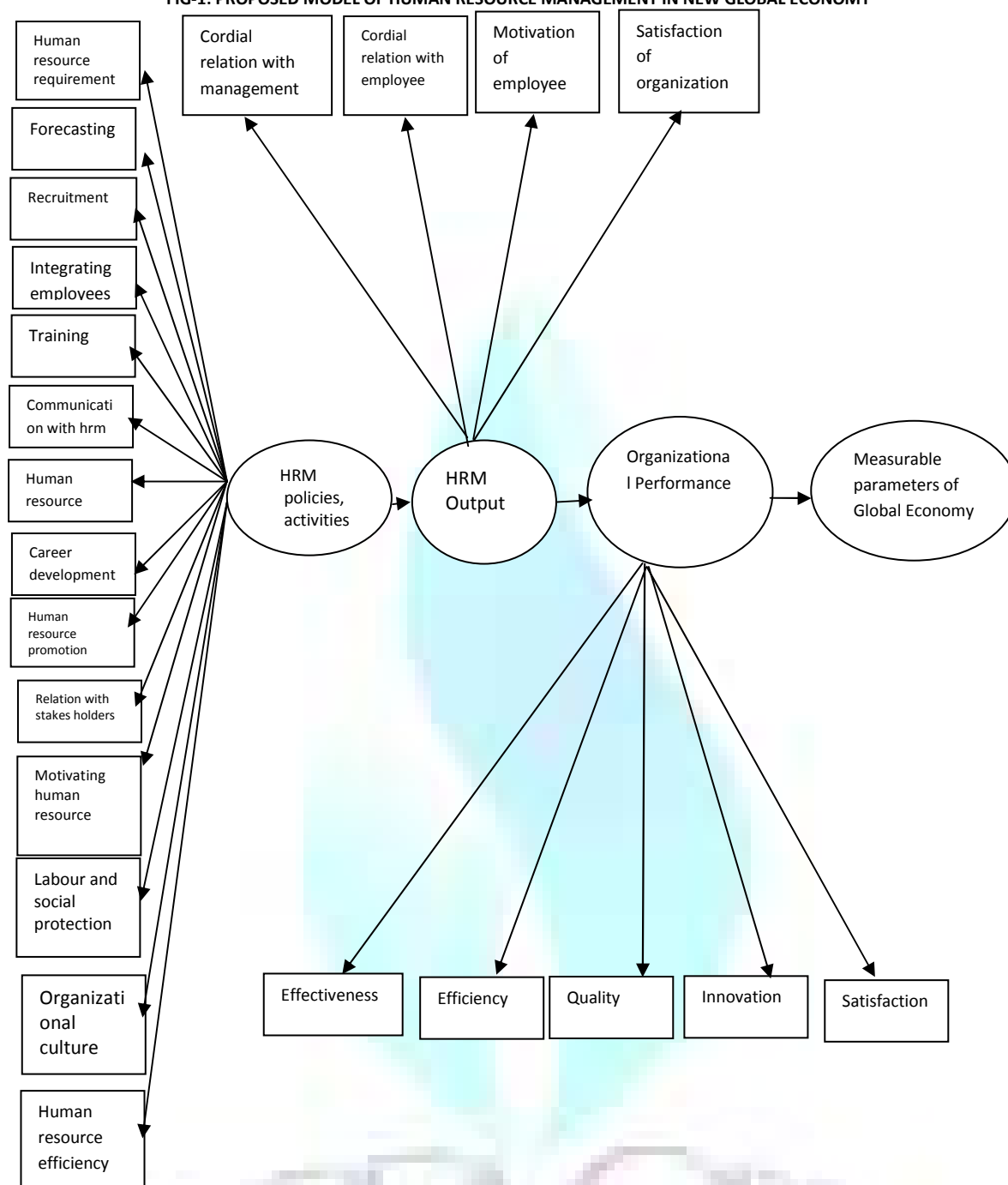
- The increase in the training level, the work and the creation potential of human resources, at very high levels, difficult to imagine not very long ago.
- Awareness for the decisive impact that human resources have on the functionality of management and the performance of organizations, whatever their branch or size;
- The start of the knowledge revolution, whereby the new economy is made, which "pushes" knowledge and the human resource to the foreground of all economic-social activities, as main generator, holder and user of knowledge.

Some of the activities for the model to be developed are based on above consideration and what is their role of Human Resource Management in the new economy. The activities are as below.

1. Determining the requirements for human resources.
2. Forecasting the requirements for human resources.
3. Recruiting and selecting human resources
4. Integrating employees.
5. Training human resources.
6. Communicating with human resources.
7. Human resource assessment.
8. Career development.
9. Human resource promotion.
10. Relationships with special stakeholders.
11. Motivating human resources.
12. Human resource labor and social protection.
13. Modeling the organizational culture.
14. The efficiency of using human resources.

Based on the all above consideration a model of human resource management in the global economy is proposed. This is only the proposed model further, acceptable analysis need to be done by existing statistical tools.

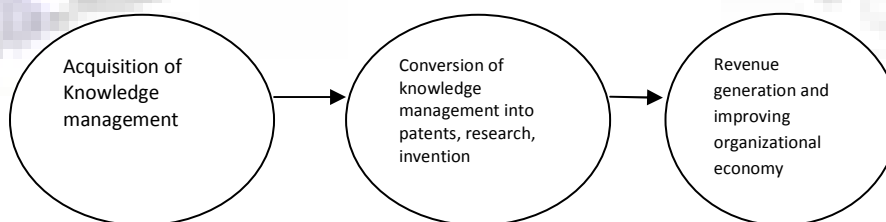
FIG-1: PROPOSED MODEL OF HUMAN RESOURCE MANAGEMENT IN NEW GLOBAL ECONOMY



Knowledge management and Intellectual Capital also plays crucial role in the improvement of organizational performance and economy development. The conceptual understanding of knowledge management and Intellectual Capital are discussed below.

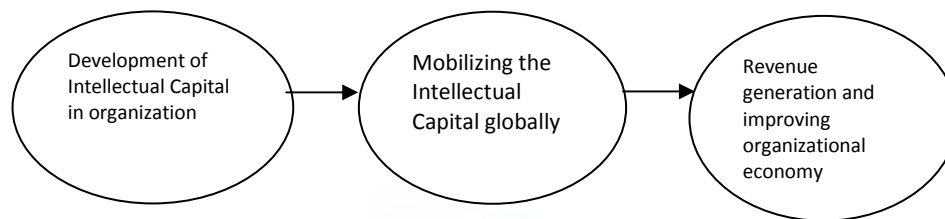
KNOWLEDGE MANAGEMENT (KM)

As per Hameed, [26] KM is described as a systematic process of finding, selecting, organizing, distilling and presenting information in a way that improves an employee's comprehension in a specific area of interest. KM helps an organization to gain insight and understanding from its own experience. Specific KM activities help focus the organization on acquiring, storing and utilizing knowledge for such things as problem solving, dynamic learning, strategic planning and decision making. Based on this consideration we will analysis how Knowledge management can be used for the revenue generation of organizational economy. A model is proposed regarding how it can be utilized by organization in the improvement of organization and global economy. The model is as follows



INTELLECTUAL CAPITAL

Intellectual Capital encompasses much more than patents, copyrights and other forms of intellectual property. It is the sum and synergy of a company's knowledge, experience, relationships, processes, discoveries, innovations, market presence and community influence Miller, William [27]. A model is proposed regarding how it can be utilized by organization in the improvement of organization and global economy. The model is as follows

**DISCUSSION**

With respect to various literature survey following discussions are made

- Regarding various HR practices the process like recruitment selection; job design incentives practices have direct relation in developing employees and organization improvement. Qualitative improvement, identification and outcomes are to be done. In this matter discussion is done with some of the considerable points, those are as follows
- The importance of the human capital pertaining to the economical growth rate of the organization is the major factor.
- People are flexible adaptable factor of organization as compared to the non human resources.
- The development of global economy is basically due to globalization and international competition.
- Knowledge management is also the important factor which shifts old economy to knowledge based economy.
- The various models which are defined gives the relation between the manager and employee, HRM activities also have impact on organizational performance.
- All these tells about the organizational performance and HRM activities, their relation etc. The achievable and measurable activities of HRM with respect to economical performance are to be done.

CONCLUSIONS

The present study has surveyed various literature reviews and based on those finding we have discussed and concluded that

- Human factor plays very important role in the improvement of organizational performance and economy development.
- Quantitative analysis need to be done further for measuring the effectiveness and efficiency of organizational and economical performance.
- Quantifiable activities need be found out for improving the organization economy.
- Optimization of the proposed model of HRM, Human capital, Intellectual Capital and Knowledge management need to be checked further by using various statistical tools.
- Cost benefit analysis of Human resource has to be done in improving organizational economy
- Resource, budget analysis allocation has to be done for Human Capital, Intellectual Capital and Knowledge management and Human resource Management.
- Based on the considerations of the Ovidia Nicolas we have proposed a model of HRM in new global economy. The shown activities of the HRM policies, activities has to be checked and analysed by using questionnaire method or by using statistical tools so that to what extent each activities contribute to organization performance enhancement. The activities are related to HRM outcome with respect to cordial relation with management, employee and this also can be done by analysis tool.

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CUSTOMER EXPECTATIONS AND PERCEPTIONS ON SERVICE QUALITY IN BANKING SECTOR: WITH SPECIAL REFERENCE TO PUBLIC SECTOR BANKS IN RAJASTHAN REGION

DR. POONAM MADAN

HEAD

DEPARTMENT OF MANAGEMENT STUDIES

THE IIS UNIVERSITY

JAIPUR

PREETI SHARMA

ASST. PROFESSOR & RESEARCH SCHOLAR

DEPARTMENT OF MANAGEMENT STUDIES

THE IIS UNIVERSITY

JAIPUR

ABSTRACT

Service quality is a competitive mace in the banking industry. As competition becomes more rigorous and environmental factors become more argumentative, the concern for service quality grows. Retention of customer is the ultimate successful performance of any banking sector. The study has been carried out at both aggregate and disaggregates levels in order to explore and map the differences. The study also traces the factors affecting customer expectations and perceptions in regard to the service quality of public sector banks in Rajasthan region. The primary data were collected with the help of a standardized questionnaire of service quality of Parasuraman which was administered to a convenience sample of 200 respondents accessing public sector banking services in Jaipur, a city in Rajasthan, and the banks identified of the public undertaking were UCO bank and corporation bank. The data collected were analyzed with the statistical tools of Wilcoxon test i.e. 'z'-test. And P value was identified for all the five dimensions of service quality under study i.e. Tangibles, Reliability, Responsiveness, Assurance and Empathy. The study interoperates according to statistics from the Wilcoxon test, and p statistic obtained smaller than the significance level of 0.05, so the assumption H_0 is rejected and therefore H_1 is accepted. i.e. H_0 which states that there is no significant difference between customer expectations and perceptions of quality of services in banking sector is solely rejected and H_1 which states that there is a significant difference between customer expectations and perceptions of quality of services in banking sector is accepted. Thus it had been accepted that public sector banks are not able to meet their customers' expectations in the five areas of SERVQUAL. In other words, the service has been received from customers less than their expectations.

KEYWORDS

SERVQUAL, Tangibles, Reliability, Responsiveness, Assurance and Empathy.

1. INTRODUCTION

The term **public sector bank** is used commonly in India. This refers to banks that have their shares listed in the stock exchanges NSE and BSE and also the government of India holds majority stake in these banks. They can also be termed as government owned banks. **Service quality** is generally considered a pioneer of customer satisfaction so it should be delivered by the service provider in order to improve the probability of customer satisfaction. The effectiveness of a banking sector depends upon how finest it can deliver services to its target customers. The globalization and liberalization of Indian banking sector has truly called for much more disciplined approach to improve the overall quality of customer services through absorption and adoption of flexible and appropriate information technology in order to provide frequent customer satisfaction. Due to severely competitive market and the entry of new generation tech-savvy banks, the banking sector has to discard their old ideas and practices, build customer loyalty programs and adopt a distinctive approach to meet the challenges ahead. A customer centric view has replaced the earlier product centric view because it has been seen as a prerequisite to customer retention. Hence, it is desirable for banks to develop a customer-centric approach for their long term survival and growth. The awareness has already dawn that prompt, efficient and speedy customer service alone will attract the existing customers to continue and encourage new customers to try the services offered by the banks. The banking institutions are forced to scrutinize their performance because their survival will be dependent upon their overall efficiency and ability to provide excellent service in order to retain and satisfy their customers.

Service quality and customer satisfaction are considered as significant issues in most service industries (Zeng et al., 2010). High and unique quality is a way to win customers and make them loyal for a long time. Management literature proposes many concepts and approaches concerning how to deal with service quality. There are also many different concepts how the notion "service quality" should be understood (Urban, 2009). Banking industry is facing challenges due to concentrated competition, changing market, risk and uncertainty, environment, and demanding customers. These changes impact on both the structure of the industry and the nature of competition between banks. That's been said, service quality has become an increasingly important factor for ongoing and success in the banking sector and there is a need to identify the characteristic of the service quality perceived by the customers of banks. Service quality is the combination of two words i.e., service and quality which has different meaning at different sector. Each word has its own meaning.

- **SERVICE:** A type of economic activity that is ethereal is not stored and does not result in ownership. A service is consumed at the point of sale. Services are one of the two key components of economics, the other being goods.
- **QUALITY:** Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied needs.

MEANING OF SERVICE QUALITY

Service quality means an assessment of how well a delivered service is straight to the customers' expectations. Service business operative often assess the service quality provided to their customers in order to improve their service, to quickly identify problems, and to better assess customer satisfaction. Quality in service is very important especially for the growth and development of service sector business enterprises (Powell, 1995).

Service quality has been defined by Robinson (1999) as "an outlook or global judgment about the supremacy of a service"

Service quality has emerged as the major attractant to many banks as a competitive differentiator (Newman, 2001). Measuring the customer satisfaction helps banks to understand the customer's needs and can thus change strategies accordingly. Customer satisfaction is defined as the result of a cognitive and affective evaluation, wherein a standard comparison is adopted for the actually perceived performance. Nowadays, with the increased competition, service quality has become a popular area of academic investigation and has been recognized as a key factor in keeping competitive advantage and sustaining satisfying relationships with customers (Zeithmal et al.2000).

DIMENSIONS OF SERVICE QUALITY

The SERVQUAL scale was developed by *Parasuraman et al. in 1985*, and refined in 1988, 1991 and 1994 which would be used to measure service quality across a broad range of service categories. Within the SERVQUAL model, service quality is defined as the gap between customer perceptions of what happened during the service transaction and his expectations of how the service transaction should have been performed. Formerly 10 dimensions of service quality were proposed (reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the consumer, and tangibles). Later these were reduced to five (reliability, responsiveness, empathy, assurances and tangibles). The later model of five quality dimensions (RATER) considered the following issues:

- ✓ **R: Reliability:** Ability to perform the promised service dependably and accurately.
- ✓ **A: Assurance:** Ability, knowledge and politeness of employees to inspire trust and confidence
- ✓ **T: Tangibles:** Physical facilities, equipment and appearance of employees
- ✓ **E: Empathy:** Individualized, caring attention that the firm provides to its customers
- ✓ **R: Responsiveness:** Willingness to help customers and provide timely service.

Therefore, the aim of this study was to identify Public sector Bank's customer expectations in order to improve their satisfaction, knowledge management to the expectations of their customers, and bank's services provided to evaluate compliance with the expectations of the clients.

2. REVIEW OF LITERATURE

For the past 30 years diverse topics such as the nature of service quality, bank choice criteria, bank switching behavior and buying decision-making have been examined by different researchers such as Berry, Parasuraman, and Zeithaml, (1989), and Turnbull and Gibbs (1989). Amongst the studies carried out on corporate customers, focus has been on the importance of service in contributing to the development of corporate banking relationships (de Brentani & Cooper 1992). Bahia and Nantel (2000) developed their own BSQ (banking service quality) scale and compared it with SERVQUAL (service quality) scale, and concluded that the model they developed was more reliable and fits the validity criteria. The elements of their scale are effectiveness and assurance, access, price, tangibles, service portfolio and reliability. Aldaigan and Buttle (2002) conducted an empirical study to develop a new scale to measure service quality perceptions of retail bank customers. They developed a new 21-item scale comprising four dimensions: service system quality, behavioral service quality, service transactional accuracy and machine service quality. They found that customers evaluate service quality at two levels: organizational and transactional. The discretion, reliability and validity of this scale suggest that this is a measure of high utility to the banking industry.

Gudep and Elango (2006) focused on the service quality and customer satisfaction amongst the private, public and foreign banks in India. A well-structured questionnaire was used to collect the views of respondents across the three banking sectors. The survey instrument included various dimensions pertaining to the quality of customer services in terms of banking personnel, convenient working hours, web-based services, error-free value-added services and efficient grievance redressal mechanism. The authors used 'factor analysis' (FA) and the 'one-way analysis of variance' classification to extract the relevant factors and analyze whether there was any significant difference with respect to service quality between the three banking sectors. The results indicated that the foreign and the new generation private sector banks were serving the customers better. This had larger implication on the public sector commercial banks in India with respect to customer service delivery aspects.

Chawla and Singh (2008) tried to measure service quality in the life insurance sector. They specifically focused on identifying the service quality factors affecting customer satisfaction levels of the policy holders. The study was based on the responses of 210 policy holders from northern India. Various statistical tests, namely reliability analysis and FA, were employed to test data that were collected through survey method. The findings of the study revealed that the accessibility factor has a higher mean satisfaction compared with mean satisfaction of reliability and assurance factors. Comparison of overall mean satisfaction based on various factors extracted showed that respondent who had purchased insurance policies before privatization had a higher mean score compared with the respondents who took insurance policies after privatization.

Shekhar and Gupta (2008) explored customers' perspectives on the concept of relationship marketing. They attempted to understand the customers' perspective on their relationship with financial service provider and the quality of service provided by them. They focused on the customers' motivations behind engaging themselves in a relationship and the factors, which influence them in this regard. He concluded that a financial service provider should take these motivations and factors into consideration at the time of formulating relationship marketing strategies.

Rohini (2006) undertook a service quality perception study in five hospitals in Bangalore city. The well-documented 'Service Quality Model' was used as a conceptual framework for understanding service quality delivery in healthcare services. The measuring instrument used in this study was the SERVQUAL questionnaire for the measurement of Gap 5 and Gap 1. An analysis covering a sample of 500 patients revealed that there exists an overall service quality gap between patients' perceptions and their expectations. An analysis covering a sample of 40 management personnel revealed that a gap between managements' perception about patients' expectations and patients' expectations of service quality also exists. The study suggested improvements across all the five dimensions of service quality - tangibles, reliability, responsiveness, assurance and empathy.

Mengi (2009) conducted a study to compare customers' perceptions of service quality of public and private banks in Jammu. SERVQUAL scale was used to determine different dimensions of service quality, and chi-square analysis was used to understand the impact of SERVPERF (service performance) dimensions (tangibility, reliability, responsiveness, assurance and empathy) on customer satisfaction. It was found that the customers of public sector banks are more satisfied with their service quality than those of private sector banks.

In the light of the preceding review of the studies carried out in this area, we find that there are very few studies focusing on a comparative analysis of services quality expectations and perceptions of customers of public sector banks in the Rajasthan region of India. So this focused on various factors affecting customer's expectations and perceptions in regard to the service quality of public sector banks and also tried to analyze the expectations and perceptions of customers of public sector banks in Rajasthan.

3. RESEARCH METHODOLOGY

HYPOTHESIS

H₀: There is no significant difference between customer expectations and perceptions of quality of services in banking sector.

H₁: There is a significant difference between customer expectations and perceptions of quality of services in banking sector.

The research methodology used for the present study is descriptive research which includes questionnaires and fact-finding enquiries of different kinds of Customers of Public sector banks of Rajasthan region viz UCO Bank, Jaipur and Corporation Bank, Jaipur. Total No of Respondents was 100 each of UCO Bank, Jaipur and Corporation Bank, Jaipur (N = 200). The questions are closed ended and attached as Annexure to research paper.

Each questionnaire item was scored on five point numerical scale, where 1= highly dissatisfied, 2 = Dissatisfied, 3 = neither satisfied nor dissatisfied, 4 = satisfied, and 5 = highly satisfied (For perception) and similar scale with rating for importance for expectation scale and customers were asked to respond to the statements in the SERVQUAL model. *Likert-type* or frequency scales use fixed choice response formats and are designed to measure attitudes or opinions. These ordinal scales measure levels of agreement/disagreement

4. RESULTS & ANALYSIS

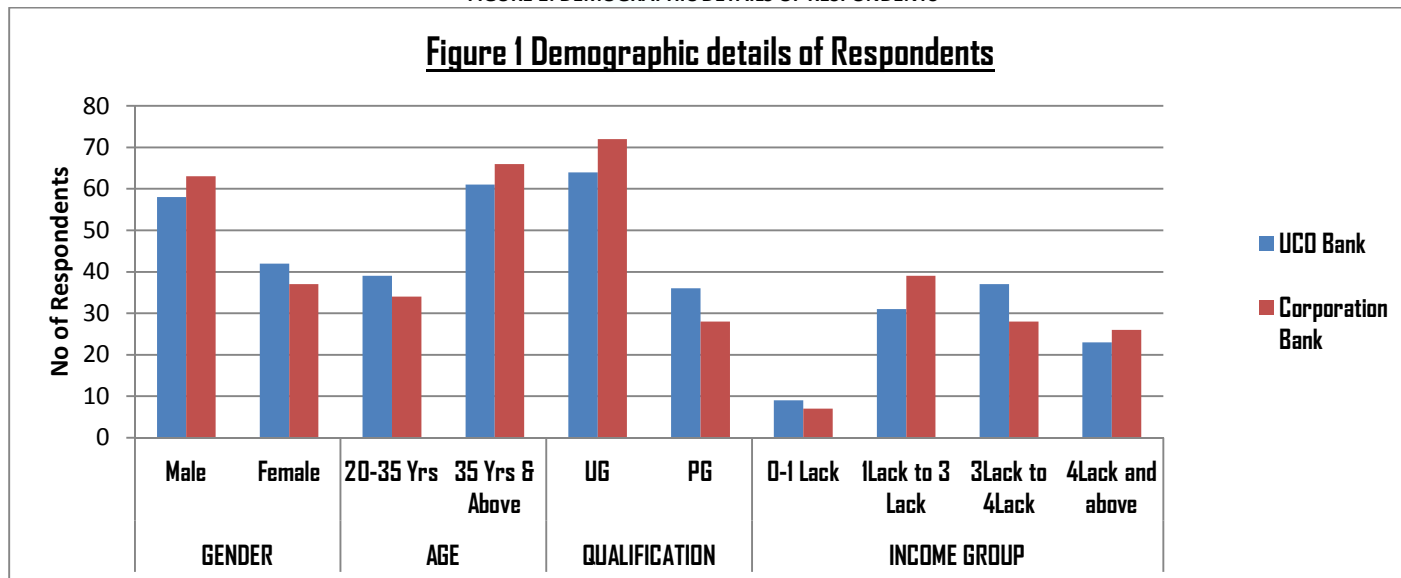
4.1 DEMOGRAPHIC DETAILS OF RESPONDENTS

To make the study more relevant and enhance the reliability both gender of customers of Public sector banks who belong to various income groups acted as respondents were analyzed in the current study. The demographic details of respondents are shown in Table 1 below:-

TABLE 1: DEMOGRAPHIC DETAILS OF RESPONDENTS

DEMOGRAPHIC PARAMETER	GENDER		AGE		QUALIFICATION		INCOME GROUP			
NO OF RESPONDENTS	Male	Female	20-35 Yrs	35 Yrs & Above	UG	PG	0-1 Lack	1 Lack to 3 Lack	3Lack to 4Lack	4Lack and above
UCO Bank	58	42	39	61	64	36	9	31	37	23
Corporation Bank	63	37	34	66	72	28	7	39	28	26
TOTAL	121	79	105	95	136	64	16	70	65	49
TOTAL (N)	200		200		200		200			

FIGURE 1: DEMOGRAPHIC DETAILS OF RESPONDENTS



4.2 RELIABILITY STUDIES OF RESPONDENTS OPINIONS

Primarily reliability by calculating Cranach's alpha by using spss19 software. The results of questionnaire survey are summarized in Table 2.

TABLE 2: RELIABILITY STATISTICS

	Tangibles	Reliability	Responsiveness	Assurance	Empathy
No of Questions	6	6	6	6	6
Cranach's Alpha	0.865	0.821	0.816	0.792	0.801

As the above value of Cranach's alpha obtained from pilot study is above 0.75 it indicates that the survey is reliable up-to high extent.

4.3 ANALYSIS OF GAP SCORE

In this section, to answer the research question, researcher examined the gap between expectations and perceptions. Due to this, based on factor analysis, 5 factors determining customers' expectations are, therefore divided into dimension into, which comes in the form of sub-questions related to the main question was also studied. To prove the hypothesis of the current research study H_0 : There is no significant difference between customer expectations and perceptions of quality of services in banking sector various questions were analyzed to respondents and discussed below to analyze the Gap Score.

If the expectations and perceptions of customers' expectations expressed relative to test the main hypothesis can be confirmed or refuted. **Wilcoxon test** may be better to answer the question. The test of equal distribution of the two pairs of variables related to the test. This is how to calculate the difference between two sets of variables are calculated and then ranked differences. Results are explained in table 3 below:-

TABLE 3: ANALYSIS OF GAP SCORE WILCOXON TEST STATISTIC OF FACTORS AND THEIR SIGNIFICANCE

Dimensions of service Quality		Perception minus expectation			
		Negative Difference	Positive Difference	Equal	Total
Tangibles	Frequency	72	109	19	200
	Rank Average	101.70	202.87	Z	-P
	Sum of rank	7322.4	22105	-12.710	0.00
Reliability	Frequency	62	117	21	200
	Rank Average	106.32	183.45	Z	-P
	Sum of rank	6590.6	21457	-10.521	0.27
Responsiveness	Frequency	112	71	17	200
	Rank Average	176.21	147.21	Z	-P
	Sum of rank	19735.5	10451.9	-1.247	0.314
Assurance	Frequency	55	129	16	200
	Rank Average	156.21	157.35	Z	-P
	Sum of rank	8591.5	20291.7	-0.895	0.302
Empathy	Frequency	79	107	14	200
	Rank Average	132.47	192.12	Z	-P
	Sum of rank	10459.6	20556.8	-1.710	0.21

It has been observed from the above table 3 that for **service quality dimension tangibles** the expectations and perceptions in the form of questions that have been responded by 200 persons, 72 of them in the have their expectations are higher than perceptions, perceptions of 109 people get the most out of expectations and the expectations and perceptions of 19 respondents as bank customers it was equal. With this interpretation, according to statistics from the Wilcoxon test, p statistic obtained smaller than the significance level of 0.05, so the assumption H_0 is rejected and therefore H_1 is accepted. We conclude that public sector banks are not able to meet their customers' expectations in the areas of tangibles. In other words, the service has been received from customers less than their expectations.

Similarly in other results obtained from the above table 3 for **service quality dimension Reliability, Responsiveness, Assurance and Empathy** the expectations and perceptions in the form of questions that have been responded by 200 persons, were tested with Z test i.e. With this interpretation, according to statistics from the Wilcoxon test, and p statistic obtained smaller than the significance level of 0.05, so the assumption H_0 is rejected and therefore H_1 is accepted. i.e. H_0 which states that there is no significant difference between customer expectations and perceptions of quality of services in banking sector is solely rejected and H_1 which states that there is a significant difference between customer expectations and perceptions of quality of services in banking sector is accepted. Thus it can be concluded that public sector banks are not able to meet their customers' expectations in the areas of SERVQUAL. In other words, the service has been received from customers less than their expectations.

5. CONCLUSION

The purpose of this study was to determine the perceptions and expectations of customers, in public sector bank and consumers' expectations of service quality in the branches of various public sector banks in Rajasthan. Customer's expectations of service quality in banks are high and perceived quality of service is quite lower across public sector banks. For Public sector banks the most prominent gap is in reliability, empathy, responsiveness dimension of the service quality. Banks have to understand the shifting needs of customers, their objectives and opportunities to create value. Banks should have a strong customer relationship management system that would specify the importance of the customer and able to be aware of their needs.

This study observes the perception level of customers towards the service quality by the public sector banks with the popular and comprehensively used instrument SERVQUAL consisting of five dimensions of service quality. The banking business is becoming more and more versatile as a result of liberalization and globalizations. With hostile marketing strategies for making business opportunities, banks have developed innovative products, keeping in view the needs of different classes of individual customers. Banks may pursue a feedback system to know the customers' expectations for improving the level of customer satisfaction to the maximum level. Responses on service reliability should be continuously obtained from customers. This will improve their service quality to a large extent. This study meets the desired objective, but it suffers from three setbacks:

- The restricted number of public sector banks (only two banks) enclosed under the study.
- The sample size and the number of definite customers are limited and
- Finally, a more strong investigation is needed to reach a strong conclusion.

Hence, it can be accomplished that reliability, assurance, empathy and responsiveness are the dimensions which needs to be taken utmost care by the banks to improve the customer's satisfaction.

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DETERMINANTS OF FOREIGN DIRECT INVESTMENT INFLOWS IN THE TRANSITION ECONOMIES OF EUROPEAN UNION

YILMAZ BAYAR
ASST. PROFESSOR
FACULTY OF BUSINESS
KARABUK UNIVERSITY
KARABUK

HASAN ALP OZEL
ASST. PROFESSOR
FACULTY OF BUSINESS
KARABUK UNIVERSITY
KARABUK

ABSTRACT

Foreign direct investment flows have increased together with the economic globalization and technological advances in the fields of information, communication and transportation since 1980s and foreign direct investment flows played a key role in rapid growth of some countries. This study examines the major determinants of foreign direct investment inflows in seven transition economies of European Union by using panel data regression model during the period 1997-2011. We found that there was a positive relationship between foreign direct investment inflows and economic growth, trade openness, infrastructure and financial development, while there was a negative relationship between foreign direct investment inflows and inflation, taxes.

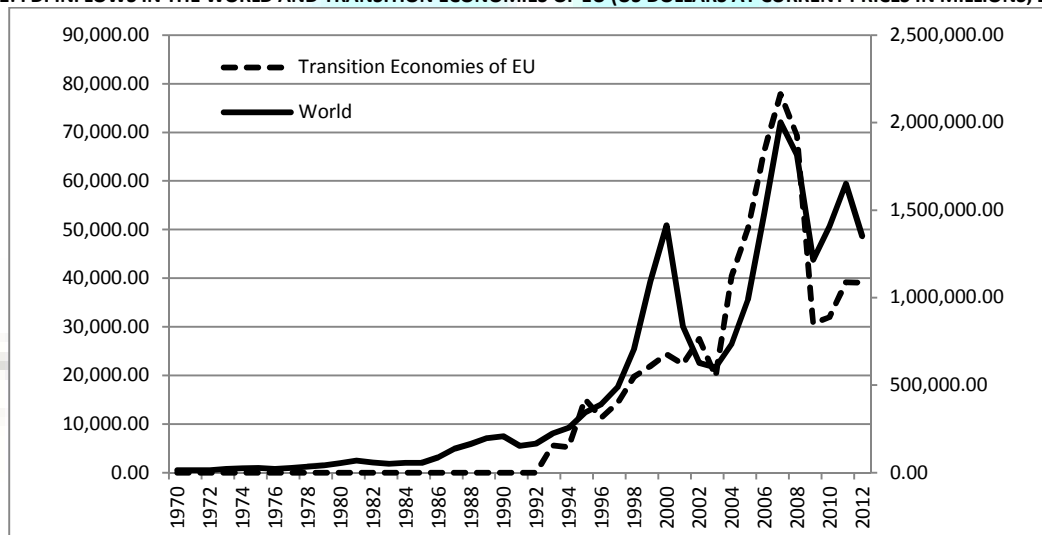
KEYWORDS

Foreign direct investment inflows, Transition economies, Panel regression.

INTRODUCTION

Foreign direct investment (FDI) flows have increased since 1950s and accelerated especially after 1980s due to increasing economic and financial globalization. Although substantial fluctuations in FDI inflows were seen especially in early 2000s and 2008 due to financial crises, FDI inflows reached US\$ 2 trillion in the world in 2007, but decreased to US\$ 1.2 trillion with the negative effects of global financial crisis, and then have begun to increase. On the contrary to the general FDI flows trend in the world, FDI inflows to the transition economies of the European Union (Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Slovenia) began belatedly because these countries had a centrally planned economy. These countries transitioned from centrally planned economy to free market and underwent economic liberalization with fall of the communism during the late 1980s and also began to participate to the European Union (EU) as of 2004 after completing the entry requirements. Transition from command economy to free market and entry to the EU caused FDI flowed into these countries. The FDI inflows to the transition economies of the European Union began to increase in early 1990s and accelerated in early 2000s until 2007 and reached about US\$ 78 billion in 2007.

CHART 1: FDI INFLOWS IN THE WORLD AND TRANSITION ECONOMIES OF EU (US DOLLARS AT CURRENT PRICES IN MILLIONS, 1993-2012)



Source: UNCTAD, FDI Statistics.

The objective of this paper is to examine the major determinants of FDI inflows to the transition economies of EU. The rest of the paper is organized as follows. Section 2 summarizes the theoretical review and Section 3 reviews the empirical review. Section 4 presents data, method, empirical application and findings. Finally Section 5 concludes the study.

THEORETICAL REVIEW

Many theories have been developed to explain the motives behind FDI flows. Although the first studies on the FDI determinants date back to Adam Smith, Ohlin is one of the pioneers in this field and Mundell (1957) firstly explained cross-border capital flows by using Heckscher-Ohlin model. Later Kindleberger (1969) and Hymer (1976) developed multinational enterprises concept and they explained FDI by using monopolistic advantage concept. On the other hand Buckley and Casson (1976) introduced internalization concept and they explained the internalization decision of firms by using industry-specific factors including product

type, market type and economies of scale, regional factors including differences in distance and culture, national factors including political and financial factors and firm specific factors including management skills.

Dunning (1977) developed the OLI Ownership (firm specific advantages), Location (country specific advantages), and Internalization or eclectic approach in order to explain FDI. Firm specific advantages including human capital (managers), patents, technologies, brand, reputation etc. and these can be replicated in different countries without losing value and also transferred without high transaction costs. The cheap input factors, saving transport costs and eliminating trade barriers are locational advantages. Finally controlling, coordinating ownership and location specific advantages within the multinational enterprise rather than selling the right to use those advantages to domestic firms in the host country are the advantages of the internalization.

Dunning (1993) described three types of FDI such as market-seeking FDI/horizontal FDI/export-substituting FDI, resource-seeking FDI/vertical FDI and efficiency-seeking FDI depending on the motives behind the FDI flows. Availability of natural resources, cheap labor, creative assets and physical infrastructure are motives behind the vertical FDI while host country market size, per capita income and market growth are motives behind the horizontal FDI. The objective of the efficiency seeking is to take advantage of different factor endowments, cultures, institutional arrangements, economic systems and policies, and market structures by concentrating production in a limited number of locations to supply multiple markets.

EMPIRICAL REVIEW

There have been extensive empirical studies on the determinants of the FDI in the literature. Studies have reached many possible determinants of FDI inflows such as market size, population, growth prospects, financial development, inflation, real exchange rate, openness, trade openness, human capital, institutional quality, infrastructure, political stability and taxes. The effects of possible determinants on FDI inflows have been found different depending on countries and country groups. Main findings of these studies are presented in the Table 1.

The effects of GDP and GDP growth rate, trade openness, infrastructure on FDI inflows have been mostly found to be positive while the effects of tax rate on FDI inflows have been mostly found to be negative. On the other hand the studies have reached mixed results for the effects of inflation rate, labor cost, balance of payments, current account balance, foreign exchange reserves, and financial development as seen in Table 1.

TABLE 1: RECENT STUDIES ON THE DETERMINANTS OF FDI INFLOWS

FDI Determinants	Positive	Negative	Insignificant/No impact
GDP (Gross Domestic Product)	Khachoo and Khan (2012), Sahni (2012), Ranjan and Agrawal (2011), Azam (2010), Mottaleb and Kalirajan (2010), Mounter and Wijeweera (2008), Kersan-Škabić and Orlić (2007), Hara and Razafimahefa (2005), Tsen (2005), Nonnemberg and Mendonça (2004), Dunning (1980)		Shahmoradi et al. (2010)
GDP growth rate	Shahzad and Al-Swidi (2013), Özcan and Arı (2010), Mottaleb and Kalirajan (2010), Nonnemberg and Mendonça (2004)		
Inflation rate	Saleem et al. (2013), Sahni (2012), Tripathiet al. (2012), Özcan and Arı (2010)	Azam (2010), Demirhan and Masca (2008), Tsen (2005)	Omankhanlen (2011), Kersan-Škabić and Orlić (2007)
Trade openness	Sahni (2012), Anyanwu (2011), Tripathi et al. (2012), Ranjan and Agrawal (2011), Demirhan and Masca (2008), Kersan-Škabić and Orlić (2007), Botric and Škuflic (2006), Nonnemberg and Mendonça (2004)	Özcan and Arı (2010), Mounter and Wijeweera (2008)	
Financial development	Sghaier and Abida (2013), Pindzo and Vjetrov (2013), Kaur et al. (2013)	Anyanwu (2011), Walsh and Yu (2010)	
Physical infrastructure	Pindzo and Vjetrov (2013), Khachoo and Khan (2012), Ranjan and Agrawal (2011), Özcan and Arı (2010), Demirhan and Masca (2008), Kersan-Škabić and Orlić (2007), Tsen (2005)		
Tax rate		Demirhan and Masca (2008), Kersan-Škabić and Orlić (2007), Grubert and Mutti (1991)	

DATA, METHOD, EMPIRICAL APPLICATION AND FINDINGS

We examined the major determinants of FDI inflows in seven transition economies of EU including Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia and Slovenia during the period 1997-2011 by using panel regression analysis. Our data was obtained from the Financial Development and Structure Database and the World Development Indicators (World Bank 2013a&2013b). The variables, their symbols and their sources were presented in Table 2. Eviews 7.1 and Stata 10.0 statistical packages were used in the econometric analysis.

TABLE 2: VARIABLES USED IN THE ECONOMETRIC ANALYSIS

Data	Symbol
FDI inflows (annual, % of GDP)	FDI
GDP growth (annual, %)	GDP
Trade openness (annual, % of GDP)	TO
Inflation, consumer prices (annual, %)	INF
Telephone lines (annual)	TL
Stocks traded, total value (annual, % of GDP)	ST
Taxes on income, profits and capital gains (% of revenue)	TAX
Domestic credit to private sector (% of GDP)	DC

PANEL UNIT ROOT TEST RESULTS

The variables in the empirical analysis should be stationary to avoid possible spurious real relationships among the variables. So we tested common unit root process by Levin, Lin and Chu (2002) test and unit root process for every unit by Im, Pesaran and Shin (2003). We tested stationarity of the series by Augmented Dickey Fuller (ADF) test. The results of the panel unit root tests were presented in Table 3. We found that all the variables were stationary at the first level.

TABLE 3: RESULTS OF PANEL UNIT ROOT TESTS

Variables	Levin, Lin & Chu Test Results		Im, Pesaran & Shin Test Results		ADF-Fisher Chi-square	
	Level	First Difference	Level	First Difference	Level	First Difference
	Trend and Constant	Constant	Trend and Constant	Constant	Trend and Constant	Constant
GDP	0.1977	0.0022*	0.2182	0.0001*	0.2541	0.0000*
TO	0.2234	0.0031*	0.2456	0.0066*	0.2784	0.0278*
INF	0.2601	0.0000*	0.2761	0.0000*	0.1955	0.0036*
TL	0.1712	0.0034*	0.1580	0.0099*	0.1278	0.0007*
ST	0.0988	0.0002*	0.1136	0.0251*	0.0936	0.0001*
TAX	0.2392	0.0051*	0.2764	0.0009*	0.3064	0.0390*
DC	0.3173	0.0000*	0.2877	0.0044*	0.2691	0.0000*
FDI	0.1405	0.0000*	0.1805	0.0000*	0.1792	0.0187*

The series were deseasonalized by Hodrick-Prescott filter during the stationarity analyses and periods of crisis and policy change were considered with regard to the statistical significance. In the model selection, trend and constant components were included in the model as long as they were they were significant.

* Significant at the 0.05 and 0.01 level, lags for ADF test were selected automatically by based on Schwarz information criterion, Bandwidths for Phillips-Perron test were selected automatically by based on Newey-West Bandwidth.

Cusum path lies within the confidence interval bounds at %5, structural breakpoint was not observed.

The panel unit root tests in Table 3 are referred as first generation panel unit root tests, which are based on the assumption which cross-sectional units of the panel are independent and all the cross-sectional units are affected equally from the any shock which one of the panel units is exposed to. Whereas it is more realistic that the other units are affected from the shock which any one of the panel units is exposed to in different levels. The second generation panel unit root tests were developed to eliminate this shortcoming and they test the stationarity by considering the dependency among the cross-sectional units (Göçer, 2013:5094).

It is required to test the cross-sectional dependency in panel data set for determining the existence of unit root. If the cross-sectional dependency in panel data set is rejected, first generation panel unit root test can be used. However if there is cross-sectional dependency in the panel data, use of second generation panel unit root tests yield a more consistent, efficient and powerful estimation (Güloğlu and İspir, 2011:209–210).

We can determine the existence of cross-sectional dependency by Breusch-Pagan (1980) CD_{LM1} test in case of time dimension (T) > cross-sectional dimension (N), Pesaran (2004) CD_{LM2} test in case of T=N, by Pesaran (2004) CD_{LM} test in case of T<N. We used Breusch-Pagan (1980) CD_{LM1} to test the cross-sectional dependency because there are 7 countries (N=7) and 15 years (T=15). The hypotheses of the test are as follows:

H_0 : There is no cross-sectional dependency

H_1 : There is cross-sectional dependency

If the p value is smaller than 0.05, H_0 is rejected at 5% significance level and it is decided there is cross-sectional dependency among the panel units (Pesaran, 2004). The results of CD_{LM1} test were presented in Table 4. The results demonstrated that there was cross-sectional dependency in the series and equation because p value is smaller than 0.05. In this case there is cross-sectional dependency among the countries which formed the panel and all the other countries affected from the shock which any country was exposed to.

TABLE 4: RESULTS OF CD_{LM1} TEST

Test	GDP	TO	INF	TL	ST	TAX	DC	FDI
CD_{LM1}	6.008*	4.980*	7.556*	8.352*	5.921*	8.563*	9.563*	11.234*

*Significant at the 0.05 level

Since we found that there was cross-sectional dependency among the countries which formed the panel, we tested the stationarity of the series by cross-sectionally augmented Im-Pesaran-Shin (2003) (CIPS) based CADF (Cross-Sectionally Augmented Dickey-Fuller) which is one of the second generation unit root tests. The hypotheses of the test are as follows:

H_0 : There is unit root and

H_1 : There is no unit root.

CIPS statistics is calculated by taking arithmetic averages of the all CADF statistics to determine whether there is unit root in the overall panel. The calculated CIPS statistics is compared with the table value in Pesaran (2006) and if the calculated CIPS value is smaller than the table critical value, H_0 is rejected. In this case there is no unit root in relevant data of the countries and the shocks are temporary (Göçer, 2013:5094-5095).

CIPS statistics were calculated and the results were presented in Table 5. Since the calculated CIPS statistics is higher than the critical value in the table, H_0 is accepted and it was decided there was unit roots in the series which formed the panel. In this case the series were not stationary at the levels. So we made the regression analysis with first differences of the variables, because the series were not stationary at the level.

TABLE 5: RESULTS OF CIPS TEST

Test	GDP	TO	INF	TL	ST	TAX	DC	FDI
CIPS	7.536*	6.453*	7.990*	9.631*	5.903*	9.528*	9.672*	12.342*

PANEL REGRESSION

Panel data analysis is implemented by fixed and random effects as specified in Baltagi (2004). We applied some statistical tests to determine the estimation method which will be used in the analysis. The main issue is whether the data will be pooled among the countries and the periods because all the variables in the model may be varied among the countries and the periods. We used Chow test to determine common significance of country specific effects and time specific effects. The effective estimator under null hypothesis is pooled ordinary least squares, while effective estimator under alternative hypothesis is fixed effect model (Berke, 2009:41). We used Chow and Breusch-Pagan tests to determine which panel regression model would be used and the results of the tests were presented in Table 6. Null and alternative hypotheses for BP tests respectively pooled regression and random effects model, while null and alternative hypotheses for Chow test respectively pooled regression and fixed effects model.

TABLE 6: TEST RESULTS OF PANEL REGRESSION ESTIMATION METHOD

Test	p value	Decision
Chow(F test)	0.013	Accept H_1
BP(χ^2 test)	0.000	Accept H_1

We then used Hausman test to decide whether we use random effects model and fixed effects model.

H_0 : There is random effects (random effects model)

H_1 : There is no random effects (fixed effects model)

The results of Hausman test, which were presented in Table 7, demonstrated that null hypothesis was accepted. So we used random effects model in the analysis.

TABLE 7: RESULTS OF HAUSMAN TEST

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	546.990	3	0.224
Period random	498.324	3	0.197
Cross-section and period random	321.543	3	0.182

We used different algorithms for the analysis and the estimation results of the model obtained by panel-corrected standard errors (PCSE) algorithm which had minimum value of total squared error and the results of panel regression were presented in Table 8. We found that GDP, TO, TL, ST and DC had statistically significant positive effect on FDI, while INF and TAX had statistically significant negative effect on FDI. Moreover our explanatory variables explained 77.43 % of variation in dependent variable (FDI inflows). Also the coefficients showed that GDP, DC and TL were major determinants of FDI inflows.

TABLE 8: PANEL REGRESSION ESTIMATION RESULTS

Dependent Variable: DFDI				
Method: Panel EGLS (Two-way random effects)				
Periods included: 14				
Cross-sections included: 7				
Total panel (balanced) observations: 98				
Swamy and Arora estimator of component variances				
Cross-section SUR (PCSE) standard errors & covariance (d.f. corrected)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DGDP	0.227681	0.048393	4.704836	0.0000
DTO	0.042613	0.017389	2.450561	0.0156
DINF	-0.080137	0.014324	-5.594574	0.0000
DTL	0.143482	0.065994	2.174174	0.0315
DST	0.023569	0.010329	2.281753	0.0241
DTAX	-0.013765	0.006638	-2.073682	0.0401
DDC	0.217282	0.078959	2.751842	0.0069
C	0.224203	0.068549	3.270699	0.0014
Effects Specification				
			S.D.	Rho
Cross-section random			9.64882	0.7863
Period random			0.00000	0.0000
Idiosyncratic random			5.43582	0.1272
Weighted Statistics				
R-squared	0.774367	Mean dependent var		2.546738
Adjusted R-squared	0.746642	S.D. dependent var		3.875645
S.E. of regression	2.879344	Sum squared resid		1083.324
F-statistic	34.88745	Durbin-Watson stat		2.89653
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.75232	Mean dependent var		34.989
Sum squared resid	1678.990	Durbin-Watson stat		2.7660

Autocorrelation is an important problem in the panel data analyses as in all the time series. One of the main assumptions of the regression analysis is that there should be not the relationship (correlation) among the same error terms for the different observations. If the error terms are interrelated, this is called as autocorrelation or serial correlation (Greene, 2011). We tested the autocorrelation in the data set by Wooldridge (2002) autocorrelation test. The test result was presented in Table 9 and the null hypothesis, which states that there is no autocorrelation, was rejected according to the test results. In other words there was no autocorrelation among the error terms.

TABLE 9: RESULTS OF WOOLDRIDGE AUTOCORRELATION TEST

F value	Probability
567.982	0.1871

Heteroscedasticity was tested by Greene (2003) heteroscedastic test and the test result was presented in Table 10. H_0 hypothesis, which states that there is no heteroscedasticity, was accepted according to the test results.

TABLE 10: RESULTS OF GREENE HETEROSKEDASTICITY TEST

chi2 (2) =543.772
Prob>chi2 = 0.1933

CONCLUSION

There have been significant increases in foreign direct investment flows in the world as of 1980s. But nonetheless transition economies belatedly began to attract FDI inflows due to their centrally planned economies. These countries transitioned from centrally planned economy to free market and underwent economic liberalization with fall of the communism during the late 1980s. This study examined the major macroeconomic determinants of foreign direct investment inflows in seven transition economies of European Union by using panel data regression model during the period 1997-2011.

We found that there was a positive relationship between foreign direct investment inflows and economic growth, trade openness, infrastructure and financial development, while there was a negative relationship between foreign direct investment inflows and inflation, taxes. Our findings on the relationship between FDI inflows and these variables are consistent with the general findings in the literature, because there was generally a positive relationship between FDI inflows and GDP growth, trade openness, physical infrastructure, financial development and a negative relationship between FDI inflows and taxes in the literature. On the other hand the studies have mixed finding on the relationship between FDI inflows and inflation. But a negative relationship between FDI inflows and inflation is significant from the point of economic theory as a sign of economic stability of the countries. Moreover we found that economic growth, financial development and infrastructure are dominant determinants of FDI inflows in transition economies of EU.

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INCIDENCE OF POVERTY AMONG THE RURAL LABOUR HOUSEHOLDS: A STUDY IN CHITTOOR DISTRICT OF ANDHRA PRADESH

DR. TRIPURANENI JAGGAIAH
ASST. PROFESSOR
KOSHYS INSTITUTE OF MANAGEMENT STUDIES
BANGALORE

DR. TRIPURANENI BALAJI
COUNSELLOR
CAREER COUNSELLING CELL
R S VIDYAPEETHA
TIRUPATI

ABSTRACT

The world development report (1990) defines the poverty as the inability to attain a minimal standard of living. Poverty is normally defined by a critical level of money income or expenditure. This is just one of the multiple dimensions of poverty, which ranges from the basic economic needs of individuals to their social, political and cultural rights. UNDP (2000) addresses poverty as a denial of human rights. According to it, good health, adequate nutrition, literacy and employment are not favours or acts of charity bestowed upon the poor by governments and international agencies. They are basic human right, as valid today as they were 50 years ago when the universal declaration of human rights was adopted. Poverty, therefore, needs to be explained from a perspective of sustainable human development. Poverty is a multi-dimensional concept. The new method The Human Development Report 2003 of UNDP has provided the details of Human Poverty Index (HPI) and the method of calculating HPI. Keeping in view the methodology for the estimation of Human Poverty Index (HPI), the formula has been adopted in calculating HPI for the study. In constructing HPI, 6 deprivations have been taken into consideration.

KEYWORDS

rural labour, poverty.

INTRODUCTION

Income-poverty, defined as a basic minimum calorie intake, captures a limited perspective of what poverty really connotes. Human poverty is more than income poverty - it is the denial of choices and opportunities for living a tolerable life (UNDP 1997a). Human deprivation has several forms which include poor survival chances, unjust employment of children, child prostitution, bonded labour, hunger, environmental pollution, domestic violence, and social exclusion, which arise out of caste and gender discrimination and are not related to income in a predictable manner. To capture all the facets of poverty, a multi-dimensional, people-centered concept is required which takes into account along with income and consumption, other aspects of human life.

For a long time, development had been conceived as economic development and often related to the level and structure of income. Though economic growth, increasing trade and investment, technological advance - are very important, but development process tends to focus on more and more people rather than mere economic growth of any nation or state in all. Subsequently, focus has shifted to human development (HD), which is about people, about expanding their choices to live full and creative lives with freedom and dignity. The concept of human development has got wide acceptance among academicians, researchers, planners and policy makers and is equally accepted among developing and developed countries. The genesis of the term human development as popularized by the United Nations Development Programme (UNDP) may be found in the writings of the Nobel laureate, Amartya Sen and Mahbubul Haq. In 1990, the UNDP brought out its first global Human Development Report (HDR). Ever since its publication, under the guidance of Mahbubul Haq, efforts have been made to devise and further refine the measures of human development (McGillivray, 1991, McGillivray, White 1994, Srinivasan, 1994, Streeten, 2000, Neumayer, 2001, Noorbakhsh, 1998a, 1998b, 2002, Malhotra, 2006). The report ranks countries on the basis of composite index, popularly known as Human Development Index (HDI) 2 for most of the countries in the world.

The process of human development can be seen as a 'process of expanding the capabilities of people' (Sen, 1984). Capabilities refer to the alternative combinations of functioning the person can achieve, and from which a person can choose a collection. The notion of freedom is embodied in the term 'capabilities' - the range of options a person has in deciding what kind of a life to lead (Muellbauer, Kanbur, Williams, 1987, Sen, 1992, 1993). Human development has also been defined as the process of 'enlarging the range of people's choices' (UNDP, 1990) as fundamental to expanding human choices is building human capabilities and increasing the range of accessible things. Acquisition of knowledge, the need to lead a long and healthy life and the need to have access to resources required for a decent standard of living have been identified as three essential choices for the attainment of human development. Additional choices valued by people include political, economic and social freedom to opportunities for being creative, productive and also to enjoy personal self-respect and guaranteed human rights. Therefore, the development must be more than just an expansion of income and wealth. Its focus must be people (UNDP, 1990). In this line, the introduction of ethical considerations has been the hallmark of human development approach. Pushing the frontiers of measurement has always been a keystone of this approach. The approach has enabled innovative thinking about progress by capturing the simple but powerful idea that the development is about much more than income. Seen in this perspective, main goal of development is- people free from poverty as high poverty level is synonymous with poor quality of life, deprivation, malnutrition, illiteracy, indicating low level of human development. Over the years the HDI has introduced new measures to evaluate progress in reducing poverty.

As far as poverty is concerned, poor's are identified as those unable to get minimum required calorie per day to keep body and soul together. The proportion of population not able to attain the specified level of expenditure is segregated as poor (Bhagwati, 1988). Using such an approach, the Planning Commission, Government of India, has been establishing the head-count ratio (HCR) of the poor at state level, separately for rural and urban areas, for over three decades. The Planning Commission has defined poverty line as a minimum consumption expenditure requirement for an average per capita food energy norm of 2400 and 2100 calories per day for rural and urban areas, respectively (Minhas, Kansal, Jagdish, Joshi, 1986, Bagchi, Choudhury, 1989). The required per capita income, to get minimum food to meet the required calorie, is rupees (Rs.) 328 (\$ 8) and Rs.456 (\$11) per month in rural and urban areas, respectively, at 1999-2000 prices. That is, a family of five requires at least Rs. 1640 and Rs. 2280 income per month, respectively. The Planning Commission recently (March 20th, 2012) has revised the required per capita income to Rs. 22.42 (\$.44) and Rs. 28.35 (\$56) per day i.e. Rs. 672.6 (\$13.32) and Rs. 850.5 (\$16.84) per month in rural and urban areas, respectively, to meet minimum consumption expenditure.

NEED FOR THE STUDY

The design of the study, the concepts and definitions and the schedules have all hinged to this basic objective. The living conditions of the rural labourers vary from region to region depending upon the stage of agricultural development, irrigation and agro-climatic conditions. Chittoor district is one of the districts of

chronic drought prone Rayalaseema region. The agriculture in the district mainly depends on well irrigation and rainfed crops. Against this backdrop, the present region specific micro level study on " **Incidence of Poverty among the Rural Labour Households: A Study in Chittoor District of Andhra Pradesh**," has been taken up.

OBJECTIVE OF THE STUDY

To assess the incidence of poverty among the rural labour households.

RESEARCH METHODOLOGY

SAMPLING DESIGN

The sample households for the study have been selected using three stage random sampling method. The study is confined to Chittoor district. All the mandals in the district have been considered for the selection of first stage units of sampling. Based on the levels of irrigation, i.e., percentage of net irrigated area to net area sown, all the revenue mandals have been classified into three groups: group A, group B and group C. The mandals in group A have more than 60 per cent of net irrigated area to net sown area. The mandals in group B are moderately irrigated with the percentage of net irrigated area to net sown area ranging between 30 and 60 per cent. The mandals classified under group C category are less irrigated with less than 30 per cent of net sown area under irrigation. From each group, 2 mandals were selected. The study, on the whole, covered 6 revenue mandals representing 3 groups. From each mandal, three villages were selected using random sampling procedure as second stage units of sampling. Rural labour household is the last stage unit of sampling. From each sample village, 17 rural labour households have been selected randomly. Above all, the study covers three hundred and six sample rural labour households which spread over eighteen revenue villages from six revenue mandals in the district.

Rural labour household has been defined for the study on the basis of income criteria. The rural labour household is one which derives more than fifty per cent of the annual family income in the form of wages earned through hiring out labour of the members of the family in the preceding year of enquiry. Rural labourer is defined as one who does manual work in rural areas in agricultural and / or non-agricultural occupations in return for wages in cash or kind or both.

COLLECTION AND ANALYSIS OF DATA

The study has 2009-10 agricultural year (July-June) as the reference year. The required data on various aspects of the study were collected with the help of a pre-tested schedule specifically designed keeping in view the objectives of the study. Interview method was used as a tool to explore the required information through personal discussions held with the head of the sample household. Sufficient cross checks have been made to ensure reliability and accuracy of data. All the filled in schedules were passed for tabulation after proper scrutiny of data. The human development index measures average achievement in a country in the basic dimensions of human development like a long and healthy life, knowledge and a decent standard of living. The human poverty index measures the deprivations in the various dimensions of human development. Human poverty index has been worked out and the results are used in the analysis of poverty among the sample rural labour households.

RESULT AND DISCUSSION

Of late interest in redefining poverty has been triggered off by the initiative undertaken by the United Nations Development Programme (UNDP) in devising two new measures of human deprivation, viz. the Capability Poverty Measure (CPM) in 1996, and a Human Poverty Index (HPI) in the 1997 report. Commenting on the inadequacy of the income measure of poverty, the 1995 report states that "income-poverty" is only a part of the picture. Just as human development encompasses aspects of life much broader than income, so poverty should be seen as having many dimensions' (UNDP 1996: 27). While the reports attract attention to human deprivation to complement income measures of poverty, their focus is on the percentage of poor who lack the basic or minimal capabilities (1996) as well as access to minimal facilities (1997) rather than on the average attainment of minimum capabilities by individuals.

The CPM is a composite index which considers the lack of three basic capabilities. The capability to be well-nourished and healthy, represented by the proportion of children under five who are underweight; the capability for healthy reproduction, represented by the proportion of births unattended by trained health personnel; and the capability to be educated and knowledgeable, represented by female illiteracy. These three deprivations have equal weights. It is evident that the index captures deprivations suffered by women and children.

The HPI extends the concept of CPM to other dimensions. Three indicators are included: (i) survival deprivation represented by people not expected to survive up to the age of 40 (ii) deprivation in education and knowledge represented by the adult illiteracy rate and (iii) deprivation in economic provisioning which is a combined index of the indicators of population without access to safe drinking water, sound health services and of undernourished and malnourished children below the age of 5.

A common shortcoming of the CPM as well as the HPI is that they do not distinguish between outcome and process indicators, and deprivations based on the individual, household, community and region. An additional shortcoming arises from the differing dimensions of the indicators used for calculating the indices.

Despite its limitations, the HPI may be considered to be a useful first attempt at including education and health deprivations in the measurement of poverty.

THE HUMAN POVERTY INDEX FOR DEVELOPING COUNTRIES (HPI-1)

The Human Development Report 2003 of UNDP has provided the details of Human Poverty Index (HPI) and the method of calculating HPI.

While the HDI measures average achievement, the HPI-1 measures deprivations in the three basic dimensions of human development captured in the HDI:

- A long and healthy life-vulnerability to death at a relatively early age, as measured by the probability at birth of not surviving up to the age of 40.
- Knowledge-exclusion from the world of reading and communications, as measured by the adult illiteracy rate.
- A decent standard of living - lack of access to overall economic provisioning, as measured by the unweighted+9 average of two indicators, the percentage of the population without sustainable access to an improved water source and the percentage of children underweight for age.

Calculating the HPI-1 is more straightforward than calculating the HDI. The indicators used to measure the deprivations are already normalized between 0 and 100 (because they are expressed as percentages), so there is no need to create dimension indices as for the HDI.

In fact, the measure of deprivation in a decent standard of living also included an indicator of access to health services. But because reliable data on access to health services are lacking for recent years, in this year's Report deprivation in a decent standard of living is measured by two rather than three indicators - the percentage of the population without sustainable access to an improved water source and the percentage of children under weight for age.

CALCULATING THE HPI-1

The formula for calculating the HPI-1 is as follows:

$$HPI-1 = \left[\frac{1}{3} (P_1^\alpha + P_2^\alpha + P_3^\alpha) \right]^{\frac{1}{\alpha}}$$

Where,

- | | | |
|----------|---|---------------------------------------------------------------------------------------------------------------------------|
| P_1 | = | Probability at birth of not surviving up to the age of 40 (times 100) |
| P_2 | = | Adult illiteracy rate |
| P_3 | = | Unweighted average of population without sustainable access to an improved water source and children under weight for age |
| α | = | 3 |

THE HUMAN POVERTY INDEX FOR SELECTED OECD COUNTRIES (HPI-2)

The HPI-2 measures deprivations in the same dimensions as the HPI-1 and also capture social exclusion. Thus, it reflects deprivations in four dimensions.

- A long and healthy life - vulnerability to death at a relatively early age, as measured by the probability at birth of not surviving up to the age of 60.
- Knowledge-exclusion from the world of reading and communications, as measured by the percentage of adults (aged 16-65) lacking functional literacy skills.

- A decent standard of living - as measured by the percentage of people living below the income poverty line (50% of the median adjusted household disposable income).
- Social exclusion-as measured by the rate of long-term unemployment (12 months or more).

CALCULATING THE HPI-2

The formula for calculating the **HPI-2** is as follows:

$$HPI-2 = \left[\frac{1}{4} (P_1^\alpha + P_2^\alpha + P_3^\alpha + P_4^\alpha) \right]^{\frac{1}{\alpha}}$$

Where,

- P_1 = Probability at birth of not surviving up to age of 60 (times 100)
 P_2 = Adult functional literacy skills
 P_3 = Population below income poverty line (50% of median adjusted household disposable income)
 P_4 = Rate of long-term unemployment (lasting 12 months or more)
 α = 3

Keeping in view the above methodology for the estimation of Human Poverty Index (HPI), the following formula has been adopted in calculating HPI for the study. In constructing **HPI**, 6 deprivations have been taken into consideration.

$$HPI = \left[\frac{1}{6} (P_1^\alpha + P_2^\alpha + P_3^\alpha + P_4^\alpha + P_5^\alpha + P_6^\alpha) \right]^{\frac{1}{\alpha}}$$

Where,

- P_1 = Illiteracy
 P_2 = Non-Availability of safe drinking water
 P_3 = Inadequate access to health facilities
 P_4 = Low calorie intake below the poverty norm
 P_5 = Unemployment (days)
 P_6 = Poor Housing
 α = 3.

Table 1 presents the values of the human poverty index for the sample rural labour households.

TABLE-1: MEASURES OF DEPRIVATIONS IN HUMAN POVERTY INDEX FOR THE SAMPLE RURAL LABOUR HOUSEHOLDS

Si.No.	Indicator of Deprivations	Percentage of Deprivation Ns
1 .	Illiteracy	60.78
2 .	Non-availability of safe drinking water	38.72
3 .	Inadequate health facilities	49.67
4 .	Low calorie intake below the poverty norm	48.46
5 .	Unemployment	53.86
6 .	Poor housing	47.71
Human Poverty Index		50.74

From the table it is observed that the human poverty index for all the sample households is estimated 50.74 per cent, which indicates that the sample households are deprived of the basic indicators to the extent of 50.74 per cent. Among the six dimensions, the highest deprivation is observed in the case of illiteracy at 60.75 per cent with unemployment following closely with 53.86 per cent. The deprivation due to inadequate health facilities, low calorie intake and poor housing are worked out to 49.67 per cent, 48.46 per cent and 47.71 per cent respectively. The lowest deprivation is observed in the case of inadequate safe drinking water with 38.72 per cent.

Table – 2, shows the percentage of deprivation of different indicators of the human poverty index of sample households of different income groups.

TABLE-2: MEASURE OF DEPRIVATIONS IN HUMAN POVERTY INDEX OF SAMPLE HOUSEHOLDS OF DIFFERENT INCOME GROUPS

Si.No.	Indicator of Deprivations	Income Levels (in Rupees)			
		Below-12000	12000-18000	18000-24000	Above 24000
1	Illiteracy	63.64	64.66	61.64	52.05
2	Non-availability safe drinking water	39.42	38.59	33.13	34.16
3	Inadequate health facilities	68.18	38.79	53.42	52.05
4	Low calorie intake below the poverty norm	59.97	52.33	44.30	42.74
5	Unemployment	25.08	52.77	60.92	58.72
6	Poor housing	61.36	50.00	46.58	36.99
Human Poverty Index		56.78	51.12	51.87	47.75

It is observed from the table that the human poverty index is worked out to 56.78 per cent for the households having an income of less than Rs. 12,000. Among the six dimensions, inadequate health facilities account for 68.18 per cent of the deprivation followed by illiteracy with 63.64 per cent and poor housing with 61.36 per cent. Low calorie intake has been one of the deprivations accounting for 59.97 per cent, lack of safe drinking water for 39.42 per cent and lack of gainful employment for 25.08 per cent. For the sample households in the income bracket of Rs. 12000-18000, the human poverty index is estimated at 51.12 per cent. Among the various deprivations, illiteracy, low calorie intake, unemployment and poor housing are the major 5 factors accounting for 64.66 per cent, 52.33 per cent, 52.77 per cent and 50.00 per cent respectively. The human poverty index for the sample households in the income group of Rs. 18000-24000 is estimated at 51.87 per cent. Illiteracy and unemployment are the major factors of deprivation accounting for 61.64 per cent and 60.92 per cent respectively. Inadequate health facilities account for 53.42 per cent of deprivation.

For the sample households in the top income bracket of above Rs. 24,000, human poverty index is estimated at 47.75 per cent. Unemployment accounts for 58.72 per cent of deprivation as against 52.05 per cent of deprivation in the case of illiteracy and inadequate health facilities.

Table 3 shows the human poverty index of the sample households of different groups of mandals.

TABLE-3: MEASURE OF DEPRIVATIONS IN HUMAN POVERTY INDEX OF SAMPLE HOUSEHOLDS OF DIFFERENT GROUPS OF MANDALS

Sl. No.	Indicator of Deprivations	Percentage of Deprivations		
		Group A	Group B	Group C
1	Illiteracy	54.90	61.76	65.89
2	Non-availability of safe drinking water	28.12	34.13	41.82
3	Inadequate of health facilities	46.08	62.75	40.20
4	Calories intake below the poverty norms	49.32	55.81	39.87
5	No. of days unemployed	52.17	54.84	54.45
6	Inadequate of pucca house	66.67	36.27	40.20
Human Poverty Index		52.00	53.31	49.31

For the sample households in the mandals classified under Group A, human poverty index is worked out to 52.00 per cent. Among the six dimensions, poor housing is one of the major deprivations accounting for 66.67 per cent followed by illiteracy with 54.90 per cent and unemployment with 52.17 per cent. The human poverty index of sample households in group B mandals is estimated at 53.31 per cent. Inadequate health facilities are identified as the chief factor of deprivation accounting for 62.75 per cent followed by illiteracy accounting for 61.76 per cent and low calorie intake for 55.81 per cent. For the sample households in group C, the human poverty index is worked out to 49.31 per cent. Among the six dimensions, illiteracy is the major deprivation with 65.89 per cent followed by unemployment with 54.45 per cent.

CONCLUSIONS

The following conclusions emerge from the results of the study.

- Sizeable proportions of the rural labour households are still living below the poverty norm on the basis Human Poverty Index (HPI).
- The rural laborers remain unemployed for a significant part of the year for want of work. The employment of these labourers depends on the availability of irrigation facilities which intern determines the cropping pattern and cropping intensity.
- Sizeable proportion of the rural labour households is indebted.
- Implementation of suitable employment generation schemes in the lean periods, the schemes which can provide non-farm and off farm employment opportunities and the programmes which can supplement the wage income shall push these unfortunate rural labourers to come out of the poverty problem.
- It is important to note that the income of these labourers depends on the rainfall and agricultural production conditions of the regions in which they are living. Successive failure of monsoons often creates disaster in the levels of living of the rural labour households. It underlines the need of expansion of economic activities and educational facilities along with their equitable distribution.

Thus, it can be concluded that to raise the level of human development concrete efforts at grass root level, not only towards raising economic resources and developmental opportunities but also to ensure their equal distribution, should be made.

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FINANCIAL BEHAVIOUR Vs. PERSONALITY TYPES: A MECHANISM TO IMPROVE CUSTOMER RELATIONSHIP MANAGEMENT

NATARAJ B
ASST. PROFESSOR
DEPARTMENT OF MBA
EASWARI ENGINEERING COLLEGE
CHENNAI

MADHUMITHA T
ASST. PROFESSOR
DEPARTMENT OF MBA
EASWARI ENGINEERING COLLEGE
CHENNAI

ABSTRACT

From the recent past financial institutions are orienting towards the financial behaviour pattern of their customers. The financial behaviour differs from one customer to the other and understanding financial behaviour of the customers can provide a competitive advantage for any financial institution. Hence the behavioural finance becomes an eye widening topic of importance. Does Personality of an individual affect their financial decision making? is the one line question of the article and for differentiating the personality types Myer Briggs Type Indicator (MBTI) is used. This article tries to find out the relationship between personality types and financial behaviour of the customers. Descriptive research is being carried out in this study. Two hundred and thirty sample respondents were chosen for the study and primary data was collected using questionnaire. The collected data was then analysed using non parametric tests and the hypothesis testing was done. The findings of the study can be used for financial institutions like banks, investment brokers, and insurance companies for understanding their customers and their characteristics which in turn leads to a better customer relationship management.

JEL CODE

M31

KEYWORDS

Behavioural Finance, Customer Relationship Management, Personality Types.

INTRODUCTION

Behavioural Finance is a new field that becomes the topic of greatest importance for various financial institutions. The behavioural finance is a multi disciplinary approach that includes various fields like psychology, social psychology and finance.

This article attempts to bring in the relationship between personality of an individual and his financial behaviour.

Personality refers to individual differences in characteristic patterns of thinking, feeling and behaving. (American Psychological Association, 2014). For differentiating the personalities several models and tests are available. Myer Briggs Type Indicator (MBTI) is used in this article.

MBTI

The Myers Briggs Type Indicator assessment is a psychometric questionnaire designed to measure psychological preferences in how people perceive the world and make decisions. (Myers & Briggs, 1980)

The MBTI sorts some of these psychological differences into four opposite pairs, or dichotomies, with a resulting 16 possible psychological types. The 16 types are abbreviated by four letters—the initial letters of each of their four type preferences (except in the case of intuition, which uses the abbreviation N to distinguish it from introversion). For instance:

ISTJ: Introversion (I), sensing (S), thinking (T), judgment (J)

ENFP: Extroversion (E), intuition (N), feeling (F), Prospecting (P)

This method of abbreviation is applied to all 16 types.

DICHOTOMIES

Extroversion (E)	Introversion (I)
Sensing (S)	Intuition (N)
Thinking (T)	Feeling (F)
Judging (J)	Prospecting (P)

EXTROVERTS Vs. INTROVERTS

Myers-Briggs literature uses the terms extroversion and introversion. Extroversion means "outward-turning" and introversion means "inward-turning".

Extroverts are "action" oriented, while introverts are "thought" oriented. (Tieger, 1999)

SENSING Vs. INTUITION

Sensing and intuition are the information-gathering (perceiving) functions. Every individual understands the new information and interprets it, this process is split in to two categories in MBTI, that is sensing and intuition. "Sensing" type of individuals are likely to trust information; they look for facts in the information. The individuals who prefer intuition are interested in future possibilities.

THINKING Vs. FEELING

Thinking and feeling are the decision-making (judging) functions. The individuals who prefer thinking tend to decide by what seems reasonable and logical. The individuals preferring feeling type decides by empathizing with the situation.

JUDGING Vs. PROSPECTING

Judging and Prospecting are life style functions. This shows how individuals differ in work places and in their work environments. Individuals with judging functions focus on schedules will be serious about work, orderly, like rules and are inflexible. Prospecting individuals are playful about work, not worried about order, dislike rules and dislike long time plans.

Thus the 16 types of personalities are

TABLE SHOWING DIFFERENT PERSONALITY TYPES AND THEIR CHARACTERISTICS

Personality Type	Character
ISTJ	The Duty Fulfiller
ISTP	The Mechanic
ISFJ	The Nurturer
ISFP	The Artist
INTJ	The Scientist
INFJ	The Protector
INFP	The Idealist
ESFJ	The Caregiver
ESFP	The Performer
ENTP	The Visionary
ENFJ	The Giver
ENFP	The Inspirer
ESTJ	The Guardian
ESTP	The Doer
ENTJ	The Executive
INTP	The Thinker

Source: The Personality Page (The Personality Page, 2013)

REVIEW OF LITERATURE

Ricciardi (2000) Behavioural finance investigates the psychological and sociological issues that impact the decision-making process of individuals, groups, and organizations. (Ricciardi & K, 2000). In this paper the author discussed some general principles of behavioural finance that includes overconfidence, financial cognitive dissonance, the theory of regret, and prospect theory. He also suggested the strategies to assist individuals to resolve these “mental mistakes and errors” by recommending some important investment strategies for those who invest in stocks and mutual funds.

In the concluding part he suggested that in the case of stock investments: the best way for investors to control their “mental mistakes” is to focus on a specific investment strategy over the long-term. Investors should keep detailed records outlining such matters as why a specific stock was purchased for their portfolio. Also, investors should decide upon specific criteria for making an investment decision to buy, sell, or hold. For example, an investor should create an investment checklist that discusses questions such as these:

Why did an investor purchase the stock?

What is their investment time horizon?

What is the expected return from this investment one year from now?

What if a year from now the stock has under-performed or over-performed your expectations?

Do you plan on buying, selling, or holding your position?

How risky is this stock within your overall portfolio?

In the case of mutual fund investments: in terms of mutual funds, it's recommended that investors apply a “checklist” for individual stocks. Recommend that investors select mutual funds with a simple “4-step process” which includes the following criteria: Invest with tenured portfolio managers with a strong investment philosophy; and understand the specific risk associated with each mutual fund (Ricciardi & K, 2000)

Victor Ricciardi (2004) provides an overview of the concepts of risk, perception, and risk perception with the financial scholar in mind. He discussed the significant risk perception research in the social sciences namely from psychology. This research work from psychology (i.e. risk perception studies in risky situations and hazardous activities) is the behavioural foundation for a substantial amount of the current contributions. A major facet of this paper was to bring together all the previous studies in the risk perception (Ricciardi, 2004)

Riepe (2013) in his paper titled “Musings of Behavioural Finance” clarifies that people are not either purely rational or irrational, but they are complex combination of two. He has also stated that people learn about the financial decision making and get better at it over time. (Riepe, May 2013)

Journal of Risk Management in Financial Institutions (2014) identifies that risk management and behavioural finance are weekly connected among the financial institutions and it is in the beginning stage. The question of how to apply the research findings to day to day risk management problems is still poorly answered. Hence another question arises that is Should banks and regulators include the findings of psychological/behavioural research in their risk management frameworks; The author sets the hypothesis as Whether behaviour should be considered in risk management If Yes How it should be done? (Journal of Risk Management in Financial Institutions, 2014)

Park & Shon (2013) in the paper Behavioral Finance: A Survey of the Literature and Recent Development” summarizes recent studies in behavioral finance. The authors concentrate more on market anomalies and investor behaviour. the authors expand the research scope to studies on Korean financial markets, introduce specific funds using behavioral finance techniques, and discussed the challenges in financial behaviour. (PARK & SOHN, 2013)

Ana-Maria (2014) in the paper titled “A behavioral analysis of investor diversification” identifies the link between individual investors’ portfolio diversification levels and their personal traits that proxy informational advantages and overconfidence. The analysis is based on Turkish brokerage house tracking 59,951 individual investors’ accounts with a total of 3,248,654 million transactions over the period 2008–2010.

Wealthier, highly educated, older investors working in the finance sector and those trading relatively often show higher diversification levels possibly because they are better equipped to obtain and process information. Finance professionals, married investors, and those placing high-volume orders through investment centres show poorer diversification possibly as a reflection of overconfidence. Our analysis reveals important nonlinear effects, implying that the marginal impact of overconfidence on diversification is not uniform across investors but varies according to the investor's information gathering and processing abilities. (Fuentes, Muradoglu, & Ozturkkal, 2014)

IMPORTANCE OF THE STUDY

The financial institutions are emerging in India, be it a bank or an investment broker or an insurance company, there is a cut throat competition among them. It is need of the hour to have a good customer base and cross sell their financial products. If the financial institutions are looking for retaining their customers, cross sell their products or wish that their customers to pass good word of mouth it is important for them to maintain good relationship with their customers.

For maintaining good relationship with the customers, the financial institutions should understand their customers; the financial behaviour of the customers should be studied extensively. The factors that affect the financial behaviour should be considered. The rationale behind this article is whether the personality type of the individual is having any relationship with the financial behaviour.

STATEMENT OF THE PROBLEM

The financial behaviour of the individual is affected by various factors like risk taking ability, gender, financial needs at particular situation etc. Each and every individual is unique and associated with a personality type. The MBTI can classify the individual based on 16 personality types, but the question to be answered is “Is there any relationship between personality type of an individual and his financial behaviour?”

OBJECTIVES

- To analyse the relationship between personality types and Financial behaviour of individuals
- To analyse the relationship between personality types and investment pattern
- To analyse the relationship between personality types and saving pattern of individuals
- To analyse the relationship between personality types and spending pattern on insurance.
- To suggest appropriate strategies to improve customer relationship management for financial institutions.

HYPOTHESIS

H0: There is no significant relationship between personality type and financial behaviour of individuals.

H1: There is significant relationship between personality type and financial behaviour of individuals.

RESEARCH METHODOLOGY

This article describes various personality types of sample respondents and classifies them. This article also finds the relationship between personality types and financial behaviour and relates it with the customer relationship management, hence descriptive research is being followed in this paper.

RESEARCH DESIGN

Data collection: Primary Data is being used for the research. The data is collected using questionnaire.

Secondary data: Secondary data is collected from Articles, magazines, news papers and books.

SAMPLING

Convenient sampling method is being used for the research.

The sample size is targeted to be 250. But after collecting the responses, it was found that only 230 samples were complete and usable. Hence the sample size is 230.

RESEARCH TOOLS

Non parametric statistical tools like Descriptive Statistics, Kruskalwallis test and percentage analysis is being used in this article for getting information from the collected data. Mean Rank from the sample respondents are collected for classifying them and Phi Charts are also used for presenting useful information clearly.

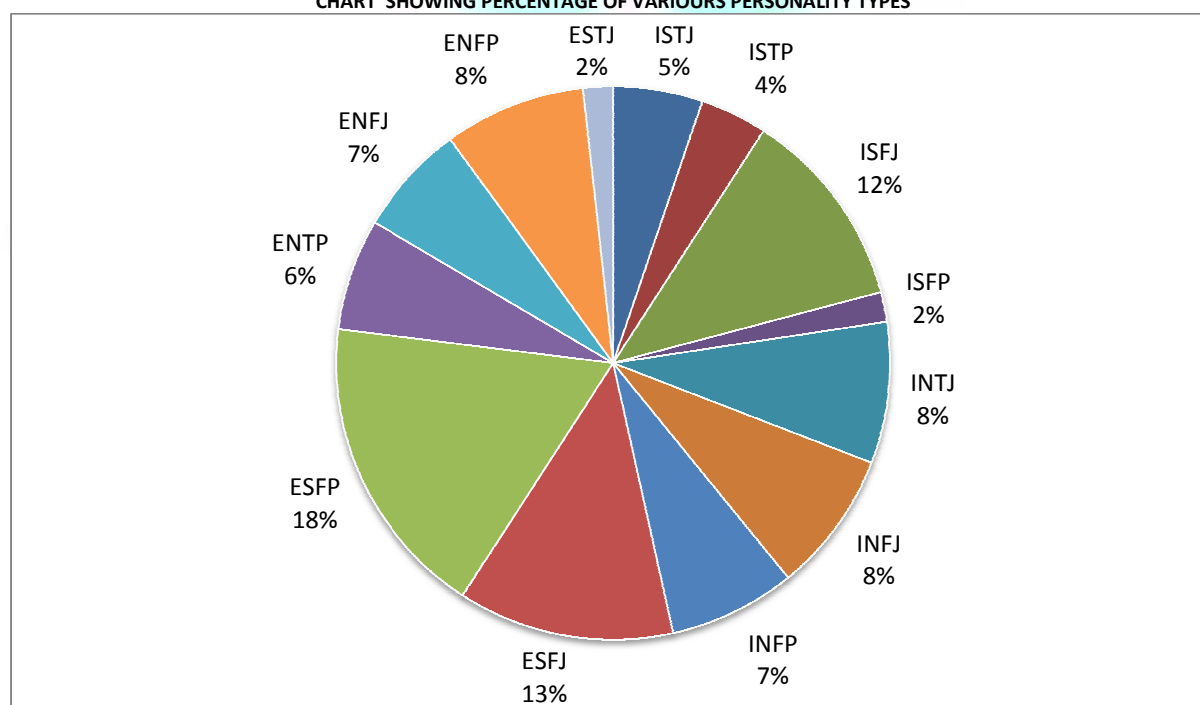
ANALYSIS**CLASSIFICATION OF PERSONALITY TYPES**

TABLE SHOWING PERCENTAGE ANALYSIS OF VARIOUS PERSONALITY TYPES

Personality Type	Character	N	Percentage
ISTJ	The Duty Fulfiller	12	5.2
ISTP	The Mechanic	9	3.9
ISFJ	The Nurturer	27	11.7
ISFP	The Artist	4	1.7
INTJ	The Scientist	19	8.3
INFJ	The Protector	19	8.3
INFP	The Idealist	17	7.4
ESFJ	The Caregiver	29	12.6
ESFP	The Performer	41	17.8
ENTP	The Visionary	15	6.5
ENFJ	The Giver	15	6.5
ENFP	The Inspirer	19	8.3
ESTJ	The Guardian	4	1.7

Source: Primary Data

CHART SHOWING PERCENTAGE OF VARIOUS PERSONALITY TYPES



RELATIONSHIP BETWEEN PERSONALITY TYPES AND INVESTMENT BEHAVIOUR**Hypothesis**

H0: There is no significant relationship between personality type and investment behaviour of individuals

H1: There is significant relationship between personality type and investment behaviour of individuals

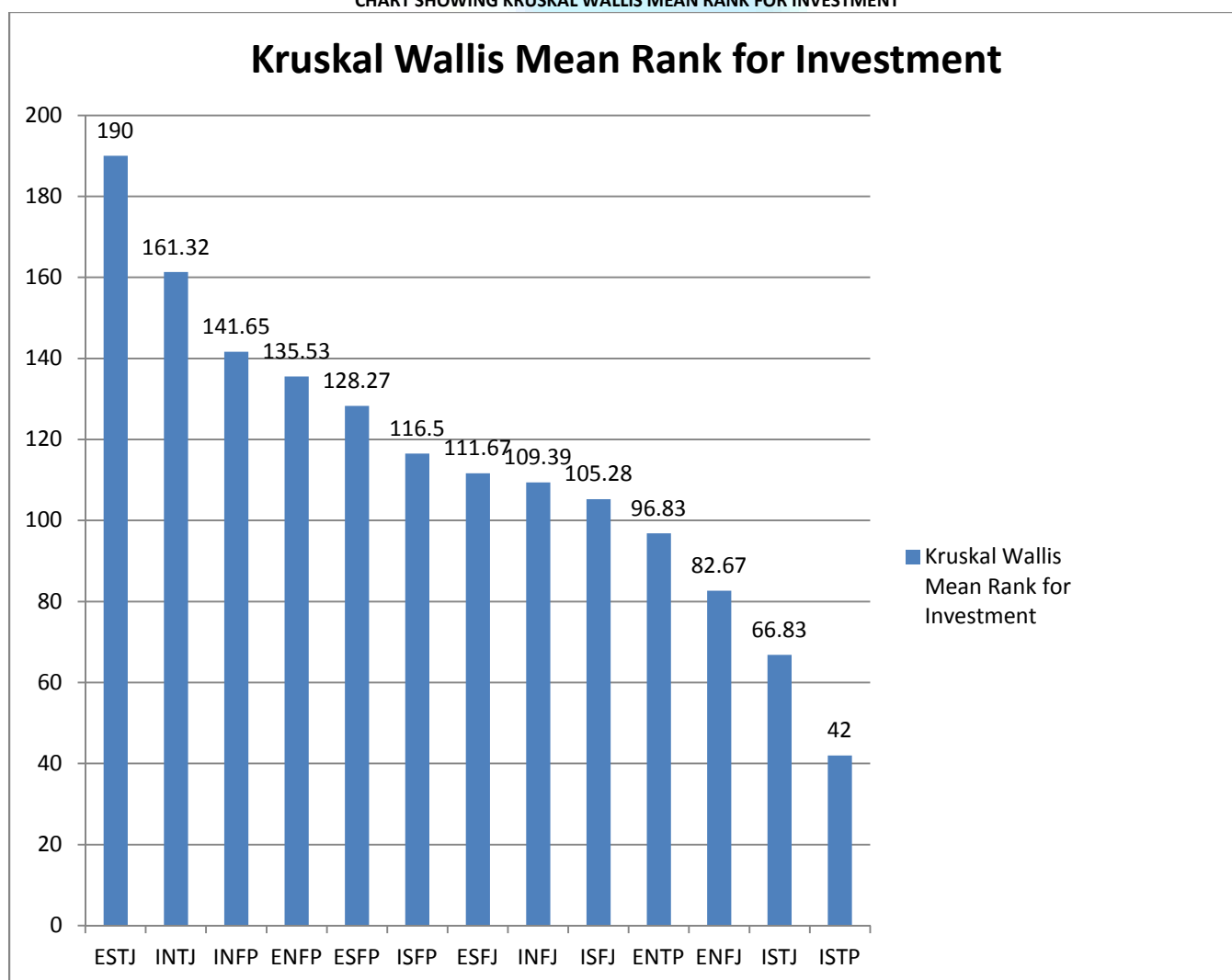
TABLE SHOWING PERSONALITY TYPE AND MEAN RANK FROM INVESTMENT

	Personality	N	Mean Rank
Investment	ISTJ	12	66.83
	ISTP	9	42.00
	ISFJ	27	105.28
	ISFP	4	116.50
	INTJ	19	161.32
	INFJ	19	109.39
	INFP	17	141.65
	ESFJ	29	111.67
	ESFP	41	128.27
	ENTP	15	96.83
	ENFJ	15	82.67
	ENFP	19	135.53
	ESTJ	4	190.00
	Total	230	

TABLE SHOWING KRUSKAL WALLIS TEST FOR INVESTMENT

	Investment
Chi-Square	46.429
Df	12
Asymp. Sig.	.000

Source: Primary Data

CHART SHOWING KRUSKAL WALLIS MEAN RANK FOR INVESTMENT

Source: Primary Data

INFERENCE

The null hypothesis for the Kruskal Wallis test is designed as the median scores of spending on investment are equal.

The P Value of Kruskal Wallis test is less than 0.01. Hence the null hypothesis is rejected.

It is also evident that the mean rank of ESTJ is 190. The Guardians (ESTJs) type personality spend most on investment when compared to other personality types and has future orientation and financial security perspective.

Whereas ISTPs has least mean rank score leaving to 42. This shows that The Mechanics (ISTPs) are more practically relevant and live the moment kind of personalities.

RELATIONSHIP BETWEEN PERSONALITY TYPE AND SAVINGS

Hypothesis

H0: There is no significant relationship between personality type and saving pattern of individuals

H1: There is significant relationship between personality type and saving pattern of individuals

TABLE SHOWING PERSONALITY TYPE AND MEAN RANK FOR SAVINGS

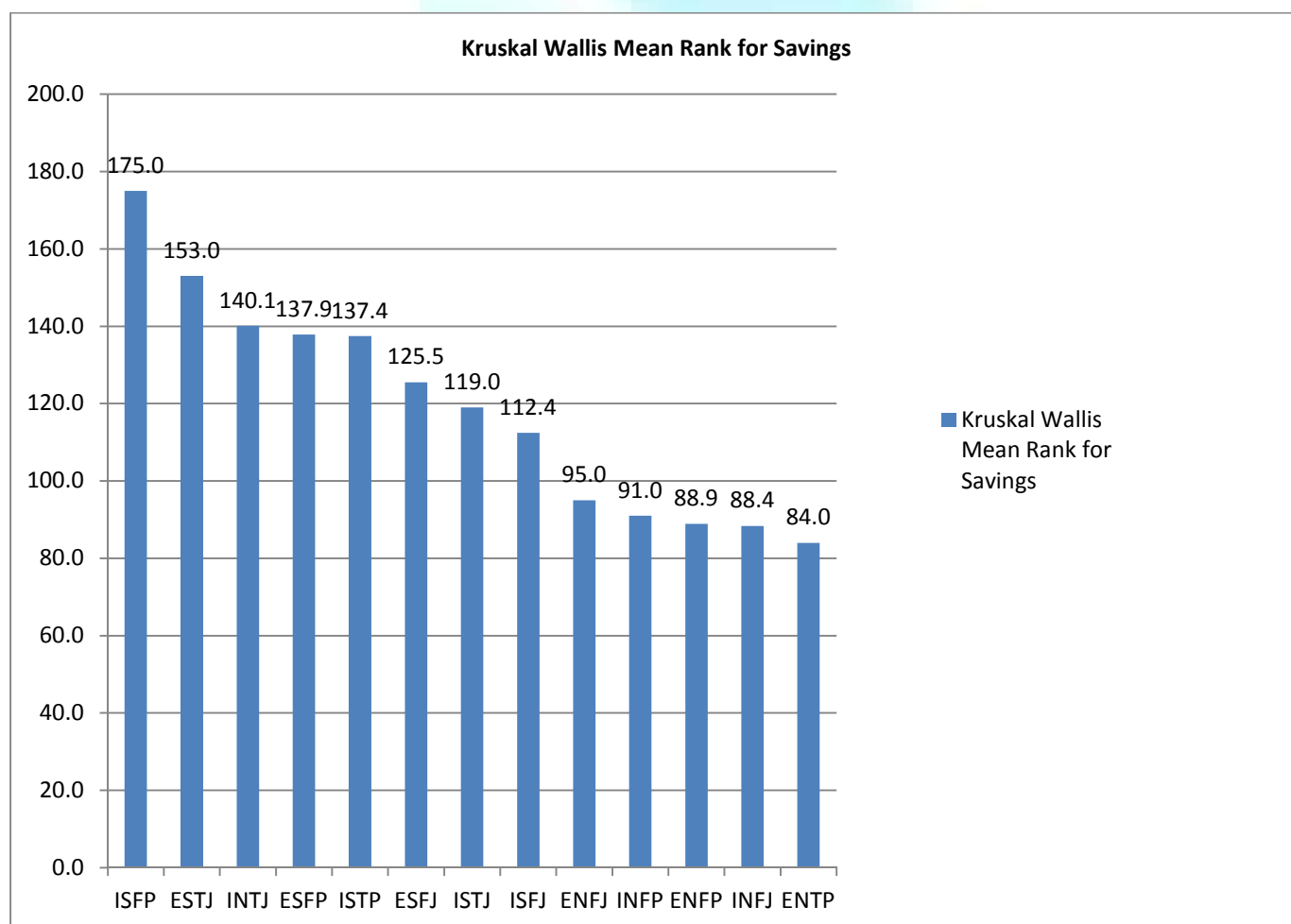
	Personality	N	Mean Rank
Savings	ISTJ	12	119.00
	ISTP	9	137.44
	ISFJ	27	112.41
	ESTJ	4	153.00
	INTJ	19	140.11
	INFJ	19	88.37
	INFP	17	91.00
	ESFJ	29	125.48
	ESFP	41	137.85
	ENTP	15	84.00
	ENFJ	15	95.00
	ENFP	19	88.89
	ISFP	4	175.00
	Total	230	

TABLE SHOWING KRUSKAL WALLIS TEST FOR SAVINGS TEST

	Savings
Chi-Square	29.910
df	12
Asymp. Sig.	.003

Source: Primary Data

CHART SHOWING KRUSKAL WALLIS MEAN RANK FOR SAVINGS



Source: Primary Data

INFERENCE

The null hypothesis for the Kruskal Wallis test is designed as the median scores of saving pattern of individuals of different personalities are equal.

The P Value of Kruskal Wallis test is 0.003 which is less than 0.01. Hence the null hypothesis is rejected.

It is also evident that the mean rank of ISFP is 175. The ISFPs type personality want a secured feel of their money and are unwilling to take risk according to the study. Hence they are more conservative and save most of their money for future use without investing or spending it.

Whereas ENTPs save very little compared to other personality types and their mean rank score is 84. This shows that they spend in other activities or invest their money most instead of saving.

Relationship between Personality and Spending Pattern on Insurance

Hypothesis:

H0: There is no significant relationship between personality type and spending pattern on insurance of individuals

H1: There is significant relationship between personality type and spending pattern on insurance of individuals

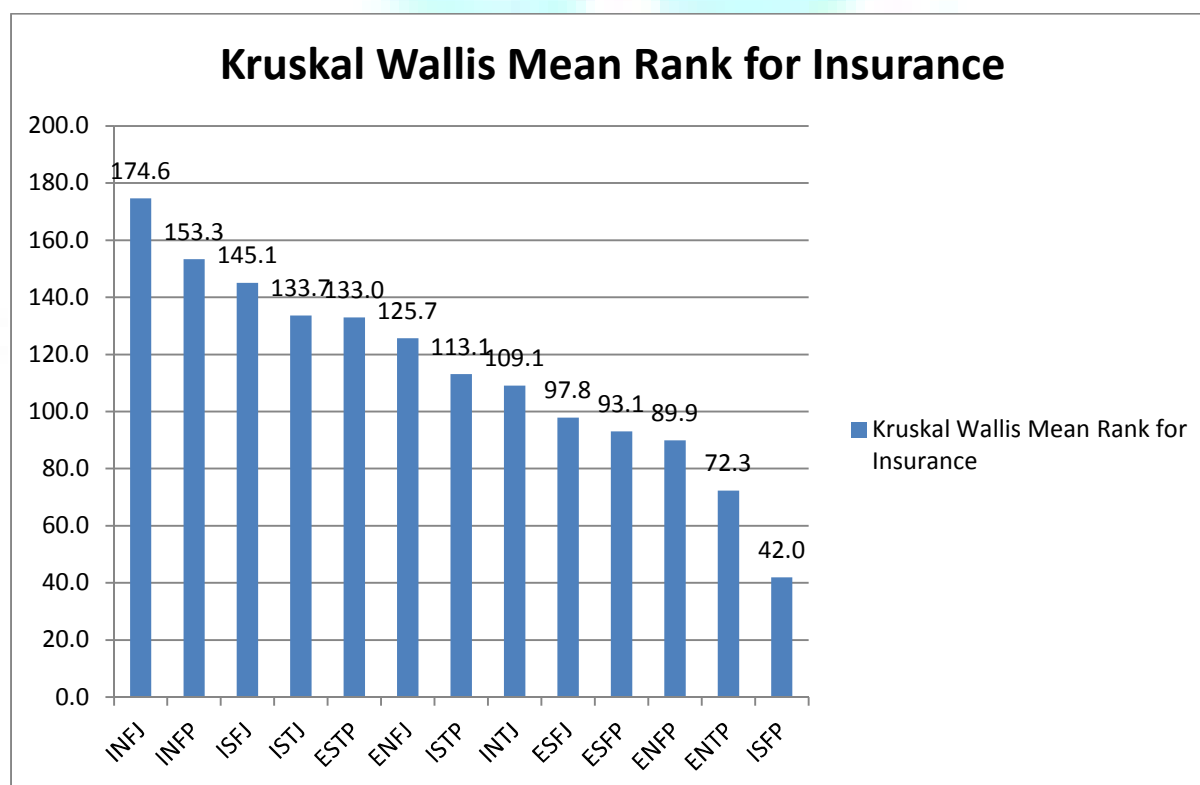
TABLE SHOWING PERSONALITY TYPES AND MEAN RANKS OF INSURANCE SPENDING

	Personality	N	Mean Rank
Insurance	ISTJ	12	133.67
	ISTP	9	113.11
	ISFJ	27	145.07
	ISFP	4	42.00
	INTJ	19	109.05
	INFJ	19	174.63
	INFP	17	153.29
	ESFJ	29	97.83
	ESFP	41	93.05
	ENTP	15	72.33
	ENFJ	15	125.67
	ENFP	19	89.89
	ESTJ	4	133.00
	Total	230	

TABLE KRUSKAL WALLIS TEST ON INSURANCE SPENDING

	Insurance
Chi-Square	55.572
Df	12
Asymp. Sig.	.000

Source: Primary Data

CHART SHOWING KRUSKAL WALLIS MEAN RANK ON INSURANCE SPENDING

Source: Primary Data

INFERENCE

The null hypothesis for the Kruskal Wallis test is designed as the median scores of spending on insurance of different personalities are equal.

The P Value of Kruskal Wallis test is less than 0.01. Hence the null hypothesis is rejected.

It is also evident that the mean rank of INFJ is 174.6. The INFJ (The Protector) type personality want a secured feel of their life and are highly concerned over their security of life according to the study. Hence they are spending most of their money on insurance

Whereas ISFPs (The Artists) have mean rank score of 42 and insure very little when compared to other personality types.

Different personalities has different financial behavioural pattern. It can be concluded that the personality can be considered as a tool for classifying the investors or insurers and can be used during the risk profiling and KYC norms for better servicing the customers.

FINDINGS

- The Gaurdians (ESTJs) type personality spend most on investment when compared to other personality types and has future orientation and financial security perspective.
- Whereas ISTPs has least mean rank score leaving to 42. This shows that The Mechanics (ISTPs) are more practically relevant and live the moment kind of personalities.
- The ISFPs type personality want a secured feel of their money and are unwilling to take risk according to the study. Hence they are more conservative and save most of their money for future use without investing or spending it.
- Whereas ENTPs save very little compared to other personality types and their mean rank score is 84. This shows that they spend in other activities or invest their money most instead of saving.
- The INFJ (The Protector) type personality want a secured feel of their life and are highly concerned over their security of life according to the study. Hence they are spending most of their money on insurance
- Whereas ISFPs (The Artists) have mean rank score of 42 and insure very little when compared to other personality types.
- Different personalities has different financial behavioural pattern. It can be concluded that the personality can be considered as a tool for classifying the investors or insurers and can be used during the risk profiling and KYC norms for better servicing the customers.

SUGGESTIONS

Most of the money in the Indian Capital Market is flowing in and out through foreign institutional investors. These foreign players are in a position to command the Indian capital market and are minting money and gain advantage of their financial strength. This leads the individual investors with fear of entering in to the Indian Capital Market and mostly they are investing in real assets like gold and real estate. The retail investors invest very little in financial assets. Hence Indian regulators like SEBI, IRDA and RBI is in a position to boost the investment of individual investor. It is evident from the study that the investment behaviour differs from different personality types. Hence the personality types can be used as a tool for classifying and risk taking ability of the customers.

The investment bankers and insurance companies can customise their financial products according to the personality type of the customers. They can understand the customer's psychology very easily from the 16 types of personality. The financial companies can provide various options to the customers based on their personality types after understanding their financial behaviour. This will increase their hit ratio and success rate of converting a customer towards a financial product will increase.

The investors trust towards banks and other financial companies will increase because the customers will get what they deserve. This helps in mutual relationship sharing and the bonding between the customers and the bank will improve leading to a better customer relationship management. Banks can also include the personality identification test in the KYC forms while profiling their customers.

CONCLUSION

Both interdependence and independence is required for the organisations to sustain in this world and the organisations are not just bricks and buildings they are made up of human beings.

Watch your thoughts; they become words.

Watch your words; they become actions.

Watch your actions; they become habit.

Watch your habits; they become character.

Watch your character; it becomes your destiny

And your destiny will be your life.

The thoughts originate from brain. The beauty is every individual is unique and has a different brain wiring pattern. In depth analysis of human being is required for any business interdependence and independence should be there. The study revealed that there is a significant relationship between investment pattern, savings and the personality of individuals. Thus proper customer profiling will enhance a better relationship with the customer and will increase the value provided to the customers and value driven back from them by the financial institutions.

LIMITATIONS

- The tools used in the research are non parametric. Hence the results will be limited to the scope of the Kruskal wallis Test used in the study.
- Investment pattern, saving and spending on Insurance of individuals are taken as a factor of consideration for analysing the financial behaviour of the individuals, there are several other instruments that decide the financial behaviour. The study is limited to investment, saving and insurance spending alone.
- Among 16 personality types only 13 were taken in to consideration, fixing 230 as the sample size the personality types like ESTP, ENTJ, INTP were not considered in the study.

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FINANCIAL INCLUSION: AN INSTRUMENT THAT PULLS MILLIONS OF RURAL INDIANS OUT OF THE CLUTCHES OF POVERTY - A REVIEW

ANSHA JASMIN S.N
ASST. PROFESSOR
ALLAMA IQBAL INSTITUTE OF MANAGEMENT
PERINGAMMALA

ABSTRACT

This article provides a review of Financial Inclusion Programme - an initiative to provide financial services to the rural Indians. How Financial Inclusion pulls millions of rural Indians out of the clutches of poverty is also explained in detail. RBI has taken several initiatives such as providing No-Frills Account, started Financial Literacy Centre's, simplified KYC norms and branch authorization policy, deployed Business Correspondents, issued Kisan Credit Cards and General Credit Cards etc. How far India reached in achieving the financial Inclusion path is analysed through CRISIL Inclusix, RBI Working Paper Study And World Bank Access Survey. Most of the South Indian states achieved high Financial Inclusion but still its proper and speedy implementation is required in other states in India.

KEYWORDS

Financial Inclusion, CRISIL Inclusix, No-Frills Account, RBI, Kisan Credit Cards and General Credit Cards.

INTRODUCTION

If the misery of the poor be caused not by the laws of nature, but by our institutions, great is our sin"

— Charles Darwin

Banking system is an important constituent of overall economic development as it improves capital formation through mobilization of the savings of the country. As India is predominantly a rural economy efforts have to be made for inclusive growth i.e. growth with equity. For inclusive growth Financial Inclusion has to be given upper most priority. Government of India and RBI have been putting continuous efforts to promote financial inclusion as the important national objective of the country.

Financial inclusion will positively impact the lives of rural Indians and pulls millions of them out of the clutches of poverty. It will provides them with a formal identity, access to banking products and services, opportunities to build savings, avail credit, make investments and equips them to meet emergencies.

The Committee on Financial Inclusion (Chairman: Dr. C.Rangarajan, 2008) has defined Financial Inclusion as 'the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low-income groups, at an affordable cost, in a fair and transparent manner by mainstream institutional players'.

The impact financial products and services provided by banks on the lives of rural Indians are explained below:

FIGURE 1: FINANCIAL INCLUSION FACTORS



Savings: The savings habit of the vulnerable groups can be improved through financial inclusion as RBI has advised all banks to open Basic Savings Bank Deposit (BSDA) Accounts with very minimum balance or nil balance, with fewer charges and with facility of receipt or deposit of money through, electronic payment channels, ATM. For their deposits in savings account interest will be allowed and small overdraft facility is also provided to that account. Know your customer norms were relaxed for small accounts from August 2005 and banks were also permitted to take any evidence as to the identity and address of the customers to their satisfaction, so that customers can open account easily. A pure savings account, which facilities recurring or variable recurring deposit, improves the savings habit of the low income people as there is no limit on the number of deposits that can be made in a month.

Credit: Availability of adequate, low cost and transparent credit from the regulated or formal banking system protects the vulnerable sections from the inhuman money lenders charging high interest rate and helps them in starting business themselves and getting self-employed. Under priority sector lending, banks are required to lend 40 percent of their loans to agriculture and economically weaker sections of the society. NSSO 59th Round Survey Results says that 73 percent of farmer households in India are financially excluded from formal sources of credit. RBI advised Banks to issue Kisan Credit Cards (KCC) and General Credit Cards (GCC) to small farmers for meeting their credit requirements. General Credit Card facility enables them to raise credit up to Rs.25000. RBI has also deregulated interest rates on small value loans to encourage greater lending to the poor.

Direct Benefit Transfer: The objective of Direct Benefit Transfer is to ensure that the subsidies as well as the money under various developmental schemes of both central and state government reaches directly to the beneficiaries bank account without any bureaucratic delay. Aadhaar enabled bank account is used for direct transfer of social security benefits such as pensions, scholarship, NREGA wages, healthcare, subsidy for LPG, kerosene, fertilizers etc.

Micro-Insurance: Micro insurance is a form of insurance suitable for the low income and poor people with flexibility of payment through cash, starting from as little as Rs. 100/- every month and insurance of Rs. 50,000 per person. Life insurance and non-life insurance provided to the vulnerable sections help them in facing the financial crises or manage risk arising particularly in times of natural calamities and financial burden due to health problems. Life insurance products not only provide social security to the insured but also enable them to use the same as a savings cum wealth creation tool. Non- life insurance provided on crops, livestock, buildings, vehicles machineries etc. helps them in covering the loss related to that particular asset. Micro insurance is provided to meet the future unforeseen and unexpected financial needs of the poor.

Remittance: Money remittance or transfer is required for migrant labourers working in another city or country to improve their life due to poverty. These populations are being exploited by the money changers (Hawala) as they charge high to provide remittance facility. On 14th June 2014 RBI Deputy Governor H.R.Khan reported "We are also coming up shortly with what could be payment bank because there is huge potential for financial inclusion with focus on remittances by involving payment system product." Fixed cost of sending remittance through formal financial institutions make lump sum amount transfer, which in turn might increase the demand for savings deposit accounts. At the same time banks might extend loans based on information on the income flow of recipient household. Remittance transfer pushes people to financial services available to them.

Financial Literacy: Financial inclusion and financial literacy go hand in hand. Financial education promotes awareness among the people regarding the need and benefits of financial services provided by banks and other financial institutions. There are nearly 800 Financial Literacy Centers set up by banks to educate the financially excluded population about the general banking concepts to enable them to make informed financial decision.

RBI INITIATIVES

Over the years several steps, such as Co-operative movement, setting up of State Bank of India, Nationalization of Banks, Establishment of Regional Rural Banks, Lead Bank Schemes, Self Help Group-Bank linkage programme etc., have been taken by RBI to increase access to financial services by priority sector of the economy. A committee called Financial Inclusion Advisory Committee, headed by deputy governor RBI, has been formed on October, 2005 to ensure accessible financial services and to increase speed of financial inclusion in India. RBI initiatives to implement Financial Inclusion programme are:

No Frills Account (NFA's): Basic banking no frills account is with nil or minimum balance as well as charges that make such accounts accessible to vast sections of the population. Banks have advised to provide small overdraft in such accounts.

Relaxation on Know your Customer norms: Know Your Customer norms were relaxed for small accounts (account balance not exceeding Rs. 50, 000 and credit not expected to exceed Rs. 100000 in a year) from August 2005 and banks were also permitted to take any evidence as to the identity and address of the customers to their satisfaction, therefore customers can open account easily.

Usage of Regional language: The banks are required to provide all the material related to opening accounts, disclosures etc. in the regional languages.

Engaging Business Correspondents: RBI has permitted banks to engage Business Facilitators (BFs) or Correspondents (BCs) as intermediaries for providing banking and financial services to far flung areas of the country. BC model allows banks to provide door step delivery of services especially to do cash-in and cash-out transactions, thus addressing the last mile problem. The BC model facilitates receipt and delivery of small value remittances, disbursement of small value credit, collection of interest and principal, collection of small value deposits, sale of other financial investment products like mutual funds and insurance.

Opening of branches in rural areas: On May 2013 banks have been mandated to open at least 25 percent of the branches in unbanked rural areas. In order to facilitate this mandate banks have been advised to open small intermediary brick and mortar structures between the base branch and the unbanked villages. This idea is to ensure efficient delivery of services, channelize benefits provided by government (DBT/EBT), redressal of customer grievances and closer supervision of Business Correspondents (BC's) operations.

Simplified Branch Authorisation: RBI has simplified and relaxed branch licensing norms considerably. Now banks are free to open branches in areas with population less than 1 lakh under general permission, subject to reporting.

Established Bharatiya Mahila Bank: In order to address gender related aspects of empowerment and financial inclusion RBI issued license to India's first Women's bank called Bharatiya Mahila Bank Ltd. on September 2013.

Credit cards: RBI has advised all Scheduled Commercial Banks including Regional Rural Banks to provide General Purpose Credit Cards as well as Kisan Credit Cards facility at their rural and semi urban branches. Kisan credit card scheme is to provide adequate and timely credit from the banks to the farmers for cultivation and other needs.

Restructured SGSY: To promote financial inclusion Ministry of Rural Development, Government of India has restructured Swarnajayanti Gram Swarozgar Yojana (SGSY) as the National rural livelihood mission with effect from April 2013. It will ensure that at least one member from each identified rural poor household, preferably a women, is bought under the Self Help Group network in time bound manner. Under this scheme poor are provided with requisite skills for managing their institutions, linking up to the market, managing their livelihoods and enhancing their credit absorption capacity and credit worthiness.

Payment system: RBI Governor Raghuram Rajan announced approval of the payment system that shall enable people maintaining no bank accounts and receiving remittances to withdraw funds from Automated Teller Machine or ATM.

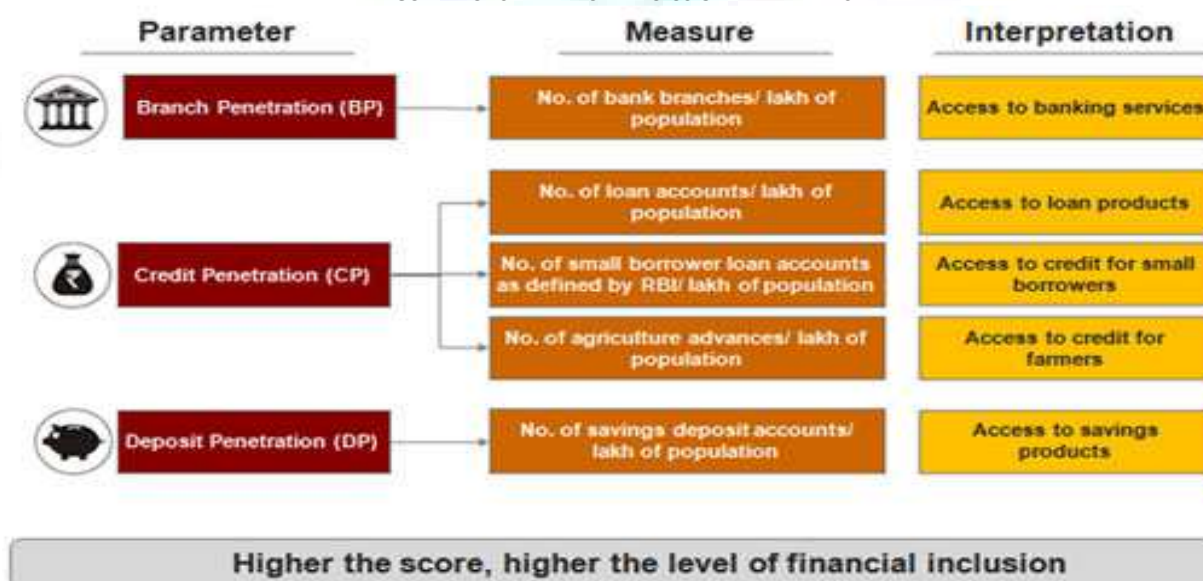
Leveraging on technology: As banking services provided through traditional brick and mortar model is expensive for banks, RBI suggested banks to adopt and leverage technology to attain greater reach and penetration, while keeping the cost of providing financial services to minimum. Technological advances in banking services include ATM, mobile banking, internet banking, Electronic fund transfer etc.

Swabhimaan Campaign: Swabhimaan is an initiative taken by Union Government and the Indian banks to bridge the gap between the rural and urban Indians. It aims at providing branchless banking services through the use of modern technology or by using the service of business correspondents. This initiative enables government subsidies and social security benefits to now be directly credited to the accounts of the beneficiaries so that they could draw the money from the business correspondents in their village itself.

PRESENT POSITION

On 25th June 2013, CRISIL, India's leading credit rating and Research Company launched an index, Inclusix, to measure the status of financial inclusion in India at national/regional/ state/ and district levels. CRISIL inclusix, whose methodology is similar to other global indices, measures financial inclusion on three critical parameters of basic banking services- branch penetration, deposit penetration and credit penetration – together into one single metric. The index uses parameters that focus only on the number of people whose lives have been touched by various financial services, rather than on the amount deposited or loaned. It is a relative index measured on a scale of 0-100. CRISIL Inclusix parameters to measure status of financial inclusion is shown below:

FIGURE 2: CRISIL FINANCIAL INCLUSION PARAMETERS



Source: www.CRISIL.com: CRISIL comprehensive financial inclusion index. Inclusix parameters

- CRISIL Inclusix at all India level stood at a relatively low –level of 40.1 for 2011 and 37.6 for 2010.
- Southern region leads in terms of financial inclusion in the country with a score of 62.2 for 2011. Western region (38.2) is a distant second, and is followed by Northern (37.1), Eastern (28.6) and North-Eastern Region (28.5) respectively.
- Smaller states (population < 3 crore) and union territories such as Puducherry (rank 1), Chandigarh (2) and Goa (4) perform better than the larger states due to higher urbanization.
- Amongst larger states (population > 3 crore) Kerala has the highest score with 76.1 followed by Andhra Pradesh and Tamil Nadu with 61.3 and 60.5 respectively. Top five are Puducherry, Chandigarh, Kerala, Goa, and Delhi.
- Most of the districts in southern region (103/107) have score higher than all India average. Kerala has the highest proportion of districts (11 out of 14) in the list of top 50 scoring districts. The top five districts are Pathanamthitta (96.2), Karaikal, Thiruvananthapuram, Ernakulam, and Kottayam.

RBI Working paper study: Sadhan Kumar worked out an index on financial inclusion based on three variables namely penetration (number of adults having bank account), availability of banking services (number of bank branches per 1000 population) and usage (measured as outstanding credit and deposit). It indicates that Kerala, Maharashtra and Karnataka have achieved high financial inclusion (IFI > 0.5).

FIGURE 3: FINANCIAL INCLUSION INDEX WORKED OUT BY SADHAN KUMAR



Source: RBI working paper on financial inclusion in India: A case study of West Bengal by Sadhan Kumar Chattopadhyaya

World Bank Access Survey Result: On the basis of world bank access survey result it would be observed that in India, financial inclusion measured in terms of bank branch density, ATM density, bank deposit to GDP and bank credit to GDP are quite low as compared to other countries in the world.

Table 1: Select Indicators of Financial Inclusion, 2011

S.No	Country	Number of Bank Branches Per 1000 KM	Number of ATMs	Number of Bank Branches Per 0.1 Million	Number of ATMs	Bank Deposits as % to GDP	Bank Credit
1	India	30.43	25.43	10.64	8.9	68.43	51.75
2	China	1428.98	2975.05	23.81	49.56	433.96	287.89
3	Brazil	7.93	20.55	46.15	119.63	53.26	40.28
4	Indonesia	8.23	15.91	8.52	16.47	43.36	34.25
5	Korea	79.07	...	18.8	...	80.82	90.65
6	Mauritius	104.93	210.84	21.29	42.78	170.7	77.82
7	Mexico	6.15	18.94	14.86	45.77	22.65	18.81
8	Philippines	16.29	35.75	8.07	17.7	41.93	21.39
9	South Africa	3.08	17.26	10.71	60.01	45.86	74.45
10	Sri Lanka	41.81	35.72	16.73	14.29	45.72	42.64
11	Thailand	12.14	83.8	11.29	77.95	78.79	95.37
12	Malaysia	6.32	33.98	10.49	56.43	130.82	104.23
13	UK	52.87	260.97	24.87	122.77	406.54	445.86
14	USA	9.58	...	35.43	...	57.78	46.83
15	Switzerland	84.53	166.48	50.97	100.39	151.82	173.26
16	France	40.22	106.22	41.58	109.8	34.77	42.85

Source: Financial Access Survey, IMF; Figures in respect of UK are as on 2010

CONCLUSION

Reserve Bank of India has planned NPR/ Aadhaar- linked bank account for all adults of India by January 2016 to meet its commitment on financial inclusion. It will greatly transform India by preventing the poor people falling into debt- traps of unlawful money lenders, cashless transactions, elimination of poverty and corruption. If financial inclusion programme is implemented properly it will benefit millions of small and marginal farmers and rural artisans in far flung areas of our country by providing them easy access to credit at lower rates and save. The success of banks cannot be measured simply in terms of profit their banking operations generate but it is equally about addressing the financial needs of various stakeholders. To attain inclusive growth banks have to protect the customers through improved awareness and better grievance redressal mechanism. In a fast growing country like India the poor are the middle class of tomorrow and banks can find a remarkable opportunity for their development. Therefore it can be concluded that Financial Inclusion is an opportunity rather than an obligation which will eradicate the poverty that hit the vulnerable section of India.

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POVERTY ERADICATION THROUGH INTEREST FREE FINANCE: A CASE STUDY

AHSANATH.MK
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
SULLAMUSSALAM SCIENCE COLLEGE
AREAKODE, KERALA

ABSTRACT

Poverty is the main burden of any society or any country. The economic imbalance is common world wide. It can be minimized by various activities and methods. Interest free institutions are one among the methods of poverty eradication. The paper focuses the need and importance of interest free micro financing institutions instead of interest based micro financing institutions. This paper analyzes the services of the Al-Ameen Welfare Society, Perimbalam; an interest free micro financing firm established in 1991. Author concludes the paper by suggesting establishing such type of interest free micro financing firms throughout the country; it will be a great relief to the poor society.

JEL CODE

132

KEYWORDS

Poverty eradication, Micro financing institutions, interest free micro financing institutions, Al Ameen welfare society.

INTRODUCTION

Micro finance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfer and insurance to poor and low income house holds and their micro enterprises. Commercial banks in most developing countries, excludes poor clients through imposing strict rules and regulations. Micro finance has evolved a need based policy and program to cater to the neglected groups of the society especially women, poor, rural, deprived etc. Even though Micro finance has become one of the most effective inventions for the economic empowerment of the poor, the conventional interest based micro financial institutions leads to increase the gap between haves and have notes. So a paradigm shift is to be done from interest based financial system to interest free financial system.

MICRO FINANCE IN INDIA

In India, a variety of micro financial institutions have been established in both government and non-government sector. Leading financial institutions like- the National Agricultural and Rural Development (NABARD) the Small Industries Development Bank of India (SIDBI) etc have played a significant role in making micro credit a real movement in India. Since the majority of the population of India hailing from rural areas, and the target users of the micro financial institutions are poor people, and the majority of financial institutions are interest based, the interest free micro financial institutions have great relevance.

INTEREST- FREE ECONOMIC SYSTEM

Interest-free economic system is an economic system highlighted by Islam. The rationale behind the interest-free economy is interest is not in the interest of humanity. Interest makes the money a commodity and an end in itself. When money becomes the end of economic activities, production, distribution and values get distorted.

The interest free microfinance that is growing in the country in various models and it is becoming influential organizations in several parts of the country. It will help to reduce the vulnerability of the poor and disadvantaged section of population through economic empowerment. The growing interest free co operatives, collectives and self help groups will lead to the economic empowerment of the nation. Economic empowerment really benefits to the poor people through creating new employment. Poverty alleviation will be the result. Interest free microfinance availing financial services to the poorest of the poor by incorporating charity and zakat with microfinance.

AL-AMEEN WELFARE SOCIETY- PERIMBALAM

Al-ameen welfare society was established by a group of well wishers in 1991 Perimbalam village in the Malappuram District. It was registered under the societies registration act. The aim of this society was to give financial assistance to purchase durable goods without interest to the poor people, who were not able to purchase the goods by giving full payment at a time.

REVIEW OF RELATED STUDIES

Thariq Azeed and Mohammed shamsher (2012) says in their paper entitled, "Interest free micro finance model: a path towards sustainable development" that micro finance to poorest is the best method to alleviate poverty. The objective of the study was to determine the impact of micro finance on sustainable development and to develop an alternative model of micro finance. The study was conducted by using secondary data.

Arshad Ajmal (2011) explores the cooperative model for interest free microfinance in India. The study was based on reports and studies as well as personal observation of the ground. The study highlights that the interest free microfinance, as envisaged by its proponents, is an endeavor towards financial alternative against the existing economy ridden with poverty and disparity. It also deals with criticism on microfinance and underlines the potential of microfinance to remove disparity in economy. Situation of informal sector working class in India has also been taken into account. It also tries to evaluate whether the economy of unorganized sector in itself has potential for a viable, efficient and acceptable financial alternative. Without any class-conscious bias, this aspect needs to be appreciated and valued by all who believe in justice and equity in economy. In this backdrop, it is suggested that the main thrust should be on Muslims, Dalits (Schedule Castes) and Adivasis (Schedule Tribes).

Rahmathullah, AI (2009), in a comprehensive study on the use of microfinance to combat poverty, argue that well designed programmes can improve the incomes of the poor and can move them out of poverty. They state that "there is clear evidence that the impact of a loan on a borrower's income is related to the level of income" as those with higher incomes have a greater range of investment opportunities and so credit schemes are more likely to benefit.

NEED AND IMPORTANCE OF THE STUDY

Poverty is the main burden of any society or any country. The economic imbalance is common world wide. It can be minimized by various activities such as government initiatives, NGOs, charity organizations etc. in our country, there are a number of such NGOs and charity organizations. According to Muhammed Palath (2010), This type of microfinance institutions in Kerala are known as interest free nidhis or paraspasa sahaya nidhis. The capital of each nidhi is a

collection of fund by donations, charities, small savings etc. Here an analytical study about one such organization (Al Ameen welfare society –perimbalam, Malappuram,Kerala) has been done.

STATEMENT OF THE PROBLEM

Poverty eradication through interest free finance: a case study.

OBJECTIVES

- To find out the role micro financing institutions in helping poor people.
- To analyze the services of Al Ameen welfare society.
- To understand the satisfaction level of the Al Ameen welfare society.

HYPOTHESIS

- There is a remarkable role to Al-Ameen welfare society in helping poor people in the village.
- The service of Al-Ameen welfare society is a great relief to Perimbalam village.

METHODOLOGY

Both primary and secondary data have been used for the study. Primary data has been taken from the beneficiaries of al-ameen welfare society. The secondary data has been taken from the records of the society. Convenient sampling method was used for the study. 50 beneficiaries were taken as the sample. Schedule method was used for collecting primary data. Data analysis has been done using appropriate statistical tools and techniques such as percentage & simple mean.

DISCUSSION AND FINDINGS

CAPITAL

The initial capital (1991) of the society was Rs. 10,000, which was taken by the members as donation. After years, society received shares from the members with the condition of getting 50% of the total profit. The rest 50% of the profit was merged into the capital of next year.

FUNCTION

The function of the society is to give financial help without interest, for buying durable goods for people in the Perimbalam village. It is functioning like financing for vehicles by financing companies presently. The society and shops who are the dealers of the durable goods such as house holds, furniture etc. were signed in business agreement. According to the agreement, the society will get goods in wholesale price. The clients were issued token, and by producing the tokens in concerned shops they were sold the items which they want.

Payment of the product will be done by society immediately after the sales. Customers have to repay this amount by 10 equal installments to the society. The society has completed twenty years of its service successfully and it could help hundreds of poor people in the society. The numbers of the consumers of last ten years have been listed below.

TABLE NO.1: NO. OF BENEFICIARIES OF THE SOCIETY LAST 10 YEARS

YEAR	No. OF CONSUMERS
2004	94
2005	95
2006	120
2007	115
2008	126
2009	122
2010	121
2011	123
2012	129
2013	145

Source: primary data

The above table shows that, there is an incremental fluctuation in the number of beneficiaries of the society. The society expected to be reached around 120 per year.

UTILIZATION OF AL-AMEEN SOCIETY

The people around the al-ameen society are utilizing the service of the firm for purchasing the consumer durable house holds. The following table shows the details of the utilization of the people.

TABLE NO. 2: USERS' USAGE TURN IN THE YEAR 2013

Usage- No	No. of users	%
Fist time	27	22
Second time	39	32
three or more	57	46
Total	123	100

Source: primary data

The table shows that, there is tendency that those who have experienced the service of the society once, again and again depending the society. 22% of users of 2013 are new consumers, 32 are using for second time and majority (46%) are third time or above it.

SATISFACTION LEVEL

The feed back of the customers/ beneficiaries is very important for the existence of firm. The following table and figure shows the satisfaction level of beneficiaries.

TABLE NO. 3: SATISFACTION LEVEL OF USERS

Satisfaction level	score	No. of beneficiaries	Total score
Highly satisfied	5	28	140
Satisfied	4	14	56
Neutral	3	7	21
Dissatisfied	2	1	2
Highly dissatisfied	1	0	0
	Total	50	219
	Mean score		4.38

Source: primary data

The table and figure show that, above 80% of the beneficiaries of the society are either highly satisfied or satisfied with the services of the society.

REASON FOR UTILIZATION OF SERVICE OF THE SOCIETY

Three attractions of the society have been taken for the study.

TABLE NO. 4: REASON OF UTILIZATION

Reasons	preference		
	1	2	3
N o. Interest	50(100%)	0(0%)	0(0%)
Installment facility	0(0%)	48(96%)	2(4%)
Easy transaction	0(0%)	2(4%)	48(96%)
Total	50	50	50

Source: primary data

100% respondents given first preference to 'non-interest feature', 96% gave second preference to 'installment feature'. This shows that, non-interest feature and installment facility attract most of the people.

TESTING OF HYPOTHESES

Hypothesis 1. There is a remarkable role to Al-Ameen welfare society in helping poor people in the village

To test this hypothesis chi-square test is applied. The result is shown in the table No.1

Calculated χ^2 value	Degree of freedom	Level of significance	Table value
17.348	9	5%	16.919

Here the calculated value is greater than the table value. So we accept the hypothesis, that there is a remarkable role to Al-Ameen welfare society in helping poor people. So they could reach to more beneficiaries than their expectations in last years.

Hypothesis 2. The service of Al-Ameen welfare society is a great relief to Perimbalam village.

The table No.3 shows the mean score is 4.38, so we accept the hypothesis. In this analysis, it is understood that, most of the respondents are satisfied with the service of the society. It ultimately means that the society is a great relief to the perimbalam village.

FINDINGS

1. Interest free micro financing institutions are highly depended by poor people.
2. The main attraction of this type of institutions is it is interest free.
3. Those who have experienced the service of interest free micro institutions tend to use more time.
4. Most of the users of interest free institutions are highly satisfied with their service.

SUGGESTIONS

On the basis of analysis of the functioning of the society, the researcher suggests the following points:-

1. Government has to take initiative to start such type of endeavors throughout the country. So as to decrease the gap between haves and have-nots.
2. Rural areas of India have to be given more importance.
3. Government has to persuade this type of NGOs based on interest free financing firms, since these firms are capes of good hope to the rural society of the country.
4. The above mentioned organizations will have to give assistance for house constructions.
5. Interest free vehicle loans can also be given by this type of institutions.
6. Interest free agricultural loans can also be given by this type of institutions.
7. Implementing such type of financial institutions, public get opportunities to invest their excess money.
8. Investment received by the general public can be utilized for social development through improving the infrastructural facilities.

CONCLUSION

Interest free financial system, the financial system is the solution of problems of interest based financial system. The interest based financial system increases the difference between haves and have-nots, whereas the financial system minimizes the gap between haves and have-nots. The acceptance of interest free micro finance system is being increased throughout the world.

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EMPLOYEE RETENTION STRATEGIES: AN OVERVIEW

RUHANI SOHAL
ASST. PROFESSOR
RIMT ACADEMIC COLLEGE
MANDI GOBINDGARH

ABSTRACT

In today's market, employees have control. They say: "You're lucky to have me working for you." If you don't believe that and treat them accordingly, they will quickly find another employer. The shift from employer-driven market to a candidate-driven market has created a war on talent that requires employers to compete more heavily for good candidates than ever before. They also need to be more alert to signs of dissatisfaction or restlessness on the job. What is Employee Retention? Retention is all about keeping good people and how you manage them. 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. The first step in it is to understand why employees leave. The second is to implement employee retention strategies to get them to stay. This article emphasises on employee retention as relating to the efforts by which employers attempt to retain employees in workforce. The objective behind the current study is to explore and analyze the various employee retention strategies that aim at retaining highly skilled personnel and at the same time building up under-performers. The Study Concludes that "Recognition, flexible work arrangements, work-life balance, employee engagement, health and safety, communication, workplace diversity, formal wellness programs, inclusion and employee development are some examples of approaches that can become a part of the mix when developing retention strategies.

KEYWORDS

Employee Retention, Satisfaction, Retention strategy, Turnover.

INTRODUCTION

Employee Retention is one of the key challenges faced in India. For an organization to do well and earn profits it is essential that the high potential employees stick to it for a longer duration and contribute effectively. Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time (Griffeth & Hom 2001). Retention is defined as "the implementation of integrated strategies or to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs" (Lockwood, 2006, p. 2). If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job. The reason may be personal or professional (Fombrun & Shanley, 1990). These reasons should be understood by the employer and should be taken care of. (Smith, 2001) suggests that there may be several factors involved in why employees leave their job. It could be voluntary, why the employee chooses to leave. It could also be for reasons that may include better career opportunities, increased compensation and broadening of current tasks and responsibilities and boredom with current task. Involuntary turnover occurs when employees are asked to leave for reasons including poor performance or inappropriate behavior. Company benefits, employee attitude and job performance are all factors which play an important role in employee retention. When a company replaces a worker the company incurs direct and indirect expenses. These expenses include the cost of advertising, headhunting fees, human resources fee and new hiring cost. According to a 2008 Yukon Bureau of Statistics Business Survey, "workplaces that demonstrate the value they place in their employees and that put into place policies and practices that reflect effective retention practices will benefit, in turn, from worker commitment and productivity. The top organizations are on the top because they value their employees and they know how to keep them glued to the organization. Tata Steel has always held the view that people are its greatest asset. It has adopted the best standards for employee well-being and quality of life, strongly promoting workforce rights. The other focal point is upholding the Tata values through transparency and fairness in HR practices and policies. Their Sources said "Our employee engagement practices, facilities and benefits are aligned towards ensuring retention of employees. Our engagement survey results are constantly acted upon to maintain competitive compensation, productive work environment, employee involvement in improvement initiatives, opportunities for learning and growth, performance-based rewards and recognition, high standards of amenities and facilities (housing, medical, education, recreation, social support), and two-way communication, to name a few." Tata Steel respects its employees' right to exercise freedom of association and collective bargaining. It has ensured that every employee is able to exercise this right without fear. That's why we have enjoyed 85 years of industrial harmony to date, with no strikes since 1928.

EMPLOYEE RETENTION STRATEGIES

PAY FOR PERFORMANCE

Pay-for-performance plans come in a variety of shapes and sizes, but they all involve two basic activities: defining the job and checking performance against expectations. When people exceed expectations, give them a bonus. It helps to lay the plan out ahead of time so that employees understand your expectations and know what they have to do to get the bonus. But make sure you base it on predefined profit goals, so that you don't pay out if the company doesn't make money. If you're not offering some type of incentive or pay-for-performance plan, you're putting your company at a terrible disadvantage. Smart employers use a variety of hard (monetary) and soft (non-monetary) employee compensation strategies to make it difficult for other companies to steal their people away. These include Salary, benefits, bonuses, training, reward systems, offer stock options, child care, elder care, employee assistance programs etc.

RECOGNITION

Recent studies have shown that "limited praise and recognition" was ranked as a primary reason employees leave their jobs - not money! According to Maslow's Theory of Motivation, recognition is one of the esteem needs a person is trying to fulfill. By providing employees with recognition and praise, supervisors will be fulfilling this need and motivating them to continue working hard and improving. As employees become more motivated, they have higher levels of engagement and organizational commitment, lowering the turnover rate. While it's often desirable to demonstrate recognition through a raise in salary or a holiday bonus, many employees also respond favorably to gestures that extend beyond financial rewards. Such programs and initiatives may include:

- Responsibility-based recognition — Invite key employees to head a new project or lead a committee exploring changes in business operations.
- Monthly or annual high - performance awards — Recognize an employee for his or her contributions at a staff meeting or other departmental gathering.
- Peer recognition programs — Encourage fellow employees to nominate a colleague for outstanding dedication and service.

RECOGNISE A HEALTHY WORK/LIFE BALANCE

Work-life balance programs cover a variety of interventions, and include such practices as dependent care leave, childcare subsidies, eldercare programs, counseling and referral, and flexible working hours (Withers, 2001). As the list suggests, the concept of "work-life balance" recognizes that employees have important family and extraprofessional obligations that compete with their professional commitments; benefits that may be grouped under this concept therefore allow people to strike a more meaningful and potentially less stressful balance between obligations at the work place and obligations at home. You can't expect your employees to function like robots. As the boss, it's your responsibility to ensure that your workers get enough time to recharge their batteries. It could be a week off every six months or it could be a long weekend every now and then, but finding that balance point will keep your employees happy, productive, and help them strengthen their personal bond with your company.

HIRE THE BEST

(Smith, 2001) attributes 60% of undesirable turnover to bad hiring decisions on the part of the employer. The worst mistake employers make is hiring the WRONG people. Successful hiring doesn't start with a job posting and end when a candidate has been selected. Successful hiring is a structured process that begins with a clear, well defined definition of what capabilities a good candidate must have to be successful and it ends with ensuring the selected individual accepts the offer and joins the organization in a positive way. While recruiting new employees, Infosys took adequate care to identify the right candidates. Their sources said, "We focus on recruiting candidates who display a high degree of 'learnability.' By learnability we mean the ability to derive generic knowledge from specific experiences and apply the same in new situations. We also place significant importance on professional competence and academic excellence. Other qualities we look for are analytical ability, teamwork and leadership potential, communication and innovation skills, along with a practical and structured approach to problem solving."

INVEST IN MANAGERS

How you deal with your employees every day shapes their attitudes – for good or bad. "Employees don't quit jobs," "They quit managers." says Miranda Managing Director of the Center for Advanced Human Resource studies at Cornell University. He estimates that 80 percent of turnover is driven by the environment a manager creates for an employee (compared to 20 percent resulting from issues with company culture). Because of this, any investments in training and development for your managers are well-spent. Miranda bases this idiom on bundles of research that shows a direct correlation between the impression a manager gives and an employee's job satisfaction. Miranda estimates up to 80% of employee turnover is caused directly by ineffective or overly hostile management. So, while you're taking the time to train your manager to deal with the technical aspects of their positions, it's in your best interest to include some "soft skills" as well.

OPEN DOOR POLICY

An open door policy means, literally, that every manager's door is open to every employee. The purpose of an open door policy is to encourage open communication, feedback, and discussion about any matter of importance to an employee. When a company has this policy, employees are free to talk with any manager at any time. Companies adopt an open door policy to develop employee trust and to make certain that important information and feedback reach managers who can utilize the information to make changes in the workplace. An open door policy is normally a part of the employee handbook. On the other hand For employees who leave a job and then find that their new position isn't nearly as satisfying as their old position, an open door policy and a personal invitation to come back if it doesn't work out creates a strong sense of community that, even if they don't come back to your agency, they will reflect back on your agency in the way they talk about you.

OPEN BOOK MANAGEMENT

The basis of open-book management is that the information received by employees should not only help them do their jobs effectively, but help them understand how the company is doing as a whole (Kidwell & Scherer, 2001). According to Case, "a company performs best when its people see themselves as partners in the business rather than as hired hands"(Pascarella,1998). The technique is to give employees all relevant financial information about the company so they can make better decisions as workers. This information includes, but is not limited to, revenue, profit, cost of goods, cash flow and expenses. Open-book management has been called the most important management trend in the country.

CONDUCT 'STAY INTERVIEWS'

"One must not wait until someone resigns to get feedback on why they have decided to leave for another opportunity." Instead consider the new best practice of conducting "stay interviews" for valued team members while they're still on the job. What's a stay interview? It's an informal review in which the manager and staff member sit down to discuss progress, ideas and the feedback both parties may have for each other. Ideally, the manager will do more listening than talking. Companies that use this process are finding that it helps to reduce turnover by a significant percent. In addition to performing exit interviews to learn why employees are leaving, consider asking longer-tenured employees why they stay. Ask questions such as: Why did you come to work here? Why have you stayed? What would make you leave? And what are your nonnegotiable issues? What about your managers? What would you change or improve? Then use that information to strengthen your employee-retention strategies

PLAN CAREERS, DON'T FILL ROLES

"Employee growth leads to organizations growth". "Best-practice organizations work to help individuals plan to stay with the organization — to plan their careers with the organization". The key is to guide your employees in mapping out how they can attain their career goals within your company. Advancement doesn't necessarily mean promotion. More often, it means personal and professional growth. Good employees want to develop new knowledge and skills in order to improve their value in the marketplace and enhance their own self-esteem. On-the-job training opportunities are great but you should be helping your employees to grow and expand, not simply get better at what they already do. If your training centers completely on increasing performance in a current role, you're not doing all you can for your employees. Create a leadership ladder that can help individuals earn the skills they need to move up. Additionally, employers can increase retention through development opportunities such as allowing employees to further their education and reimbursing tuition for employees who remain with the company for a specified amount of time.

SAY NO TO CONFLICTS

Conflicts must be avoided to maintain the decorum of the place and avoid spreading negativity around. Promote activities which bring the employees closer. Organize outdoor picnics, informal get together for the employees to know each other better and strengthen the bond among themselves. Let them make friends at the workplace whom they can really trust. Friendship among employees is one strong factor which helps to retain employees. Individuals who have reliable friends at the workplace are reluctant to move on for the sake of friendship. No one likes to leave an organization where he gets mental peace. It is essential to have a cordial environment at the workplace.

GIVE YOUR EMPLOYEES THE METRICS THEY NEED

"Study after study confirms that people have a deep desire to feel they're succeeding and that their talents and capabilities are being used in a way that makes a difference to the business. When people sense their actions are fulfilling this desire, they begin to develop a sense of belonging and a feeling that your company is their company." Your employees actually want to see the results of their work. They want to have that concrete object that they can rest their pride on. They need to see the results with their own two eyes. The benefit of having measurable objectives for employees is fairly obvious to most business owners and managers. Clear, achievable objectives that gauge personal, team and company performance provide the feedback employees need to confirm they're making valuable contributions and accomplishing desirable goals.

BE THE BEST

Of course you want your business to be at the top of its game all of the time—especially when compared to your competition. And so do your employees. People want to work for the winner. Not only does this ensure employment longevity, it also instills a sense of pride. The first step is understanding your company's competitive advantage—the thing that sets you above from the rest. Whether it's customer service, a top-tier product, or the fact that you're locally owned and operated, make sure your customers and employees know about it.

KNOWLEDGE TRANSFER

While employee retention practices seek to retain workers, knowledge transfer practices seeks to retain skills, through both formal and informal exercises in information sharing and the building of collective knowledge. "Knowledge is tacit—it is held so deeply by the individual that it is hard to express or document. If ways can be found to transfer that knowledge to others in the firm, either through personal interaction or by recording it, then that knowledge becomes . . . a key source of advantage." (Birkinshaw, 2001). Mentoring and coaching, phased-in retirements, and cross-training and job rotation, are types of knowledge transfer that overlap with training. This may also includes the use of technology-based tools, databases, intranets, teamwork aimed to support knowledge sharing among individuals, and to permanently document and keep knowledge that is vital to business performance.

TAKE THE PULSE OF YOUR PEOPLE ON REGULAR BASIS

From time to time, bring in an outside third party to get a more objective view of how your people really feel. Find out if they really know the vision, mission and values. At the same time, give employees plenty of information about how the company is performing and where it is going. When people buy into your clearly stated corporate values and have the information they need to get the job done, they tend to stick around

HIRE HUMAN RESOURCE PROFESSIONAL

If your company is nearing 100 employees, consider hiring a human-resources director to oversee and streamline your employee structure and processes. Putting one person in charge of managing employee benefits, perks, reviews and related tasks takes a huge load off of you and makes sure employees are treated fairly. HR managers are also more up to date on employment laws and trends. They can set up various programs and perks you may not have known existed. An employee retention consultant can assist organizations in the process of retaining top employees. Consultants can provide expertise on how to best identify the issues within an organization that are related to turnover. Once identified, a consultant can suggest programs or organizational changes to address these issues and may also assist in the implementation of these programs or changes.

OUTSOURCING EMPLOYEE RETENTION PROGRAMS

Organizations and managers understand the importance of implementing an effective retention program but aren't proactive in implementing one and often leave it for another day. That day hardly ever comes. Organizations that don't have the time or have limited resources can outsource employee retention programs to specialists. Companies can hire third party specialists to pinpoint the root causes of their workforce challenges. By identifying the root causes, customized action plans can be tailored to fit your organization's need to and create a retention program customized to your organization. Another benefit of outsourcing is that organizations can get quantifiable justifying the actions needed to improve their organization.

ONE COHESIVE STRATEGY

You can't afford to approach employee retention half-heartedly. Everything you do should be just a part of a complete and overarching strategy. While attacking employee retention piecemeal will undoubtedly net you results, creating the type of friendly and inviting work environment that you need to succeed is the most effective and most efficient way to keep your best employees on. The challenge is often how companies approach retention — reactively. Retention issues are ignored until the company suspects an employee might bail, at which point it's addressed by offering the employee some kind of enticement to stay, and then it's back to business as usual. This approach might work in the short-run, but does nothing to cultivate longer-term loyalty. A better approach is to address retention proactively, as a strategic issue.

CONCLUSION

Every employee is motivated by different things, and retention strategies thus need to be tailored down to the individual level. "The key phrase is specialized efforts." Successful organizations don't view retention initiatives as 'one size fits all.' Instead, they're making retention strategies personal. You may be surprised to find that monetary incentives are low on the list. These days, employees are more concerned with challenging work, personal and professional growth opportunities, work/life balance, and workplace flexibility. To become "employers of choice" employers must devise strategies and innovative programs which will satisfy a spectrum of both work and personal needs. Such initiatives include tangible rewards such as competitive compensation and benefits, and, more important, valued intangibles like quality of work life programs. Creative strategies that go beyond pay and benefits can be employed to attract and retain employees. To Conclude "Recognition, flexible work arrangements, work-life balance, employee engagement, health and safety, communication, workplace diversity, formal wellness programs, inclusion and employee development are some examples of approaches that can become a part of the mix when developing retention strategies."

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A STUDY ON EMPLOYEES' INVOLVEMENT TOWARDS EFFECTIVENESS OF TEAM WORK IN GLOBAL SCENARIO

K. KALAIVANI

ASST. PROFESSOR

DEPARTMENT OF MANAGEMENT STUDIES

SRI MANAKULA VINAYAGAR INSTITUTE OF TECHNOLOGY

PUDUCHERRY

P. SASIKALA

ASST. PROFESSOR

DEPARTMENT OF MANAGEMENT STUDIES

SRI MANAKULA VINAYAGAR INSTITUTE OF TECHNOLOGY

PUDUCHERRY

ABSTRACT

The word TEAM refers to Together Everybody Achieve More. A good team does not have an I. Effective Teamwork depends a lot on the team leader. But the team members are also crucial to this process. After all, without its members a team will not be a team. Sometimes it is challenging to make a team work. A number of factors can spoil it and it can become quite a challenge to handle unruly and difficult people. Yet, it is still one of the most powerful ways of organizing work to be done in the organization. The main focus of the study is to understand about team work practices and their involvement in achieve effective team work. The study reveals that the employees are satisfied with the present team, working hours, work environment, communication with the team leader and his guidance. This can be further improved for enhancing better quality of work life. The employees of the organization are very dynamic even when assigned a different role in the team. This shows a positive sign of flourishing of the teams. Moreover, the consistent motivation and inspiration by the team leader will certainly enhance the level of participation of team members. The research is descriptive and the sample method used is Convenience sampling method. Nearly 116 samples are taken to study the Team Work at M/s LUCAS TVS LIMITED, PUDUCHERRY.

KEYWORDS

Effectiveness, Employees Involvement, Performance, Satisfaction and Team work.

INTRODUCTION

Teamwork can be defined as the ability to work cooperatively with others and work together as opposed to separately or competitively to achieve a common goal. Teamwork is used in all aspects of life.

A business or cooperation will not survive unless all members work as one team. Whether or not each individual realizes it, they are putting complete trust in the other members of their "team" to work together and achieve one common goal.

MEANING

Effective Teamwork depends a lot on the team leader. But the team members are also crucial to this process. After all, without its members a team will not be a team. Sometimes it is challenging to make a team work. A number of factors can spoil it and it can become quite a challenge to handle unruly and difficult people. Yet, it is still one of the most powerful ways of organizing work to be done in the organization.

It is the ways of making employees feel more interested in their Work so that they produce more work of better quality

DEFINITION

TEAMWORK

"Co-operation between those who are working on a task." Commonly teamwork is understood as co-operation and willingness to work together.

"Teamwork is the co-operative effort by a group of people to achieve a common goal".

EMPLOYEES INVOLVEMENT

A management policy that aims to increase employees' commitment by giving employees greater individual responsibility for the work they do and a greater share in decision making.

FACTOR INFLUENCING EMPLOYEES INVOLVEMENT

- ❖ Employee's involvement is related to three classes of working variables: personal characteristics, situational characteristics and outcomes. No one class of variable shows clearly stronger relationship to employee's involvement than any other.
- ❖ Employee's involvement is quite stable.
- ❖ Most of the variable in employee's involvement remains unexplained.
- ❖ The data are more consistent with the "Importance of Work".
- ❖ Employees involvement seems to be "feedback variable" both a cause and effect of employees behavior.
- ❖ Personal and situational variables have independent effects on involvement and situational variables seen to have more effects on involvement than the personal variable. All persons significantly show high employees involvement.

PRINCIPLES OF EFFECTIVE TEAMWORK

HIERARCHY

An effective group understands the team structure, including which team member is responsible for what activity. To get efficient results it is important for a team to operate under a hierarchy that everyone agrees to.

PLANNING

Before taking on a task, the team understands the importance of planning before starting. Each member of the group is responsible for his individual area of expertise, and the entire group is part of the planning process.

IDEA INPUT

Many groups are made up of people with diverse backgrounds that include different work experience. A group may include a significant generation gap. To work as an efficient team, the group puts aside differences and values each member's input into the group's solution. Years of experience are important in getting a job done correctly.

SUPPORT

Competition for an effective team comes from outside the team. When a group is working together each member supports every other group member, helping each other find solutions to the group's problems.

LEARNING FROM FAILURE

It is important for a team to remember how it succeeded in reaching a goal to replicate that success in future tasks. But it is also important to learn from failure. The team should run through each project or task afterward to ensure that mistakes made in the past are not repeated.

PERFORMANCE STANDARDS

When a team sets out to do a task, the entire group needs to agree on how to judge the quality of the final product. The performance and results standards that the group sets for itself should be used to help motivate the group to performing at its peak level.

EFFECTIVE TEAMWORK RESULTS FROM

- A team whose membership, size and resources match the task good leadership and attention to team-building commitment by team members to understand and identify with one another's goals the development of team goals .
- A shared vision a sense of common ownership of the task at hand and joint responsibility for its achievement co-ordinate effort and planned sharing of tasks.
- The open exchange of information within the team.
- Honesty and frankness among team members
- Effective teamwork may be undermined by a variety of problems, for example: disorganization, poor communication, misunderstandings or inadequate procedures for problem-solving.
- Team functioning can be weakened by obstacles faced by individual members within the team, as well as by difficulties linked to the task.

ESSENTIALS OF A TEAM

- Voluntary Participation.
- Top Management Support.
- Operational Management Support.
- Facilitator Guidance.
- Training & Development.
- Shared Work Background.
- Solution Oriented.
- Recognition.
- Good Leadership.
- Subordination of Personal Interest to Organizational Interest.
- Clear Communication.
- Timely Completion.

OBSTACLES TO EFFECTIVE TEAMWORK

- ✓ Unclear Goals
- ✓ Demotivation
- ✓ Unclear Roles
- ✓ Poor Communication
- ✓ Discrimination

PROBLEMS ASSOCIATED WITH TEAMS

- ❖ Group Norms
- ❖ Too much discord
- ❖ Personality problems
- ❖ Rigid leadership
- ❖ Differences of opinion
- ❖ Too much harmony
- ❖ Corporate culture and reward system

OBJECTIVES OF THE STUDY

- To understand the employees' perception and satisfaction level.
- To analyze the employees' attitude towards team work to achieve efficiency in production.
- To ascertain the factor that favours employees' involvement and team work.

STATEMENT OF THE PROBLEM

A person who has a great overview and understanding of an enterprise can serve as a mediator between different parts of the system. If the team members are dedicated, good at what they do, and doing it with great style – they are the prime candidates for a perfect team. Unfortunately, a perfect teamwork is invisible. The study will improve the ability of employees to work co-operatively with others and helps to communicate openly and honestly about the ideas and suggestions with other team members. This study gives support for improving the level of employee involvement and helps to understand the team performance & employees' attitude towards team work.

DATA COLLECTION

Relating to study the primary data was collected from employees working in M/s LUCAS TVS LIMITED, PUDUCHERRY. The secondary data was collected with the help of Company records, Product Catalogue, company website and discussion with the personnel manager and staff.

DATA ANALYSIS AND DATA INTERPRETATION**WEIGHTED AVERAGE METHOD**

Application of weighted average method to Rank the factors that is consider most important by the employees towards Team work.

CALCULATION OF WEIGHTED AVERAGE METHOD

Rank	Weight	Distribution of work		Getting better guidance		Sense of belongingness		Better sharing of opinions		To manage work stress	
1	5	19	95	8	40	38	190	17	85	34	170
2	4	18	72	42	168	19	76	27	108	20	80
3	3	33	99	27	81	33	99	8	24	13	39
4	2	10	20	35	70	12	24	25	50	27	54
5	1	36	36	4	4	14	14	39	39	22	22
Total		116	322	116	364	116	403	116	306	116	365

$\Sigma WY/\Sigma X$	2.775	3.137	3.474	2.637	3.146
Rank	4	3	1	5	2

WEIGHTED AVERAGE RESULT

FACTORS	AVERAGE VALUE	RANK
Sense of belongingness	3.474	1
To manage work stress	3.146	2
Getting better guidance	3.137	3
Distribution of work	2.775	4
Better sharing of opinions	2.637	5

INFERENCE

It is interpreted from the above table that the employees have given first rank for sense of belongingness, second to manage work stress, third to getting better guidance, fourth distribution of work and fifth to better sharing of opinions.

SUGGESTIONS AND RECOMMENDATIONS

- ✓ The best possible situation for teamwork is when each member of the team has complete confidence in the intentions and abilities of the other team members, as well as a clear vision of the goal and the steps that lead to it. So the management must show little more concern in sense of belongingness.
- ✓ Communication keeps the operation of the team well-oiled and without friction. With a smaller group of people teamwork consists of recognizing the problems as they arise, successfully communicating with the other members of the team, and making the necessary adjustments. The management can give more opportunity to the workers for better sharing of their opinions.
- ✓ As the teams get bigger and the goals more complex, communication becomes harder to accomplish. To be able to function at this level, the team has to be well-structured. It becomes necessary to communicate through properly defined channels, for clear reasons, and with appropriate level of priority. Hence, the management must schedule the distribution of work with little more concern.

CONCLUSION

Good teamwork maximizes the effect of communication with minimal overhead. Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. Employee involvement is not the goal nor is it a tool, as practiced in many organizations. Rather, employee involvement is a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organization. The most important factor from the opinion of the employees is cooperation that can be achieved with better understanding and mutual sharing of assignments. A business or cooperation will not survive unless all members work as one team. Effective Teamwork depends a lot on the team leader. But the team members are also crucial to this process. After all, without its members a team will not be a team. From the study, the Researcher able to project the following opinions and supports the Management with some suggestions.

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COMPARATIVE STUDY OF UNORGANISED AND ORGANISED RETAIL: THE CASE OF INDIAN GROCERY MARKET AT NCR

SHASHANK MEHRA

**RESEARCH SCHOLAR, JAYPEE BUSINESS SCHOOL, IIIT-UNIVERSITY, NOIDA; &
ASST. PROFESSOR
SBS SHARDA UNIVERSITY
GREATER NOIDA**

MOONIS SHAKEEL

**ASST. PROFESSOR
JAYPEE BUSINESS SCHOOL
IIIT UNIVERSITY
NOIDA**

ABSTRACT

Consumer Store choice has been subject of frequent research in the developed market, however the Indian retail sector is highly fragmented and unorganised till last decade. Many international retailers along with Indian retailers entered in the Indian market and opening the stores across the country. The competition is intensified between unorganised and organised retailing especially in Food and Grocery (F & G) sector. Competition in the retail market is of intertype, intratype and intercategory. Researcher's traces inter-category competition in the paper, which signifies the two different retail formats are competing for share of wallet of consumers selling similar type of merchandise. Both the organised and unorganised formats are trying to lure customers with various retail dimensions i.e. merchandise offerings, variety of services they offered, value for money, problem solving attitude, visual merchandising of the store, proximity and overall feel. All these dimensions have sub-items and have relatively important role for having patronage behavior of the customer towards their store. The researchers identified above seven dimensions and each dimension is having sub-items. In this study we found that there is a significant difference between unorganised and organised retail in the Indian grocery retail market on all the seven dimensions.

KEYWORDS

retail, consumer choice, store choice, retail competition, food and grocery market (F & G).

INTRODUCTION

RETAIL STORE CHOICE

THE RELATIVE ROLE OF CHOICE IN RETAIL SETTING

Individual's choice is not referred to as the decision itself, what really matters are the process that results in the decision (Corstens and Gautschi, 1983). In particular, the decisions regarding retailing are among the most crucial issues; on the one hand, retailing has rising rapidly and generating large amount of revenues and profits. On the other side, contemporary customers face with abundant choices and decisions in their everyday retail purchasing. The compound idea of choice in retail is made up from product-category choice, product-choice, brand-choice, retail-format choice, retail-chain choice, retail-store choice, retail-service choice (Rigopoulou et al., 2008). All these elements drive the buying decision, to understand the complex process. Hansen and Deutscher point out that retailer's customers' are the ones who provide the measure of attribute importance (ibid), therefore, it is necessary to study customer who is the decision maker. Store choice literature has a rich tradition and some of the notable works to date are Arnold, Ma, and Tigert (1978), Arnold, Oum, and Tigert (1983), Arnold, Handelman, and Tigert (1996), Burke, Bari, Harlam, Kahn, and Lodish (1992), Darden (1979), Dawson, Bloch, and Ridgway (1990), Eagle (1984), Keng and Ehrenberg (1984), Louviere and Gaeth (1987), Mason, Durand, and Taylor (1983), Monroe and Guitinan (1975), and Spiggle and Sewall (1987). These studies have variously tried to rationalize store choice in terms of store attributes, importance weights, store attitudes, general shopping patterns, household demographics, and situational factors. For example, a study by Kenhove, Wulf, & Waterschoot (1999) examined the impact of task definition on store attribute salience and store choice. They examined five different tasks, and for each task, they found different attributes to be salient. One of the tasks that they study is when consumers have to buy in large quantities. For this task, consumers retrieve a store that has large enough stock, low prices, and a store that sells these products. Both supermarkets and food warehouses would satisfy this requirement. They study the competition between supermarkets and food warehouses. They also provide explanations for why different stores carry different products. In addition, they study the role of membership fees, product perishability and household capacity constraints. Most of the store choice studies have been restricted to stores within the same format, i.e., supermarkets, discount stores, department stores, etc. Consumers' store choice has been a major research area for the past few decades; it has been categorized as internal and external customer parameters (Kim and Park, 1997). This is analyzed by different approaches, in Pan and Zinkhan's meta-analysis, by dividing store attributes into three groups: the product relevant, the market relevant and the personal attributes which are seen as choice criteria. From a more synthetic perspective, these attributes are often bundled up as reflection of store choice criteria. Nevertheless, another view points out attributes linked to product, advertising and pricing as situational variables, whereas customer related attributes such as psychographic and past behaviour are treated as individual variables. Yet other researchers tried to pinpoint the exact attributes that influence consumer's choice decision (Rigopoulou et al., 2008).

Store choice can also be referred as a cognitive process (Sinha and Banerjee, 2004) which demonstrates why consumers patronize to one store but not another (McGoldrick, 2002). The Indian consumer is passing through a cognitive phase while selecting a retail store for grocery purchase. The underlying reasoning is becoming pivotal for the consumers' store choice criteria. The reason for selecting a store is explained in the way that positive attributes fulfill consumers' underlying motives (ibid). A store is chosen based on the self-confidence that the customer has regarding the store, about the nature and quality of the product and service they will receive. Customers lay emphasis on familiarity with the store, which is dependent on the perceived risk in making an erroneous purchase and the importance of the product category to the shopper (Sinha and Banerjee, 2004). In threshold model of store choice published by Malhotra, the paper propose customer show a degree of preference for a store which is resulted from the threshold value allotted by the shopper, hence, unless the preference for a store has exceeded a certain threshold level, it will not contribute to the selection of that store. The threshold value for a shopper is influenced largely by the store image characteristic. The characteristics identified as salient were variety selection, personnel and service, acceptable price, convenience of location and physical facilities (Malhotra, 1983). This aspect not only makes a customer to evaluate various dimensions at the same time but also she is valuing her purchase criteria in the competitive landscape offered by market.

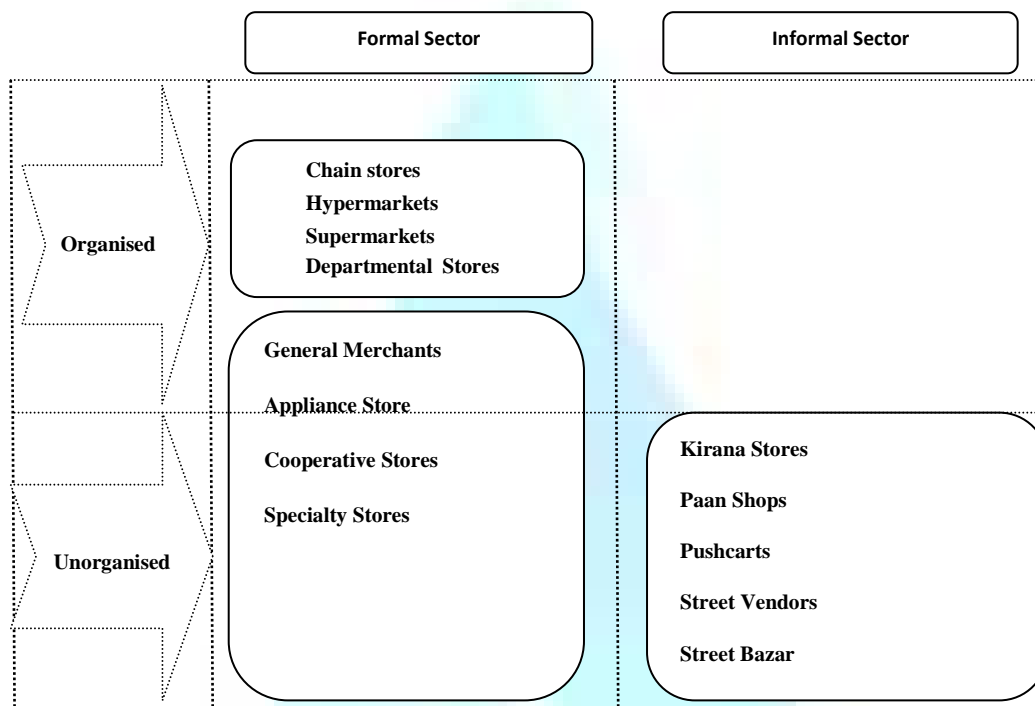
CLASSIFICATION OF UNORGANISED AND ORGANISED RETAIL

In the seminal work Kohli and Bhagwati (2011) categorized unorganised and organised retailers. They classify retailers are categorized in India as either formal or informal and as organised or unorganised.

The informal sector (generally synonymous with “small” retailers) consists of unincorporated businesses that are owned and run by individuals or households. These businesses are not legally distinct from their owners, who raise capital at their own risk and have unlimited personal liability for debts and obligations. Informal businesses typically employ family members and casual labor without formal contracts. The formal sector ((generally synonymous with “large” retailers), on the other hand, includes corporations, limited companies, and businesses run by or on behalf of cooperative societies and trusts.

The organised sector comprises incorporated businesses. Information about this sector is available from company budgets and reports. Importantly, partnerships, private and limited companies, and businesses run by cooperative societies and trusts are not considered to be organised businesses in India. Instead, they are classified as part of the unorganised sector, which also includes all businesses in the informal sector. The relationship between these two sets of definitions of “Unorganised” and “Organised” retailers is set out in Figure 1. As seen there, organised retailing includes some large incorporated stores, and all chain stores, supermarkets, hypermarkets, department stores and store-in-stores. Unorganised retailing includes all informal retailers, including mom-and-pop stores (which are called “kirana” stores in India), vegetable and fruit stalls, paan shops (which sell beetle nut wrapped in a leaf, cigarettes and tobacco), pushcarts, street hawkers and street vendors. It also includes general merchants, chemists, appliance stores, and various specialty stores that are part of the formal sector but that operate as partnerships, private and limited companies, cooperatives, or trusts.

FIGURE-1



Source: Kohli and Bhagwati (2011)

Chain stores are retail outlets that share a brand name and have central management and standardized business practices. Wal-Mart is the world's largest retail chain.

Hypermarkets are combinations of supermarkets and department stores. For example, Big Bazaar and Spencer's Retail are hypermarkets in India; Super Wal-Mart and Super Target are hypermarkets in USA.

Stores-in-store are (typically branded) manufacturers who rent space within a larger store and operate independent businesses. Examples are cosmetics and perfume counters in many departmental stores.

Cooperative stores are owned by a society or groups of individuals. Examples of cooperative stores in India are Super Bazaar and Kendriya Bhandar.

Kirana stores are small, owner operated, mom-and-pop stores.

Paan shops are small roadside stalls that sell beetle nut wrapped in a leaf, cigarettes and tobacco.

RETAIL SALES IN ORGANISED AND UNORGANISED STORES

The composition of the sales growth, researchers tried to calibrate the data from various sources below mentioned data been provided by Malhotra, Aggarwal and Chaudhary (2010) and economic Intelligence unit (2011)/Planet retail is self evident. Share of Sales, Dollar sales and Average Growth Rates for Organised and Unorganised Retailers in India: 2005-2009

TABLE-1: SHARE OF RETAIL SALES

	Year	
Organised retailers	2005	2009
	3.30	4.80
Unorganised retailers	96.70	95.20

Source: Malhotra, Agarwal and Chaudhry (2010).

TABLE-2: RETAIL SALES IN BILLIONS OF DOLLARS (US)

	Nominal sales		Sales in constant (2009) prices	
Year	2005	2009	2005	2009
Organised retailing	10.97	22.62	13.56	22.62
Unorganised retailing	321.59	448.65	397.45	448.65
Total retail sales	332.56	471.27	411.01	471.27

Sources: Malhotra, Agarwal and Chaudhry (2010) and Economist Intelligence Unit (2011)/Planet Retail

TABLE-3: AVERAGE ANNUAL GROWTH RATE

2005-2009	Nominal sales	Sales in constant (2009) prices
Organised retailing	19.82%	13.65%
Unorganised retailing	8.68%	3.07%
All retailing	9.10%	3.50%

Sources: Malhotra, Agarwal and Chaudhry (2010) and Economist Intelligence Unit (2011)/Planet Retail

TABLE-4: SALES IN GROCERY RETAILERS BY CHANNEL: VALUE 2007-2012 (Rs billion, retail value rsp excl sales tax)

Year	2007	2008	2009	2010	2011	2012
Modern Grocery Retailers	123.7	168.2	145.2	182.1	222.5	260.2
- Convenience Stores	6.9	11.2	11.1	11.3	14.4	15.2
- Discounters	-	-	-	-	-	-
- Forecourt Retailers	1.4	1.4	1.4	1.3	1.7	1.8
-- Chained Forecourt	1.4	1.4	1.4	1.3	1.7	1.8
Retailers						
-- Independent	-	-	-	-	-	-
Forecourt Retailers						
- Hypermarkets	40.1	57.8	69.8	94.9	117.5	140.6
- Supermarkets	75.3	97.9	62.9	74.6	88.9	102.7
Traditional Grocery	8,402.90	9,412.30	10,492.20	11,656.20	12,935.20	14,347.80
Retailers						
- Food/Drink/Tobacco	1,303.00	1,435.90	1,593.80	1,777.10	1,999.30	2,289.20
- Independent Small Grocers	6,823.00	7,669.10	8,551.00	9,483.10	10,478.80	11,526.70
- Other Grocery Retailers	276.9	307.4	347.3	396	457.2	532
Grocery Retailers	8,526.60	9,580.50	10,637.30	11,838.20	13,157.80	14,608.00

Source: Euromonitor International(2013) from official statistics, trade associations, trade press, company research, trade interviews, trade sources

RESEARCH MODEL

Ingenue and Brown(1987) developed a holistic model of retail structure that includes market factors such as demographic, environmental and marketing mix variables as determinants. They propose that demographic variables and environmental characteristics affect retail structure both directly and indirectly through effects on marketing mix variables. Their model is expanded in Figure 2 using the typology from Table 5.

TABLE 5: TYPOLOGY OF RETAIL COMPETITION

	Limited Line Competition	Broad line Competition	General Merchandise
LLS	INTRATYPE		
BLS	INTERTYPE	INTRATYPE	
GM	INTERCATEGORY	INTERCATEGORY	INTRATYPE

Competition among these three types of retailers is classified as

- INTRATYPE
- INTERTYPE
- INTERCATEGORY

As presented in Table-5.

INTRATYPE COMPETITION

Occurs when retailers of the same type (e.g. limited line versus limited line, broad line versus broad line) compete by selling similar merchandise.

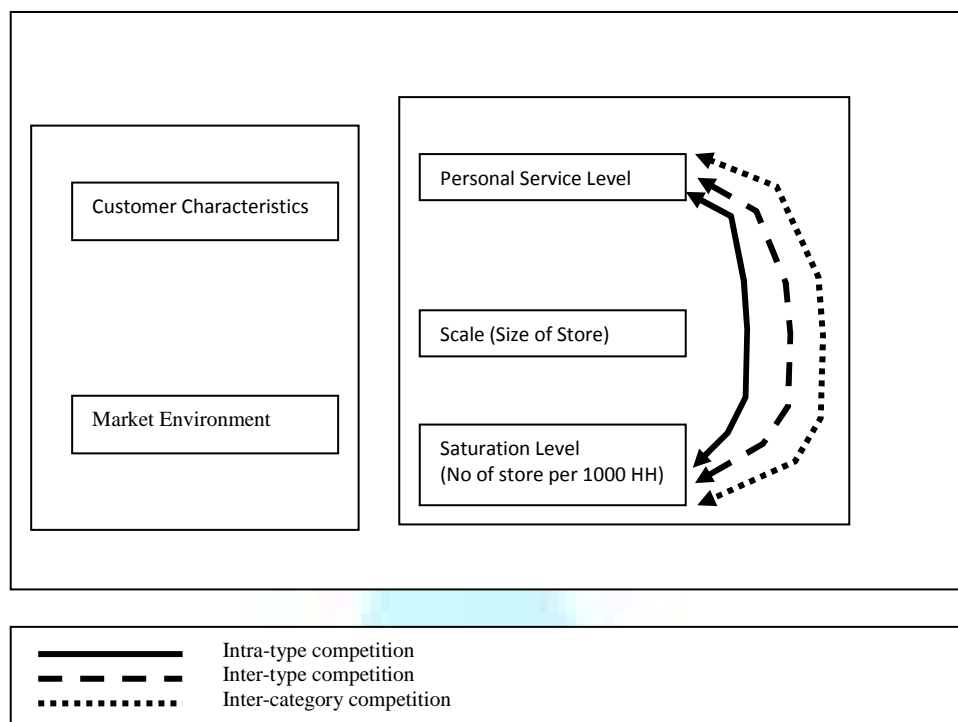
INTERTYPE COMPETITION

Describes competition between limited-line and broad-line specialists that's sell similar merchandise.

INTERCATEGORY

Exists as competition between specialists and general merchandise selling similar merchandise. This type of competition can be modeled into retail structure to provide a more comprehensive treatment of the subject.

FIGURE-2



OBJECTIVES OF THE STUDY

1. To identify and determine the various determinants for store choice criterion for Grocery stores.
2. To determine organised and unorganised grocery retailers competencies in the modern day retail environment.
3. Measuring consumers' store format choice behavior difference between organized or unorganized stores.

HYPOTHESES

The following hypothesis been formed to test consumers' response towards unorganised stores and unorganised stores:

- Ho1: There is no significance difference between organised stores and unorganised stores on Merchandise dimensions.
 Ho2: There is no significance difference between organised stores and unorganised stores on Service dimensions.
 Ho3: There is no significance difference between organised stores and unorganised stores on Value for money dimensions.
 Ho4: There is no significance difference between organised stores and unorganised stores on Problem solving dimensions.
 Ho5: There is no significance difference between organised stores and unorganised stores on Visual Merchandise dimensions.
 Ho6: There is no significance difference between organised stores and unorganised stores on proximity dimensions.
 Ho7: There is no significance difference between organised stores and unorganised stores on overall feel dimensions.

RESEARCH METHODOLOGY

After doing the literature survey, the researchers developed a questionnaire. The questionnaire is having two sections. First section was having socio-economic classification with eleven questions describing the personal information of the customer. The second part is based on the construct developed using seven dimensions. Each dimension is having sub-items to form the scale. Merchandise is having eight items, Service is having eight items, Value for money is having nine items, Problem Solving is having three items, Visual Merchandising is five items, Proximity is having one item and overall feel is having three items. The above said dimensions have been classified based on previous researchers.

The hypotheses have been tested using 37 items on seven dimensions. These 37 items formed the scale on which consumer responses been collected using five-point likert scale on strongly agree to strongly disagree.

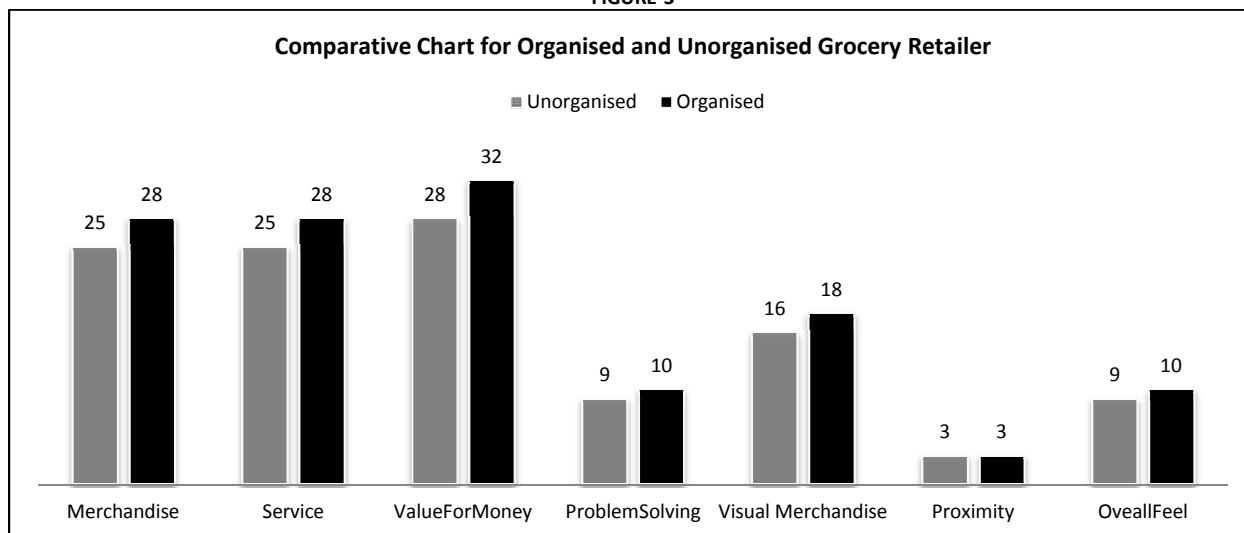
Once scale was developed the next phase was to collect the data on the questionnaire. The data been collected using sampling. Researchers defined population as whosoever visited and purchase food and grocery from organised as well as unorganised stores in last one year. Multi-stage probability sampling techniques is used for the research. Six areas Delhi, Ghaziabad, Greater Noida, Noida, Faridabad and Gurgaon have been chosen for the research and at-home survey been conducted. Total sample size was 750. Data been collected from 750 samples out of which only 579 usable questionnaires been further processed and analyzed.

RESULTS & DISCUSSION

TABLE 6: DESCRIPTIVE STATISTICS OF THE PARTICIPANTS' PROFILES

	Frequency	%
Gender		
Male	304	52.5
Female	274	47.3
Missing	01	.2
Total	579	100
Age		
Below 25	137	23.7
26-30	181	31.3
31-35	152	26.3
36-40	76	13.1
40 and above	33	5.7
Total	579	100
Education		
Metric	45	7.8
Graduate	282	48.7
Post Graduate	212	36.6
Professional	37	6.4
Missing	3	.5
Total	579	100
Occupation		
Private Service	179	30.9
Government Service	158	27.3
Student	177	30.6
Self Employed	59	10.2
Missing	6	1.0
Total	579	100
Family Income		
Less Than 15000	73	12.6
15000-25000	159	27.5
25000-35000	132	22.8
35000-45000	130	22.4
45000 and above	85	14.7
Total	579	100
Frequency to Visit to Grocery Store		
More than twice a week	159	27.5
Once a week	162	28.0
Once fortnight	190	32.8
Once in a month	66	11.4
Missing	2	.3
Total	579	100
Vehicle Owned		
Two Wheeler	109	18.8
Four Wheeler	229	39.5
Both Two Wheeler and Four Wheeler	192	33.2
None	49	8.5
Total	579	100
Distance to visit for purchase of grocery		
Less than 1 KM	70	12.1
1-2 KM	90	15.5
2-3 KM	114	19.7
3-4 KM	129	22.3
4-5 KM	126	21.8
5-6 KM	20	3.5
6-7 KM	17	2.9
7-8 KM	12	2.1
More than 8 KM	1	.2
Total	579	100

FIGURE-3



From the figure-3, it is evident that the overall score on seven dimensions, i.e. merchandise, service, value for money, problem solving, visual merchandise and overall feel organised store scored better than unorganised stores from the customer point of view.

TABLE-8

ITEMS	t	df	Sig. (2-tailed)
Pair 1 UO1-O1:Store has superior quality product	-5.882	578,000	
Pair 2 UO2-O2:Store provides consistency in quality	-6.384	578,000	
Pair 3 UO3-O3:Store has cleanliness of products (no dust, hygienic)	-5.573	578,000	
Pair 4 UO4- O4:Store gives assurance of right product	-8.313	578,000	
Pair 5 UO5-O5:Store provides wide varieties in same product category	-6.973	578,000	
Pair 6 UO6-O6:Store has wide range of choices of products	-7.410	578,000	
Pair 7 UO7-O7:Store has good availability of every product (whenever customer need)	-8.120	578,000	
Pair 8 UO8-O8:Store provides all information of product features	-11.527	578,000	
Pair 1 UO_Merchandise - O_Merchandise	-11.210	578,000	
Pair 9 UO9-O9:Store gives prompt service(Quick Response)	-10.433	578,000	
Pair 10 UO10-O10:Store provides better service	-9.059	578,000	
Pair 11 UO11-O11:It is Comfortable to wait in the store	-7.397	578,000	
Pair 12 UO12-O12:Store has courteous and friendly employees	-9.464	578,000	
Pair 13 UO13-O13:Store has convenience of parking	-7.883	578,000	
Pair 14 UO14-O14:Store provides return facility or cash back(if some fault found in product after purchasing)	-7.010	578,000	
Pair 15 UO15-O15:Store provides order through phone	-4.571	578,000	
Pair 16 UO16-O16:Store provide home delivery	-5.222	578,000	
Pair 2 UO_Service - O_Service	-12.289	578,000	
Pair 17 UO17-O17:Store has immediate billing system	-10.980	578,000	
Pair 18 UO18-O18:Store provide information of attractive offers time to time	-10.214	578,000	
Pair 19 UO19-O19:Store offers various schemes	-5.284	578,000	
Pair 20 UO20-O20:Store offers coupons	-6.488	578,000	
Pair 21 UO21-O21:Store has reasonable price	-7.674	578,000	
Pair 22 UO22-O22:Store provide best value for money	-8.468	578,000	
Pair 23 UO23-O23:Store offers discounts whenever schemes is there	-4.641	578,000	
Pair 24 UO24-O24:Store allows credit facilities	-8.955	578,000	
Pair 25 UO25-O25:Store provide billing through credit cards	-5.908	578,000	
Pair 3 UO_Value For Money - O_ValueForMoney	-12.320	578,000	
Pair 26 UO26-O26:Having good relationship with customer	-5.162	578,000	
Pair 27 UO27-O27:Understand the customer very well	-4.871	578,000	
Pair 28 UO28-O28:Store provides speedily solution of customer's problem	-9.141	578,000	
Pair 4 UO_Problem Solving - O_ProblemSolving	-8.167	578,000	
Pair 29 UO29-O29:Store has good appeal (ambience)	-7.439	578,000	
Pair 30 UO30-O30:Store has good exteriors(Outside Look)	-9.236	578,000	
Pair 31 UO31-O31:Store has good interiors(Inside Look)	-5.497	578,000	
Pair 32 UO32-O32:Store has reasonable size for convenient shopping(Comfortable)	-7.231	578,000	
Pair 33 UO33-O33:It is easy to find out products in the store	-5.490	578,000	
Pair 5 UO_Visual Merchandise - O_Visual Merchandise	-10.904	578,000	
Pair 34 UO34-O34:Store is close to living place	-3.865	578,000	
Pair 6 UO_Proximity - O_Proximity	-3.865	578,000	
Pair 35 UO35-O35:Store has one stop shopping	-5.736	578,000	
Pair 36 UO36-O36:Feel good after shopping (good shopping experience)	-7.315	578,000	
Pair 37 UO37-O37:Overall feel of buying is satisfying	-2.184	578,029	
Pair 7 UO_Overall Feel - O_Overall Feel	-6.585	578,000	

UO: Unorganised

O: Organised

(p < .05)

As per the data on all the dimensions there is significant difference found between organised and unorganised stores on the 37 items of seven dimensions. The customers perceive organised stores are better than unorganised stores.

Table 8 reports the findings of the respondents' perception towards unorganised and organised retailers. Consumers' evaluations of unorganised and organised retailers were calculated. Table 8 demonstrates the agreement levels of individual item attributes of respondents about the store format type.

Results indicate that overall perception differ significantly between unorganised and organised retailers.

Unorganised and Organised retailers differ significantly merchandise dimension ($p < 0.05$), Service dimension ($p < 0.05$), Value for money dimension ($p < 0.05$), Problem solving dimension ($p < 0.05$), proximity dimension ($p < 0.05$), overall feel ($p < 0.05$). Therefore, the hypotheses Ho1-Ho7 are rejected.

RECOMMENDATIONS AND SUGGESTIONS

Unorganised and organised retailers were significantly differing on all the seven store attribute factors. It seems that the process of convergence in the behavior of unorganised and organised retailers has become increasingly evident in India. Indian retailing has gone through a rapid change along the familiar lines found in other American and European countries with the new formats, organizational structures and management practices being implemented rapidly. The structure of Indian retailing has shifted from a fragmented approach to consolidation, which is a situation in which a few retail chains dominate the grocery market.

Retail convergence, however increases the competition in the marketplace, since it is evident that the consumers distinguish between organised retailer and unorganised retailers due to differentiate offerings.

CONCLUSIONS

This research sheds some light on the perceptions of consumers towards purchasing from unorganised and organised retailers with respect to major grocery store attributes. The results of this study show that consumers' perceptions towards unorganised and organised retailers differ significantly on all seven store attribute factors. Therefore the hypothesis Ho1-Ho7 has been rejected.

SCOPE FOR FUTURE SCOPE OF RESEARCH

This study is limited by several factors that should be addressed in future research. The analysis of consumers' store choice criterion towards unorganised and organised retailers "took a snapshot" of a sample of consumers in NCR region with a composition of seven areas. This research includes small sample size and is focused on grocery retailing. Despite these limitations, the results of this paper offer useful findings and pose some valuable managerial implications and direction for further research. Larger sample size would allow a more detailed analysis. Researchers might investigate and consumers' store choice criterion towards unorganised and organised retailers in other states and cities to identify similarities and differences in consumer store format choice across country. Future studies should incorporate additional products or multiple product categories to examine differences in consumers' store choice criterion. Future studies might measure changes in consumer attitudes over time and examine why these changes occur.

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HAPPINESS MAKES GOOD BUSINESS SENSE

PRAKRITI CHAWLA
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI
DELHI

SHILPI ARORA
ASST. PROFESSOR
MOTILAL NEHRU COLLEGE (D)
UNIVERSITY OF DELHI
DELHI

ABSTRACT

Although there is a lot of emphasis on happiness in our lives but somehow we haven't considered it important in our professional lives, given the fact that one-third of our waking life is spent at workplace. Considering this, the present paper attempts to establish the inevitable role of individual happiness in organisation's prosperity and also present a roadmap for contemporary HR professionals on how they can work to map happiness quotient of employees.

KEYWORDS

happiness, professional lives, working life.

INTRODUCTION

Everywhere in this universe, in one respect man's condition is the same. No matter how vastly different he may be in the outer appearance of his life, different countries, different races, different cultures, different languages, different ways of living, eating, dressing, etc., he may be completely different in all of these aspects, but there is one thing that is the same to all human individuals. And it is this factor that binds them into a global unity. If analyzed, it will be discovered that all humanity is engaged ceaselessly, day after day, from the cradle to the grave, only in trying to attain that which gives them happiness (Bhattathiry).

Being happy is of great importance to most people, and happiness has been found to be a highly valued goal in most societies (Diener, 2000). The meaning of term 'happiness' as perceived by people now-a-days has given a very surface description of a subject which is actually very deep in content. We do not recognize its worth or relevance in our lives, probably because we have started equating it to or confusing it with pleasures that we seek in our daily routines.

In our initial encounters with corporate professionals on the subject, there was an absolute disagreement or disregard to the very idea of studying happiness in relation to management. People do not seem convinced on 'happiness studies' contributing to the discipline of management anyhow. Although there is a lot of emphasis on happiness in our lives but somehow we haven't considered it important in our professional lives, given the fact that one-third of our waking life is spent at workplace. If we believe that our work has meaning and that we are valued for what we do, this encourages us to remain involved and to seek the next level of achievement. Also there is ample evidence in the past that support the commercial reward of happy employees at workplace. Hence, the imperative purpose of the present research paper is to establish the inevitable role of individual happiness in organisation's prosperity.

CONCEPTUALISING HAPPINESS

Past few decades have seen a tremendous growth in the research work focussing on happiness, which traditionally used to be described as simply 'feeling good', indicating to the idea that perhaps it's not just about feeling good but indeed impacts other significant facets of human life like health (Deiner & Chan 2011), relationships (Myers & Diener 1995) and work (Lyubormirsky, King, & Diener 2005) so much so that governments and policy makers across the world are considering happiness as a significant indicator of quality of life in a nation, parallel to other established indicators like GDP. The new field of 'happiness economics' further corroborates the fact that happiness studies now contribute to a wide range of other disciplines and organisational behaviour is one such discipline.

The popular dichotomy revealed in most happiness studies being whether happiness is an 'outside-in' or an 'inside-out' phenomenon, let us through a review of literature on the various concepts of happiness try to gain a deeper insight into this.

For the purpose of this paper we are using the terms happiness and wellbeing interchangeably and the concepts of happiness reviewed are particularly the ones written, discussed and applicable in the context of workplace only, as the idea is to establish the role of happiness studies in organisational behaviour.

REVIEW OF LITERATURE

Browsing over the various available literatures, the following notions about 'what happiness is?' were observed:

There are roughly three philosophical literatures on "happiness," each corresponding to a different sense of the term. The first one termed 'Eudemonism', considers man as a complex being whose identity is interwoven in its social and political environment. "My good", therefore, is inextricably interwoven with the good of others and of the community as a whole. Consequently, an essential theme in the Greek's teachings was that in order to achieve the good life people need to live in a good society, one that nurtures and supports them and helps them flourish. Hence Happiness is associated with virtue.

The second one termed Hedonism encourages pursuance of pleasures to attain Happiness. Pleasures explained to be both pleasure of senses and pleasure of entire mind.

The third philosophy on happiness finds its roots in eastern philosophies; defining Happiness as a State of Being. Let us now look at them in greater details and see how these philosophies hold relevant at workplace.

HEDONISM

There is both a narrow and a broad concept of hedonism that comes across from the literature wherein on one hand former focuses on pursuance of physical or sensory pleasures the later focuses on pleasure of mind. The popularly identified tool for measuring hedonism which is the emotional state of mind is through SWB (subjective wellbeing that is one's evaluation of one's own wellbeing) that primarily constitute judgement on following three elements – 1) Life satisfaction, 2) Positive moods, 3) Negative moods.

EUDEMONISM

Aristotle recognized happiness as an active pursuit rather than a passive state. He describes the latter, passive, hedonistic form of happiness— the life of pleasure seeking and accumulation— as "a life suitable to beasts" (Aristotle, 2001 version, 1095b 20). The notion of active, eudemonic happiness is, perhaps,

most famously embodied in Thomas Jefferson's words, "the pursuit of happiness" (Independence Hall Foundation, 2008, 2), in the Declaration of Independence (Brockman, 2004). This happiness—dyed deep in the fabric of Western culture—is a happiness of virtuous participation in a civil society.

The activity of eudemonic happiness is not aimless. It is directed toward the good and virtuous. To understand this notion of the good, it is important to differentiate between the good specifically and some good in general. Aristotle's (2001 version) *Nicomachean Ethics* begins; "Every art and every inquiry, and similarly every action and pursuit, is thought to aim at some good; and for this reason the good has rightly been declared to be that at which all things aim" (1094a 1-3). Thus, he declared good to be the motivator for all that we do. However, there must be some highest aim, some chief good, for without this, "the process would go on to infinity, so that our desires would be empty and vain" (Aristotle, 2001 version, 1094a 20-21). He declared the object of the highest good is political science, which "legislates as to what we [as citizens in a civil society] are to do and what we are to abstain from" (1094b 6-7). Eudemonic happiness consists of the two elements already discussed: virtuous activity directed at the good. The good and virtue are inextricably linked. The good is the organizing principle for civil society. It is that which aims at the sustenance of society and its citizens. Therefore, the good must belong to the context of civil society. It is defined by civil society through the art of politics. Virtue belongs to the citizen context since virtue is achieved by individual citizens performing virtuous activities for virtuous reasons.

Blurring the distinction between hedonic and eudemonic view: However the contemporary philosophers have tried to present an understanding of the concept of happiness which has aspects borrowed both from previously discussed philosophies of Hedonism and Eudemonism, this has even given rise to a new discipline of study described as Positive Psychology, the pioneer contributor to this area of psychology have been Martin Seligman, Waterman, Csikszentmihalyi and others.

Seligman (2002) based on his past research and theory had given three distinctive orientations to happiness endorsing three different ways of being happy: through pleasure, through engagement and through meaning which later on being tested by Peterson, Park & Seligman (2005) found that these orientations are distinguishable, but they are not incompatible and thus able to be pursued simultaneously, and that each is individually associated with life satisfaction. As previous research has shown, either hedonism or eudemonia can accompany a satisfying life, and so too can engagement.

Although positive psychology not just advocates virtuous and meaningful activities for attaining happiness but also extends to explain how certain interventions in behaviour and attitude can further increase one's happiness such as practising gratitude (Emmons & McCullough, 2003), forgiveness (McCullough, Pargament, & Thoresen, 2000), and thoughtful self-reflection (King, 2001; Lyubomirsky, Sousa, & Dickerhoof, 2004) can bring about enhanced well-being.

HAPPINESS AS STATE OF BEING

Where Lyubomirsky, Sheldon, Schkade (2005) in their paper titled 'Pursuing happiness: The architecture of sustainable change' identify that out of the three believed factors that influence happiness, enunciated as follows: a genetically determined set point for happiness, happiness-relevant circumstantial factors, and happiness relevant activities and practices, the activity category offers the best opportunities for sustainably increasing happiness. Ancient philosophies of east years and centuries before had proposed the ways for permanently increasing happiness through practice, but the practice along with certain other workable domains identified as described by an article based on the paper published in PMC (PubMedCentral) of the U.S. National Institutes of Health's National Library of Medicine which compares Wisdom in Ancient Indian Literature with Modern Views are:

- Knowledge of life
- Emotional Regulation
- Control over Desires
- Decisiveness
- Love of and Faith in the God
- Duty and work
- Self-contentedness
- Compassion and Sacrifice
- Yoga (Integration)

As also James (2006, 2007, 2008) presenting the spiritual teachings hailing from Buddhist philosophy explains that "All the unhappiness, discontent and misery that we experience in our life is caused only by our ignorance or confused knowledge of who or what we really are. So long as we limit our self by identifying a body as 'I', we will feel desire for whatever we think is necessary for our survival in that body, and for whatever we think will make our life in that body more comfortable and pleasant. Likewise we will feel fear and dislike of whatever we think threatens our survival in that body, and of whatever we think will make our life in it less comfortable or pleasant. When we do not get whatever we desire or like, and when we cannot avoid whatever we fear or dislike, we feel unhappy, discontented or miserable. Thus unhappiness or suffering is the inevitable result of desire and fear, or likes and dislikes. Desire and fear, and likes and dislikes, are the inevitable result of identifying a body as 'I'.

Thus the theory that underlies the science and art of self-knowledge enables us to understand that all we need do in order to experience perfect and unlimited happiness is to attain true self-knowledge, and that the only means to attain true self-knowledge is to practise keen scrutinising self attention.

Howard along with Dalai lama in their authored book "the art of happiness" converging the theories of east and west discusses that no external conditions is responsible for happiness and it's an internal phenomenon which is learned through practice—"Training the mind to develop inner resources". They also suggest values of compassion, contentment, inner discipline, self worth, developing a supple mind and certain others.

But the big question that arises here is, since the present paper is looking at happiness which is being discussed in the context of workplace, how significant and valid would be these constructs. For that, let us study these constructs in relation to the available models of happiness at workplace, proposed and used in time, across the world as the antecedents to happiness at workplace.

MODELS ON HAPPINESS AT WORK

- 1) The first model is based on Ryff and Keyes' (1995) psychological wellbeing theory whose factors were reinterpreted by Brown (1996) to make it applicable in organisational set up and later recited by Albano (2010) as the dimensions of Workplace happiness Index developed by him. The dimensions of workplace happiness, along with their associated factor from the Ryff and Keyes (1995) six-factor model of psychological well-being are summarized in Table 1.

TABLE 1: THEORY-BASED DIMENSIONS COMPRISING WORKPLACE HAPPINESS

Workplace Happiness Dimension	Associated Well-Being Factor*	Description
Meaning	Purpose in Life	The belief that one's work is purposeful and Meaningful
Autonomy	Autonomy	A sense of self-determination in the means by which work is accomplished
Behavioural Norms	Environmental Mastery	The capacity to understand and successfully interact in the prevailing social norms of the workplace
Feedback	Self-Acceptance	The ability to receive and make constructive use of feedback about the work one performs
Supportive Relations	Positive Relations With Others	The possession of supportive relationships with superiors and co-workers
Personal Growth	Personal Growth	A sense of continued growth and development as a person

Note. *Based on "The Structure of Psychological Well-Being Revisited," by C. D. Ryff and C. L. M.

Keyes, 1995, *Journal of Personality and Social psychology*, 69(4), p.720.

DISCUSSION

This model seems to draw its factors from all three philosophies about happiness that we have understood earlier. Where factors like autonomy, behavioural norms and supportive relations are the external conditions favourable to ones working environment hence find their roots in Hedonism, Meaningful or purposeful work was explained by Eudemonism as well as in Positive Psychology and on the other hand Constructive approach towards feedback, Personal growth are the practices highlighted in ancient eastern philosophies on the path to happiness.

- 2) The second model is proposed by psychologist Seligman (2010) through his book titled 'Authentic happiness' and 'Flourish' wherein he provides the acronym PERMA describing the following factors for happiness at work. **Pleasure** (the process of maximising positive emotion and minimising negative emotion and is referred to as the pleasant life which involves enjoyable and positive experiences), **Engagement** (or flow, the absorption of an enjoyed yet challenging activity), **Relationships** (social ties have turned out to be extremely reliable indicator of happiness), **Meaning** (a perceived quest or belonging to something bigger) and **Accomplishments** (having realized tangible goals).

DISCUSSION

Here again we see that Pleasure, Relationships and Accomplishments are hedonic components on the other hand, Meaning is a eudemonic component and Engagement is a practice of positive psychology and also a practicing principle of karma yoga.

- 3) Another understanding of happiness at work is given by Fisher (2010). She notes in particular that definitions of happiness at work "refer to pleasant judgments (positive attitudes) or pleasant experiences (positive feelings, moods, emotions, and flow states) at work". Where former is described by her as 'cold cognitions' and later as the hedonic state or emotional state of mind. Further, she also identifies three level analysis of happiness which is (1) transient (or within-person), (2) personal (or individual differences), and (3) unit level; she points out that happiness definitions vary qualitatively between levels. Based on this she recommends that researchers focus on three proxies of happiness (**job satisfaction, engagement, and affect**) as representative of different facets of happiness at work.

DISCUSSION

In her representation she has given an understanding of happiness at workplace where it is a function of a range of factors from hedonic state to individual attitude to even environmental determinants as explained by three levels, indicating a mix of philosophies (Hedonism and Positive psychology) referred by our literature.

Apart from the enlisted three, a range of self help books have been published on the topic where in they have presented doable solutions stemming from components given by hedonism, eudemonism as well as positive psychology, but there is a dearth of work representing the eastern philosophies of "happiness as a state of being", which I believe holds a route towards permanent or chronic levels of happiness and hence must be explored in the context of workplace and this has even begun as we talk about it here.

RELEVANCE OF HAPPINESS

Now let us move to gather evidences which assert, corroborate and confirm our title of the present paper where we say "happiness makes good business sense" and give HR professionals reasons as to why they should put their organisation's happiness quotient under check.

A rich wealth of researches has proved that if employees are happy they tend to be more productive, generate new innovative ideas, try to do the same job with different innovative methods to save time and enhance effectiveness. There is a well-established research tradition on the role of emotions in organizational research (Rafaeli & Sutton, 1989, cited in Xanthopoulou et al, 2010). Shawn Achor in his article Positive intelligence (Achor) in January-february edition of Harvard business review states that Research shows that when people work with a positive mind-set, performance on nearly every level—productivity, creativity, engagement—improves. Yet happiness is perhaps the most misunderstood driver of performance. For one, most people believe that success precedes happiness. "Once I get a promotion, I'll be happy," they think. Or, "Once I hit my sales target, I'll feel great." But because success is a moving target—as soon as you hit your target, you raise it again—the happiness that results from success is fleeting. In fact, it works the other way around: People who cultivate a positive mind-set perform better in the face of challenge. I call this the "happiness advantage"—every business outcome shows improvement when the brain is positive. I've observed this effect in my role as a researcher and lecturer in 48 countries on the connection between employee happiness and success. And I'm not alone: In a meta-analysis of 225 academic studies, researchers Sonja Lyubomirsky, Laura King, and Ed Diener found strong evidence of directional causality between life satisfaction and successful business outcomes.

Article "happiness and the bottom line" provides the following figures, For companies, happy employees mean better bottom-line results. Employees who score low in "life satisfaction," a rigorously tested and widely accepted metric, stay home an average of 1.25 more days a month, a 2008 study by Gallup Healthways shows. That translates into a decrease in productivity of 15 days a year. In a study of service departments, Jennifer George and Kenneth Bettenhausen found that employees who score high in life satisfaction are significantly more likely to receive high ratings from customers. In addition, researchers at Gallup found that retail stores that scored higher on employee life satisfaction generated \$21 more in earnings per square foot of space than the other stores, adding \$32 million in additional profits for the whole chain.

Also, In her book, —Make More Money by Making Your Employees Happy, Dr. Noelle Nelson, clinical psychologist, bestselling author and business trial consultant cites a study from the Jackson Organization, a survey research consultancy, since acquired by Healthstream, Inc., which shows, —companies that effectively appreciate employee value enjoy a return on equity and assets more than **triple** that experienced by firms that don't. (www.forbes.com)

Evidences are available in numbers to support the implication happiness has both on successful work performance and also on successful life realisations but what is required I believe is to place the concept more firmly for studying empirically and at least should be given a fair chance to be explored if not embraced.

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RISK MANAGEMENT PRACTICES IN YES BANK

DR. N. FATHIMA THABASSUM
POST DOCTORAL RESEARCH SCHOLAR
THE NEW COLLEGE (AUTONOMOUS)
CHENNAI

ABSTRACT

Risk management is a part of the growth strategy of any organization. The banks have to comply with Basel II and Basel III accord as per RBI guidelines. They have to achieve a minimum Capital Adequacy Ratio of 9% for existing banks and 10% for new private Sector banks under Basel II. New generation banks are more profit intensive and strictly comply to risk management practices to survive in the long run. The main aim of this paper is to measure the prevailing risk in Yes Bank, a new Private sector bank from Nov 21, 2004 - March 31, 2005 to April 1, 2013- March 31, 2014. The paper also emphasizes on the risk management practices followed by Yes Bank. An empirical model is constructed with Ratio analysis, Cluster analysis and Altman model. It was concluded that the bank had comprehensive risk management policy, rich clientele and low level of Non Performing Assets. Low Net Interest Margin was a matter of concern throughout the period.

KEYWORDS

Risk management Practices, Net Interest Margin, Private Sector Banks, Non Performing Assets, Yes Bank.

INTRODUCTION

Financial sector reforms in 1991 had a comprehensive impact on transformation in banking industry. Since then, liberalization, deregulation, increased competition and technological innovations are the key aspects of banking sector. Financial inclusion and issue of new bank licenses on 1993 and 2001 respectively and again in 2014 has lead to the proliferation of new Private Sector Banks. These banks offer products more professionally with best use of technology. They have more percentage of internet users and mobile users compared to Public and old Private Sector banks. For these banks, Profitability is the fundamental step for sustaining in the industry. The financial performance and efficiency of these banks are reflected in the profitability, Net Interest Margin, Return on Assets and Return on Equity besides bringing down NPAs sharply. These banks should have an efficient risk management system to achieve sustained growth.

ABOUT YES BANK

Yes Bank, one of the fastest growing, new generation banks has been recognized as the "The Strongest Bank Balance Sheet in India" by the Asian Banker, Singapore, 2013. The bank is promoted by the late Mr. Ashok Kapur and Mr. Rana Kapur and was included to the second schedule of the RBI Act, 1934 with effect from August 21, 2004. Within a short span of 10 years, the bank has steadily built full service, with corporate, retail and SME banking platform. The bank caters to comprehensive product suite of Financial Markets, Investment banking, Corporate Finance, Branch Banking, Business and Transaction banking and wealth management services. Yes Bank is the only Greenfield license awarded by the RBI in the last 17 years, associated with the finest pedigree investors. Yes Bank has a widespread branch network of over 560 branches across 375 cities, with 1139 ATMs, 8798 employees as on March 31, 2014.

NEED FOR THE STUDY

The New generation banks are highly competitive, customer centric and Profit oriented. Therefore, these banks are prone to more risks. The RBI has issued risk management guidelines for banks for effective management of various risks such as credit risk, market risk, operational risk and integrated risk in October 2002, with the view to enhance and strengthen their existing risk management practices. Yes Bank has achieved a steady growth within a short period of time. The bank aims to build counter cyclical strategies and proactive risk management practices. The risk management framework at Yes Bank is driven by well informed and knowledgeable board, largely comprised of independent directors and senior management. The board supervises the risk profile of the bank, monitor the business and the existing control mechanisms, ensure expert management and maximize the interests of all the stakeholders. Thus, a study is done to understand the risk management practices followed by Yes Bank.

OBJECTIVES OF THE STUDY

The main aim of this paper is to measure the prevailing risk in Yes Bank, a new Private sector bank from Nov 21, 2004 - March 31, 2005 to April 1, 2013- March 31, 2014. This paper also highlights the measures taken by the banks to manage and mitigate the risk.

RESEARCH METHODOLOGY**COLLECTION OF DATA**

The study is based on secondary data. 10 key Financial Ratios are collected from annual reports of Yes Bank.

STATISTICAL TOOLS APPLIED

Ratio analysis is employed to find out the financial position to measure the risk. K-means cluster analysis is used to segment the years with respect to different financial ratios. Discriminant analysis and Altman's model is exploited to identify the measure of risk and risk management capabilities.

SCOPE AND PERIOD OF THE STUDY

This paper helps to find out the risk management and risk mitigation practices followed by Yes Bank from the year of inception 2004-2005 to the current year 2013-2014.

Yes Bank has implemented Basel I norms from the year of inception. The Bank is subject to the Basel II framework with effect from March 31, 2009 as stipulated by the Reserve Bank of India (RBI). The Basel II framework consists of three-mutually reinforcing pillars:

I Pillar 1 - Minimum capital requirements for credit risk, market risk and operational risk

I Pillar 2 - Supervisory review of capital adequacy

I Pillar 3 - Market discipline, a set of disclosure on the capital adequacy and risk management framework of the Bank.

The RBI guideline on 'Basel III Capital Regulation' was issued on May 2, 2012 for implementation in India in phases with effect from April 1, 2013 and to be fully implemented by March 31, 2018. YES Bank is subject to the RBI Master Circular on Basel-III Capital Regulations, July, 2013.

LIMITATIONS OF THE STUDY

The study is confined to 10 key ratios from the inception of the bank till the year 2013-2014 alone which will reveal the overall performance of the bank.

ANALYSIS AND DISCUSSION

The following ten ratios are taken into consideration for identification of risk in Yes Bank from the year Nov 21, 2004-March 31, 2005 to April 1, 2013-March 31st, 2014. The bank started its operation from Nov 21, 2004 - March 31, 2005. Hence for the year 2004-2005 alone, the ratios are computed for the period from Nov 21, 2004-March 31, 2005.

TABLE NO. 1: FINANCIAL RATIOS OF YES BANK

Year	Credit Deposit Ratio (%)	Capital Adequacy Ratio (%)	Net NPA Ratio (%)	Profit Per Employee (Rs ,in 000s)	Cost Income Ratio (%)	Net Interest Margin (%)	Non Interest Income to Total Assets (%)	Provision Coverage Ratio (%)	Return On Assets (%)	Return On Equity (%)
2004-2005	114.77	18.81	0	-1.82	109.92	2.84	2.72	0	-0.29	-1.75
2005-2006	82.71	16.43	0	882	46.49	2.96	3.85	0	2.03	14.01
2006-2007	76.51	13.6	0	386	52.88	2.79	2.96	0	1.24	13.88
2007-2008	71.05	13.6	0.09	635	49.36	2.74	2.73	0	1.42	19
2008-2009	76.71	16.6	0.33	1138	44.23	2.9	2.29	51.5	1.52	20.65
2009-2010	82.81	20.6	0.06	1675	36.7	3.1	2.16	78.43	1.6	23.7
2010-2011	74.80	16.5	0.03	2089	36.3	2.9	1.35	88.63	1.5	21.1
2011-2012	77.29	17.94	0.05	2042	37.7	2.8	1.38	79.18	1.5	23.1
2012-2013	70.20	18.3	0.01	2102	38.4	2.9	1.52	92.59	1.5	24.8
2013-2014	70.0	14.4	0.05	2045	39.4	2.9	1.71	85.1	1.6	25

Source: Annual Reports of Yes Bank

Cluster analysis is performed with the help of SPSS 16 to identify the radical changes in these 10 ratios for the period of 10 years. Accordingly, year wise clusters are arrived and classified as Cluster I, Cluster II and Cluster III.

TABLE NO. 2: CLASSIFICATION OF YEARS ON BASIS OF CLUSTER

Cluster	Years
I	2004-2005, 2006-2007
II	2005-2006, 2007-2008, 2008-2009
III	2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014

Source: computed data

The Strong (S), Moderate (M) and Weak (W) ratios under the cluster I, II and III are as follows.

TABLE NO. 3: CLASSIFICATION OF CLUSTERS

		Cluster 1	Cluster 2	Cluster 3
1	Credit Deposit Ratio	95.64(S)	76.82(M)	75.02(W)
2	Capital Adequacy Ratio	16.20(M)	15.54(W)	17.55(S)
3	Net NPA Ratio	.00(W)	0.14(S)	.04(M)
4	Profit Per Employee	192.09(W)	885.00(M)	1990.60(S)
5	Cost Income Ratio	81.40(S)	46.69(M)	37.70(W)
6	Net Interest Margin	2.82(W)	2.87(M)	2.92(S)
7	Non Interest Income to Total Assets	2.84(M)	2.96(S)	1.62(W)
8	Provision Coverage Ratio	.00(W)	17.17(M)	84.79(S)
9	Return on Asset	0.48(W)	1.66(S)	1.54(M)
10	Return on Equity	6.06(W)	17.89(M)	23.54(S)

Source: computed data

The strong (S) and Weak (W) ratios of all the three clusters are subject to further analysis. The moderate ratios are ignored as suitable inferences cannot be derived for measurement of risk. These Strong (S) and Weak (W) ratios are compared with the accepted benchmark ratios stipulated by RBI to determine the risk. In absence of the benchmark ratio, all bank's average is taken into consideration.

TABLE NO. 4: STRONG AND WEAK RATIOS OF CLUSTER 1

Cluster 1 (2004-2005, 2006-2007)	Ratio (in %)	Benchmark	Result
STRONG RATIOS			
1.Credit Deposit Ratio	95.64	Not less than 60%	Much higher than the benchmark Subject to Liquidity Risk (Makesh,2008)
2.Cost Income Ratio	81.40	Less than 40%	Much higher than the benchmark Subject to Operational Risk (Maikie Sundmacher, 2004)
WEAK RATIOS			
1.Net NPA Ratio	0.00	Less than 1%	Risk-Free
2.Profit Per Employee	192.09	265*	Less than the accepted benchmark, leading to Operational Risk (Timothy.W.Koch,2004)
3.Net Interest Margin	2.82	More than 3.5%	Less than the accepted benchmark, leading to Interest Rate Risk (Y.Sree Ramamurthy,2003) and Capital Risk (Peter .S. Rose, 1987)s
4.Provision Coverage Ratio	0.00	More than 70%	Less than the accepted benchmark, leading to Credit Risk (Peter Demenrjian, 2007)
5.Return on Asset	0.48	More than 1%	Capital Risk (Peter .S. Rose, 1987), Interest Rate Risk(Y.Sree Ramamurthy,2003) And Credit Risk (Peter Demenrjian, 2007)
6.Return on Equity	6.06	More than 18%	Capital Risk (Peter .S.Rose, 1987), Interest Rate Risk(Y.Sree Ramamurthy,2003) and Credit Risk (Peter Demenrjian, 2007)

*Average of All Bank's average for the third cluster of years

Table No 4 shows the first cluster of 2 years i.e., 2004-2005 and 2006-2007. This is the initial period of its operation. During the period, the strong ratios namely Credit Deposit Ratio and Cost Income Ratio and the weak ratios such a Profit Per Employee, Net Interest Margin, Provision Coverage Ratio, Return on Asset and Return on Equity indicated the existence of Liquidity Risk, Operational Risk, Interest Rate Risk, Capital Risk and Credit Risk. There were no NPAs during the first cluster years. Hence, the bank did not provide any provision coverage. The year 2004-2005 was the first year the bank started its operations, hence in this year the bank was exposed to various types of risk. In the year 2006-2007, though there was an increase in the profit, but the return in terms of employees, assets and equity was below the benchmark criteria. The bank made investments towards information technology, branch expansion and human resources to meet growth targets during 2006-2007. The bank was in the initial stage of implementation of Basel II norms during 2006-2007.

TABLE NO. 5: STRONG AND WEAK RATIOS OF CLUSTER 2

Cluster 2 (2005-2006, 2007-2008 and 2008-2009)	Ratio (in %)	Benchmark	Result
STRONG RATIOS			
1.Net NPA Ratio	0.14	Less than 1%	Risk-Free
2.Non Interest Income to Total Assets	2.96	More than 0.75%	Risk-Free Favourable
3.Return on Asset	1.66	More than 1%	Risk-Free
WEAK RATIO			
Capital Adequacy Ratio	15.54	More than 10%	Risk-Free Favourable

In the second cluster of 3 years viz., 2005-2006, 2007-2008 and 2008-2009, Yes bank has taken efforts to comply carefully with the risk management practices as there was no risk associated during this period. In the year 2005-2006, the Bank was in its growth phase and was making substantial investments towards branch expansion, human resources and technology to fulfil its developmental needs. Bank did not have any NPA as at March 31, 2005 and continued to maintain NPAs at zero levels as at March 31, 2006 in spite of commendable growth in advances.

TABLE NO. 6: STRONG AND WEAK RATIOS OF CLUSTER 3

Cluster 3 (2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014)	Ratio (in %)	Benchmark	Result
STRONG RATIOS			
1.Capital Adequacy Ratio	17.55	More than 10%	Risk-Free Favourable
2.Profit Per Employee (Rs in '000s)	1990.60	752*	Risk-Free Commendable growth
3.Net Interest Margin	2.92	More than 3.5%	Less than the accepted benchmark, leading to Interest Rate Risk (Y.Sree Ramamurthy, 2003) and Capital Risk (Peter .S. Rose, 1987)
4.Provision Coverage Ratio	84.79	More than 70%	Risk-Free
5.Return on Equity	23.54	More than 18%	Risk-Free
WEAK RATIOS			
1.Credit Deposit Ratio	75.02	More than 60%	Risk-Free
2.Cost Income Ratio	37.70	Less than 40%	Risk-Free
3.Non Interest Income to Total Assets	1.62	More than 0.75%	Risk-Free

*Average of All Bank's average for the third cluster of years

Cluster 3 is the period the bank is likely to add on to NPA as it completed more than 4 years of its operation. In 2009-2010, there was a growth of Net Interest Margin (3.1%) on account of pricing power on predominantly corporate book and reprising of large proportion of interest sensitive liabilities. The bank has shown relatively a stable margin during the other years of the cluster 3. Throughout the period of the study, the ratio was below the accepted benchmark of 3.5% resulting in Interest rate risk and Capital Risk.

MAJOR FINDINGS

In recent years, i.e., in the third cluster of years the bank was exposed to Interest Rate Risk. It can also be noted throughout the 10 year span, the bank had the NIM comparatively less than the accepted benchmark of 3.5%. Despite increase in its yields, Yes Bank has been facing pressure on its margins. This was because the bank's share of total retail depositors is less. Moreover, it has been increasing its CASA deposits on the savings account side almost 73% of its total deposits by offering higher rate of interest, which is around 7%, while a majority of rival banks offer 4% interest rate. Hence, the costs of deposits are slightly on the higher side. In a falling interest rate scenario, net interest margin improvement for Yes Bank looks tougher as it will have to cut down interest rates on advances to sustain a healthy credit growth, while peers have been cutting down deposit rates.

As far as advances are concerned, Yes bank delivered a loan growth of 24% in 2012-2013 when the industry growth rate was 14%.when there was a slowdown in banking sector which is expected to moderate in the ongoing economic condition. Lending to the large corporate accounts for 64% of the bank's loan, maximum exposure to any single sector is capped at around 5%. 65-70% is working capital financing and project financing is less than 6% to reduce the risk.

CONCLUSION

The bank has built a robust risk management system for long term security and to avoid any default for its lending activates. The bank's board has approved a well defined credit policy. The management committee conducts periodical review to identify early warning signals and overall health of borrowing units. The bank also ensures that delinquencies are maintained at the minimum level through the post sanctioned follow-up monitoring process. The market risk management is governed by a comprehensive market risk policy, ALM policy, Liquidity Policy, Investment Policy, Hedging Policy, Derivative Policy and a Derivative Appropriateness policy to ensure that the risk underwritten across business activities are within a stipulated appetite of bank and also of similar risks. Bank regularly conducts stress testing to monitor the bank's vulnerability towards unfavourable shocks. Yes Bank along with the regulatory guidelines has implemented a comprehensive operational risk management policy and put in place a framework to identify access and monitor risk, strengthen controls, improve customer service and minimize operational losses. The bank has also institutionalized a strong compliance culture across the organization, pursuant to its strategic goals of transparency and trust amongst all its stakeholders as per RBI guidelines. With strong risk management strategies, higher provisioning and credit rich clientele, Yes Bank has managed to have low net NPAs in the Industry despite challenging economic environment during the study period. Though the increasing focus for higher penetration into the retail segment might be a challenge for the bank to sustain its superior asset quality, the bank will be able to maintain asset quality, and strengthen its profitability.

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THE EFFECT OF THE CHANGE IN SHORT-RUN FOREIGN DEBT STOCK IN TURKEY ON THE OUTPUT VOLATILITY

DR. OZGE UYSAL SAHIN
RESEARCH ASSISTANT
DEPARTMENT OF PUBLIC FINANCE
CANAKKALE ONSEKIZ MART UNIVERSITY
CANAKKALE

DR. SEVDA AKAR
RESEARCH ASSISTANT
DEPARTMENT OF PUBLIC FINANCE
BALIKESIR UNIVERSITY
BALIKESIR

ABSTRACT

In this study, the effect of the change in short-run foreign debt stock in Turkey on the output volatility is analyzed. In the analysis, the monthly data related to total short-run foreign debt stock and industrial production index following a similar course with Gross Domestic Product (GDP) were used between January 2005 and December 2013. The effect of the change in short-run foreign debt stock on the output volatility was analyzed with the GARCH Model. As the result of the analysis, an avoidant relevance was found between the short-run foreign debt stock and output volatility.

KEYWORDS

Output Volatility, Gross Domestic Product, Short-Term Foreign Debt Stock, Turkey, GARCH.

JEL CLASSIFICATION

H60, H63, O40.

INTRODUCTION

With the globalization process, the capital mobility experienced among countries has increased rapidly. In this process, countries have utilized debt as the source of financing for the governments on the one hand, and as an efficient means of fiscal policy on the other. Although the short-run debt is an important source of finance for the developing countries in particular, it has also become a significant factor which paves the way for the financial crises in these countries.

Short-run debt has also an impact on the output growth and output volatility of the countries, which is, doubtlessly, not a racket effect. When the recent studies are examined, it is discovered that there are also examples suggesting that economic growth also has an impact on the short-run debt stock. The stability and sustainability of the economic development in the countries are of great importance. The countries performing a stable output growth are also capable of pursuing sustainable debt and fiscal policies.

This study aims at making a contribution to the literature by analyzing the relationship between output volatility and short-run debt stock in Turkey. The study is organized in four sections. In the first section after the term of output volatility and its relation with other variables are explained, the recent studies about the relationship between output volatility and various macroeconomic variables are scrutinized. In the second section, the data and the methodology used in the analysis are explained. In the third section, the empirical evidence obtained as the result of the analysis is mentioned. Consequently, the concluding remarks are presented.

THEORY AND LITERATURE

Volatility is one of the important components of finance theory, being the subject of various empirical and theoretical studies, as well. "Volatility which is measured by the standard deviation or variance of returns is used as a crude measure of the total risk of the financial assets. Many asset risk models assessing the market risk require estimation or a foresight of volatility parameters" (Brooks, 2002: p. 441). In addition, the output volatility refers to the instability of the increase and decrease taking place in production, in other words, it is the increase-decrease in production following a fluctuating course. If the output volatility is low, there are low fluctuations in production. There are various measures related to output volatility. Output volatility is often calculated as the standard deviation of GDP per capita growth rates (Pitlik, 2012: p. 5). Output volatility is the source of welfare loss for both the developed and the developing countries. Moreover, the output volatility negatively affects numerous variables, such as growth, employment, poverty and public size.

In literature, there are few studies conducted on the relationship between output volatility and debt. Most of the studies performed have analyzed the relationship between economic growth and debt. In this context, one of the prominent studies was conducted by Reinhart and Rogoff (2009), where the relationship between public debt, economic growth and inflation was analyzed for 44 developing and developed countries during the period of 1946-2009. Reinhart and Rogoff's findings suggest that the growth is avoidant in the countries during the period when the rate of public debt to GDP is above 90%, whereas no relevance is found between them in the countries during the period when the rate of public debt to GDP is below 90%. Similarly, Kumar and Woo (2010), in the panel analysis study they conduct for the period of 1990-2007 in 38 developed and developing countries come to the conclusion that public debt has a negative impact on growth, which is, however, valid for those countries where the rate of public debt to GDP is over 90%. Cecchetti et al (2011) also investigate the relationship between public debt and economic growth for 18 OECD countries, and they report that the debt affects the economic growth in a negative way in the countries where the rate of debt-to-GDP rises over 85%.

Baum et al (2012) analyze the relationship between public debt and economic growth for the period of 1990-2010 in 12 European countries through the panel data analysis method. As a result of the analysis, the short-run impact of public debt on GDP growth proves to be positively and statistically significant. However, as the rate of public debt to GDP rises up to 67% and above, such an impact diminishes, whereas it turns out to be negative when debt rises over 95%. Herndon et al. (2013) also analyze the relationship between public debt and GDP growth in 20 developed countries where the rate of public debt to GDP is over 90% in the post-war period. Contrary to the above-mentioned information, they determine that the relationship between public debt and GDP growth varies significantly according to the period of time and the country. Egert (2013a, b), however, approaches doubtfully to the threshold value in regard to the fact that the share of public debt within GDP affects the economic growth negatively when it rises over 90%, and he concludes that the so-called relation between debt and growth is not resistant to small changes in the country groups, data frequencies and model types, along with the changes in the assumptions on the minimum number of observations.

Wesselbaum (2013) investigates the relationship between the long-term output growth and public debt in the United States (U.S.) In his study where he uses the VAR model, he particularly analyzes how the relationship between output and public debt developed during the periods which he identifies as technological shocks. Consequently, he observes that the procyclical debts generate fewer fluctuations compared to countercyclical debts, as the result of which he deduces that the public debt in the U.S. creates a procyclical effect on the outcome growth. Public debt creates an additional effect in welfare due to the improvement which causes in the household incomes. It leads to the consideration that the public debt – the procyclical one in the fluctuations is of automatic stabilizer quality. Chen (2014), similarly, investigates the relationship between public debt and real output seen since 1800s to date in 25 developed and developing countries. In his study where he uses the VAR analysis, he ascertains that the share of the public debt within GDP affects the real output negatively in the long run in 18 out of 25 countries. Sichula (2012) analyzes, by means of the Granger Causality method, the effect of debt burden and debt relief on the economic output in 5 poverty-stricken South African countries for the period of 1970–2011. As a result of the analysis, he finds that there is a strong relationship between foreign debt and GDP in that the GDP increases as the foreign debt decreases. Moreover, Drehmann and Juselius (2012), in the study they conduct for some of the developed countries, investigate the relationship between the debt ratio borrowed by the private sector, and the financial crisis and recession. They see that the debt/service ratio is associated with the loss in the output, which is reported as a significant precursor of financial crisis.

Bezemer and Grydaki (2013) test whether or not the increase in the debts of the non-financial real sector reduce the output volatility in the U.S. for the periods of 1954–1978 and 1984–2008. They use the univariate GARCH models in order to measure the volatility of the output growth and the VAR model to assess the relationship between output volatility and the debts (the loan size was taken as the indicator of debt). They use this volatility in a VAR model along with the excessive credit growth and control variables (inflation and interest rate) over two periods of 1954–1978 (before the Great Moderation) and 1984–2008 (during the Great Moderation). Therefore, they can test whether the relation between the excessive credit growth (measure of debt in the nonfinancial sector) and GDP volatility change between these two periods. Eventually, they find out that the increase in the amount of loan, the debt of the real sector reduce the output volatility during the periods given.

Pescatori et al. (2014), in the study where they analyze the relationship between the economic growth and public debt in 19 developed countries since 1875 to date, see that there is a weak relationship between the two variables in the short run. Additionally, they determine that the relationship between the level of debt and growth is considerably influenced by the trajectory of debt: the countries with high but declining levels of debt have almost grown as equally rapidly as the countries with lower debts. In the study where they also analyze the relationship between the output volatility and debt, they come to the conclusion that the level of debt during the period when there is an output growth doesn't have an impact on the output volatility. Nevertheless, it is ascertained by them that when the sampling mean of the debt level rises above 56%, the countries comparatively shows a high level of volatility; yet, no significant impact of the output volatility on debt can be found. Catao and Kapur (2006) analyze the effects of the volatility on the public debt lapsing into default and on the optimal indebtedness in 26 developing countries for the period of 1970–2001 through the panel data analysis. As a result, they find that the risk of lapsing into default is high, while the lending limit ceiling is low in the countries where volatility is high. In other words, as the volatility increases, so does the international requirement for loan in order to improve the domestic consumption. However, due to the fact that volatility enhances the default risk, the capacity of borrowing loan is restricted. Ziemann (2012) examines the relationship between debt, output growth and macroeconomic stability in a group of OECD countries by comparing the evolution of balance sheet aggregates and economic output in high- and low debt environments. In particular, in his study where he deals with the countries with nonconsolidated annual current accounts, he finds that reverse asymmetries occurs in the distribution of the high macroeconomic volatility and the output growth during the business cycle times when there is a high level of public debt.

Virén (2005) analyzes the effect of public sector size on the output volatility. He performs the analysis in 208 countries for the period of 1960–2002. He discovers that there is no relationship between the public sector size and output volatility, and that even if there are any, it will be on a rather lower level. Gali (1994), however, analyzes the relationship between the public sector size and output volatility in 22 OECD countries for the period of 1960–1990. Contrary to Virén, he finds that there is a strong and reverse relationship between the two variables. Similarly, Fatas and Mihov (2001) analyzes the relationship between the public sector size and output volatility in 20 OECD countries for the period of 1960–1997, as the consequence of which they find that there was a negative relationship between the two variables. Fatas and Mihov (2003) also analyze the effect of discretionary fiscal policy on the output volatility and economic growth in 91 countries. As a result they find that countries which prefer fiscal policy face macroeconomic instabilities and high output volatility. The increase in output volatility at 1% decreases economic growth at 0,8%. Kim and Lee (2007), on the other hand, in their study where they analyze the relationship between the public size and economic uncertainty (output volatility) in 15 OECD countries for the period of 1991–1998, determine that the economic uncertainty diminishes (that the output volatility regressed) as the public size grows more.

Valev (2004), studies the maturity of loans provided by the U.S. banks to borrowers in 44 countries for the period of 1982–1996. In particular, whether noneconomic uncertainty and economic volatility in these countries are associated with shorter maturity of debt is analyzed, and it is concluded that there is a non-linear relationship between the maturity of debt and the economic volatility. It is seen that the economic volatility of a rather high degree is associated with a shorter maturity of debt. The results also show that greater non-economic uncertainty contributes to shorter maturity of international debt. Moreover, economic volatility is generally associated with longer maturity of debt rather than the shorter one. However, a very high level of economic volatility is associated with shorter maturity of debt.

Bussière et al. (2004) analyze the interactions between currency risk, the maturity structure of debt and output volatility in 28 emerging/outward-oriented developing countries by using the annual data and the partial equilibrium model in the analysis. As the result of the analysis, they find that the high level of inconsistency in the maturity of debt – which means that the share of the short-term debts are more within the total debt- increases the output volatility. In addition, they determine that the high level of short-term debts is affected much more by financial crises and sharp fluctuating flows. The countries with a larger maturity mismatch of foreign debt have more volatile output, which promotes the hypothesis that economies with a higher share of short-term debt are more likely to suffer from the powerful boom-bust cycles and financial crises. The decrease in the short-term debts allows the capital flow to decline and the economic constriction to get better.

As is seen, there are a great number of studies which analyze the relationship between output volatility and macroeconomic variables in different countries at different periods; yet, there are a few studies analyzing this subject. In this paper, the relationship between output volatility and short-term debt stock is analyzed for Turkey. Turkey is a country, the economy of which has financial difficulties on the road to development; thus, the requirement for a short-term debt is often the top agenda of this country. Besides, Turkey is also a country with unstable growth figures, frequently experiencing economic bottleneck on the road to rapid development. For this reason, putting forth the relationship between the output volatility and short-term debts is of great importance.

DATA AND METHODOLOGY

In this study, the monthly data for short-term foreign debt stock¹ and industrial production index² variables are used between January 2005 and December 2013. The dataset is obtained from CBRT (The Central Bank of the Republic of Turkey) by means of Electronic Data Delivery System, converted into real values with Consumer Price Index and seasonally adjusted through the Tramo-Seats method. These variables are formed into a logarithmic exchange rate by using Equation 1 and Equation 2.

$$RIP_t = 100. (\log RIP_t - \log RIP_{t-1}) \quad (1)$$

$$RDEBT_t = 100. (\log DEBT_t - \log DEBT_{t-1}) \quad (2)$$

In equation 1, IPI_t is industrial production index value at t time is given. In equation 2, $DEBT_t$ refers to short-term foreign debt stock at t time. The descriptive statistics of the variables are presented in Table 1.

TABLE 1: DESCRIPTIVE STATISTICS OF VARIABLES

	SUI _t	RSUI _t	DEBT _t	DEBT _t
Mean	100,5061	0,319	63963,38	1,279
Median	99,23461	0,435	49741,50	1,372
Maximum	120,0141	3,569	129336,0	8,712
Minimum	83,05225	-11,854	32836,00	-13,565
Standart Error	10,48663	1,690	28372,56	3,603
Skewness	0,069175	-3,478	0,903765	-0,622
Kurtosis	1,817918	26,501	2,566583	5,025
Jarque-Bera	6,374	2678,231	15,547	25,203
Number of Observations	108	107	108	107

In Table 1, there are mean values of variables, median values, maximum and minimum values, standard errors, number of observations, skewness and kurtosis of the variables. Considering the skewness of IPI_t and DEBT_t, it is seen that they are skewed to left since the skewness values of these series are bigger than zero. In addition, when the kurtosis values of these series are dealt with, it can be said that they are allokurtic because both series are smaller than 3. Considering the skewness of the series of RIPI_t and RDEBT_t, it is seen that the series are skewed to right because the skewness values of both are smaller than zero. Moreover, when the kurtosis values of the series are considered, it is found out that both of the series are orthogonal because kurtosis values of the series are bigger than 3. Besides, the normality of the series is checked via the Jarque-Bera test. According to this test result, it is seen that the series don't have a normal distribution. The volatility of the output variable is analyzed by means of the Generalized Autoregressive Conditional Heteroskedasticity (GARCH) Model, which is one of the volatility models of Conditional Heteroskedasticity (ARCH). GARCH Model was developed independently by Bollerslev (1986) and Taylor (1986). It is expressed in two parts as mean equation and conditional variance equation. The conditional variance equation is a volatility model which allows its own lags as well as the squared error residuals. With such a structure, it eliminates the obligation of adding numerous significant lags of error square in the ARCH Model. The GARCH Model (q, p) used in the analysis can be shown by means of the following equations. (Brooks, 2002: p. 454);³

$$RIPI_t = \theta_0 + u_t \quad (3)$$

$$u_t = \sigma_t \varepsilon_t \quad (4)$$

$$\sigma_t^2 = \alpha_0 + \sum_{i=1}^q \alpha_i u_{t-i}^2 + \sum_{j=1}^p \beta_j \sigma_{t-j}^2 + \gamma RDEBT_t \quad (5)$$

RIPI_t and RDEBT_t in Equation (3), (4) and (5) shows the logarithmic exchange rate of output and debt, respectively. While u_t refers serial uncorrelated dependent error term, θ_0 and σ_t^2 represents the conditional mean and conditional variance, respectively; whereas ε_t stands for random variable dispersing independently and identically. Lastly, q and p are the nonnegative integers. This applied specification allows us to follow and understand the effect of the change in the short-term foreign debt stock on the output volatility by means of the γ parameter in the conditional variance equation.

EMPIRICAL RESULTS

The GARCH model requires the prerequisite that the variables must be stationary. For this reason, the stationarity of the variables is tested by means of the Augmented Dickey-fuller (ADF) and Phillips-Peron (P-P) unit root tests. While the unit root tests are being performed, the lag number is determined according to Akaike Information Criteria (AIC). In Table 2, the stationarity test results of the variables are shown. Based on these results, the variables have no unit root. In other words, the variables are seen to be stationary at the level.

TABLE 2: STATIONARY AND UNIT ROOT TEST RESULTS

	RDEBT _t			RIPI _t		
	N	I	I and T	N	I	I and T
ADF (Level)	-3,574*	-4,133*	-4,203*	-4,236*	-9,807*	-9,761*
P-P(Level)	-9,178*	-9,765*	-9,748*	-9,791*	-9,995*	-9,956*

*is significant by 1%, ** is significant by % 5, N: None I: Intercept IT: Intercept and Trend

In order to determine the lag length of GARCH model error squares in the analysis, the sample estimation of σ_t^2 and the partial autocorrelation function of \hat{u}_t^2 are examined. To determine the lag rank of conditional variance itself, trials are performed in application, mostly in the way that it is utilized, starting from the shorter lags, while, in the meantime, the effect of ARCH is tried to be removed from the conditional variance equation. Following all these procedures, it is determined that the most convenient model is GARCH (1, 1). As the GARCH (1, 1) model is estimated through the maximum likelihood method, the model identification tests are performed and the results are presented in Table 3.

TABLE 3: ESTIMATION RESULTS

	Mean Equation
θ_0	0,595 (0,000)*
	Conditional Variance Equation
α_0	0,138 (0,000)*
α_1	-0,037 (0,000)*
β_1	1,040 (0,000)*
γ	-0,086(0,000)*
	Diagnostic Tests
Log Probability	-182,389
Ljung- Box Q(3)	2,865
Ljung- Box Q(6)	10,919
Ljung- Box Q ² (3)	0,497
Ljung- Box Q ² (6)	1,077
ARCH-LM(3)	0,435
ARCH-LM(6)	1,029

(): P-values are in parenthesis, indicating the significance level. * significant by 1%.

The statistical insignificance of Ljung Box and ARCH-LM tests shown in Table 3 proves that the specifications of mean equation and conditional variance equation are sufficient. The error term of mean equation is cleared of the serial correlation. The results of ARCH-LM test also show that the effect of ARCH is removed from the variance equation.

When the estimation results are analyzed, all the parameters are seen to be significant. Here, the most important parameter which needs to be interpreted at

most is γ . Indicating the effect of the rate of exchange in the short-term foreign debt stock on the output volatility; this parameter is a significant negative value. Therefore, while the positive changes in the amount of debt lead to a decrease in the output volatility, the negative changes give rise to an increase. In other words, the output volatility decreases as the short-term debt stock increases, and vice versa. In brief, there is a negative (counter-related) relationship between output volatility and short run foreign debt stock.

CONCLUSION

Turkey is the country prominently experiencing the challenges of being a developing country. Rapid growth and industrialization are of great importance on the road to development. Thus, the industrial production requires be enhancing and consistently implementing. Yet, in this process, a significant problem shows up. The savings necessary for industrialization and development remain inadequate, as a result of which the alternative of borrowing debt becomes inevitable. At this point, another problem is the matter of being destitute of a long-term debt in particular. Since there is no stable and sustainable growth, the country becomes subjected to the short-term indebtedness. This is the method of financing, the sustainability of which is doubtful beyond being a high cost source of finance. In this regard, the relationship between short-term debt and national output volatility –in particular, the industrial production volatility- is of great importance.

According to the results of the study, there is a negative relationship between the change in the short-term foreign debt stock and the industrial output volatility in Turkey in the given period. Hence, the rise in the short-term debt stock is of significance for the stable growth of industrial production. But, the decrease in the short-term debt stock enhances the output volatility, which is an unsustainable situation, or a difficult one to carry on and something costly. It is necessary that alternative sources of finance be found in order to minimize the output volatility and grow consistently. In this context, new policies should be devised. Turkey should promptly look for ways of surviving from short-term debts. Such short-term dependency must be overcome by devising and developing alternative policies regarding the matter.

NOTES

¹ The short-term foreign debt stock is the current balance of unconditional liabilities, the use/process of which has been completed by any given date and that through which the residents of a given place are indebted to non-residents and that which necessitates a principal and/or interest repayment(s) within a year from the date of access/application. (www.tcmb.gov.tr).

² In such studies, although the Gross Domestic Product (GDP) data are more commonly used, no monthly data of the GDP is available. Hence, in this study, the Industrial Production Index with monthly data has been used, instead of the GDP. As a sample study in this matter, see Yaylalı and Lebe (2012), Öcal (2013), Bal and Demiral (2102).

³ Even though the conditional mean in GARCH models is usually expressed via the structure of ARIMA, it is modelled merely with a constant term for convenience provided that the error term is serial uncorrelated.

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A CASE STUDY ON SELF-HELP GROUPS: MARKETING PERSPECTIVES & LEARNING**SOUVIK ROY****RESEARCH SCHOLAR****DEPARTMENT OF MARKETING AND STRATEGY****IBS****A CONSTITUENT OF IFHE (ICFAI UNIVERSITY FOR HIGHER EDUCATION)****(DEEMED TO BE UNIVERSITY)****HYDERABAD****CHAITALI DATTA****RESEARCH SCHOLAR****DEPARTMENT OF FINANCE****IBS****A CONSTITUENT OF IFHE (ICFAI UNIVERSITY FOR HIGHER EDUCATION)****(DEEMED TO BE UNIVERSITY)****HYDERABAD****ABSTRACT**

Mr. Rohan, the chief coordinator of SARAS exhibition held at Hyderabad was facing a problem of lack of public response during the first four days of the 11 day long fair of the self help groups. Throughout the year this exhibition of the self help groups is held at all the all major metropolitan cities of India. This year at October the venue of the exhibition was fixed at Hyderabad. Though unlike last year the venue ground of the exhibition was changed from Necklace Road to Nampally Exhibition Ground in Hyderabad but considering the sales and the consumer participation in the exhibition the result was not so good. For this reason the coordination between the self help group participants and the exhibition coordinators was not looking very good and both of them were having their own reasons of failure for not having enough sales and consumers in the fast few days of the exhibition. Sensing the issue being the lack of marketing mix application Mr. Rohan hired some business analysts to analyze the problem and suggest some measures from marketing point of view.

KEYWORDS

self-help groups, marketing.

SHGs (SELF-HELP GROUPS)

In India, Self Help Groups or SHGs represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs or (increasingly) by Government agencies. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues (the abuse of women, alcohol, the dowry system, schools, and water supply). Self-Help Group may be registered or unregistered. It typically comprises a group of micro entrepreneurs having homogenous social and economic backgrounds; all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group and by making everybody in that group self-employed. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that of solidarity lending, widely used by micro finance institutions.

To make the book-keeping simple enough to be handled by the members, flat interest rates are used for most loan calculations. Self-help groups are started by non-governmental organizations (NGOs) that generally have broad anti-poverty agendas. Self-help groups are seen as instruments for a variety of goals including empowering women, developing leadership abilities among poor people, increasing school enrollments, and improving nutrition and the use of birth control. Financial inter mediation is generally seen more as an entry point to these other goals, rather than as a primary objective. This can hinder their development as sources of village capital, as well as their efforts to aggregate locally controlled pools of capital through federation, as was historically accomplished by credit unions.

SARAS-WHAT IT MEANS

A Major initiative was taken by the Ministry of Rural Development in the direction of promoting rural products and building capacities of Swarozgaris during 1999-2000 when it participated in India International Trade Fair (IITF), 1999 under the banner of SARAS. It was organized, for the first time, with a view to give exposure to rural artisans/entrepreneurs/ officials dealing with SGSY to a major international event in the country to develop markets for products manufactured by beneficiaries of programmes of the Ministry; and, to create awareness amongst urban consumers of Delhi and surrounding areas about rural products. SARAS was promoted as an umbrella brand for promoting all the rural products. Since 1999 SARAS exhibitions have been a regular annual event and have been able to elicit wide participation by the beneficiaries of the programmes of the Ministry from all over the country. The participants bring an impressive range of rural products, which include handicrafts, textiles, artwork, furniture, items of daily use etc. The visitors show a lot of interest in these products and there is a huge direct sale of rural products every year. In addition to the direct sales, bulk orders for the products are also received during these exhibitions and the participants have been able to meet these orders to a large extent.

Apart from participating in the India International Trade Fair (IITF), the Ministry has been organizing regional SARAS fairs regularly in the recent years. The participation in these exhibitions have given a fillip to the confidence and enthusiasm of rural artisans and officials dealing with the self-employment programme. SARAS has been able to demonstrate the capacity of the rural poor to produce goods for sale in urban, metropolitan and international markets.

SARAS exhibitions have opened a new dimension in promotion of rural products and encouraged the participants and other stakeholders in the development of rural products/artisans. It is felt that SARAS has provided a platform not only for direct sales of rural markets, giving exposure to rural artisans/ entrepreneurs to various aspects of marketing, and developing linkages with various other markets. The concept of participation has to be evolved in the longer run with these objectives in mind. SARAS 2003 was another event in the chain for assisting these artisans, opening new opportunities for them, improving their awareness level and exposing the richness of products from rural poor to the huge urban markets.

SARAS EXHIBITION HYDERABAD

Women's Development and Child Welfare Minister Sunitha Laxma Reddy on Saturday claimed that the state government was providing all possible assistance to self-help groups across the state. Speaking after inaugurating the SARAS (Sale of Articles of Rural Artisans' Societies) Exhibition - 2012 at the Nampally Exhibition Grounds here, the minister said that the government has provided Rs. 1400 crores worth loans to the SHGs. Stating that the SARAS Exhibition was being conducted since 1999, she said that event was aimed at promoting the rural products besides providing them good marketing platforms to alienate poverty. Addressing the gathering, NABARD DGM Sunil Kumar said that the NABARD was giving loans to hundreds of beneficiaries in rural areas. The SARAS CEO B Rajasekhar also spoke.

The SARAS Exhibition has been organized by the Union Ministry of Rural Development and the state government through the Department of Rural Development. The exhibition, which will continue till October 30, has been aimed at promoting products made by the rural craftsmen and artisans who come from different states of the country. Nearly 300 stalls have kept different products from at least 15 states on display at the exhibition. The state of Andhra Pradesh is being represented by all the SHGs across the state. The colorful dresses from Gujarat, the intricate chikan (hand embroidery) works of Uttar Pradesh, the soft silks of Karnataka, the Chanderi sarees of MP, the Ayurvedic products and handlooms from Kerala are also on display. From Andhra Pradesh, attracting handlooms of Pochampally, Venkatagiri, Gadwal, Narayanpet, Kalamkari, the beautiful handicrafts made with jute, coir, wood and metal, soft toys, Terrakota, leather goods and readymade garments are the major attractions. (INN)

ISSUES

For the first four to five days the exhibition was not pulling any crowd as a result there was a frustration growing among the rural artisans representing the SHGs because of less amount of sales and also the organizers were not having any clue why this new venue in Hyderabad is not getting appropriate response and what are the marketing aspects they are lacking and which they need to take care of to improve the customer response. So being the chief coordinator of the exhibition Mr. Rohan hired some business analysts to analyze what is the real problem and suggest some measures to improve this condition of the exhibition.

THE BUSINESS ANALYSTS TEAM

Getting a call from Mr. Rohan the business analyst's team went to the exhibition and after having a detailed discussion with him they decided to conduct an exploratory research. A three way survey- one with the customers coming to the exhibition, one with artisans representing the SHGs in the exhibition and the last one with the organizers of the exhibition was done.

Data was collected through close ended questionnaires prepared separately for the artisans, organizers and customers visiting the exhibition. Around [30 stall people, 50 customers and 10 organizers including Mr. Rohan were selected as respondents and were thoroughly interviewed], daily sales reports, previous year's sales reports daily attendance report and last year's attendance sheet were also reviewed. On the basis of the data collected and analyzed the following problems were notified and accordingly some solutions were suggested from marketing point of view

PROBLEMS IN THE SARAS EXHIBITION THROUGH THE 4P'S OF MARKETING

On the basis of the survey done the following problems were detected.

PRODUCT

1. There is no assurance to the customers that the products are of good quality.
2. If the product is a unique product which is not available in the local market then only the customers are attracted to buy the product.
3. Insurance is not given to the products in case of any theft or natural calamity occurring during the exhibition.

PRICE

1. There are no price tags on the products, the sellers usually tell the prices to the customers and then bargaining is done on the price, this creates ambiguity for the customers about the right price of the product.
2. Some products being sold in the exhibition are above the market price.

PLACE

1. The location of the exhibition is an issue as according to the organizers and the artisans who also had stalls last year, the location at Necklace road was a better place for the exhibition but this time it could not be rented as some other exhibition booked the ground before hand.
2. The exhibition all over in India takes place usually in the state capitals only, whereas tier2 and tier3 cities can also be used as good locations for the exhibition.

PROMOTION

1. Advertisements in schools and colleges should be done in a more intense manner to create awareness.
2. Advertisement in radio could be an option but according to the organizers it is very expensive.
3. Overall promotion could be done with tying up with other big stores in the city.

A detailed analysis report was been prepared by the analysts and submitted to Mr. Rohan but whether these were the real problems and what measures needed to be taken to solve them are the issues in hand for him and also for SHG members..

TEACHING NOTE

- 1) ABSTRACT- The case deals with the problems of self-help groups in India in promoting their products in major cities of India.
- 2) TEACHING OBJECTIVES-After going through the case the students will be able to understand the following questions.
 - ✓ What are the problems of rural artisans in promoting their products in the urban areas?
 - ✓ What kind promotional measures can be suggested to promote the rural products in the urban areas?
 - ✓ What is rural marketing?
 - ✓ What is SHG or self help groups? Why there is a necessity to have such groups?
 - ✓ What is SARAS? How it is helping the rural artisans to promote their products?
 - ✓ What kind of questionnaires and research methodologies to be adopted in a situation like above?
 - ✓ Role of Indian Union Ministry in promoting rural products?
- 3) TARGET AUDIENCE-Students of MBA/BBA/ACADEMECIANS.
- 4) SUBJECT-Marketing.
- 5) METHODOLOGY TO BE USED- Survey among
 - ✓ Customers
 - ✓ Stall persons
 - ✓ Organizers

To know their responses in each of the following department.....

- a) Product (quality/packageing).
- b) Prices (high /medium/low).
- c) Place (logistics/infrastructure/ease of transportation).
- d) Promotion (advertisements/modes of advertisements/consumer awareness).

- ✓ Preparing questionnaires (for each of the respondents mentioned above).
- ✓ Data collection.
- ✓ Data analysis.
- ✓ Suggesting measures for future improvement.
- 6) ANALYSIS TO BE DONE
 - PRODUCT-** Product or services that satisfy the need of the customers by delivering values.
 - Packaging of the product should be properly done.
 - Products should be insured to save the manufactures from loss due to theft and natural calamities.
 - A preliminary market survey is to be done to find out the uniqueness of the product.
 - Packaging should have proper labels containing the name of the manufacturer.
 - PRICE-** The price paid for the value delivered in form of goods and services.
 - There should not be any price tags in the products.
 - The manufactures should be aware of the prices of their products if they are available in the local market so that they don't sell above the market price.
 - PLACE-** The ways the goods and services are made available to the customers.
 - The exhibition people should target tier 2 and 3 cities as the demand for rural products is also high there.
 - The place selected for exhibition should be centrally located in the city and should be easily accessed by roadways, railways and airways.
 - The place of the exhibition should be large enough to accommodate the manufactures with their products.
 - The place selected for exhibition should be properly lighted so that no stall remains in darkness (considering the light posts set for the number of stalls).
 - The stalls of the manufacturers should be large enough to accommodate their products.
 - The stalls from each states could be grouped together in a particular place to enhance completion and unity.(like-Rajasthan gallery).
 - Manufactures of unique should be allocated such stall locations where they are easily noticeable
 - PROMOTION-** The ways of informing and communicating the products and services to the customers.
 - Schools and colleges should be contacted for promotion.
 - Regarding the media of advertisement proper research should be done to choose the most effective medium especially what is best for rural products promotion.
 - For awareness promotion can be done with big retail stores and corporate tie-ups.
 - Organizers should take care of those people who are not able to speak properly because of the local language barrier because this might be a great hindrance in the selling process.(possible solution will be to allocate state representatives in those stalls who will be able to speak on the behalf of the stall people).
- REQUIREMENTS OF THE STALL PEOPLE**
 - To maintain a good cooperation with the manufactures and the stall peoples.
 - To maintain daily sales records.
 - To look after the safety and security of the stall peoples.
 - The stall people should contact the banks like NABARD SBI who has special schemes for the rural manufactures to save them from heavy financial burden.
- 7) REFERENCES
 - ✓ WIKIPEDIA.
 - ✓ SARAS WEBSITE.
 - ✓ THE HINDU NEWS PAPER.
 - ✓ THE MARKETING MANAGEMENT BOOK BY PHILIP KOTLER.

[*Note-This is a confidential paper for which some data has not been published, it should only be used for academic purposes.]

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