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TRENDS IN PRODUCTION, SALES AND COST STRUCTURE OF SELECT PHARMACEUTICAL INDUSTRIES IN INDIA

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ABSTRACT

In this article, the trends in production, sales, cost of sales and other costs have been analysed in detail. Trend analysis is effective only when relevant and related items are studied together. Thus, the results which are shown have to be viewed in conjunction with the resources employed. For the purpose of analysis all components have been pooled. Value is calculated in select pharmaceutical companies to analyse the production, sales and cost position of industry under study. 2005-06 has been chosen as the base year equal to 100. Index numbers have been calculated for the remaining years based on the base year.

KEYWORDS

pharmaceutical industry, trend analysis.

INTRODUCTION

Financial analysis is a process of getting an insight into the operating activities of a business enterprise. It is a process of selection, relation and evaluation. The first step is to select from the total information available about a business the data relevant to the decision under consideration. The second is to arrange the relevant data in a way that will bring out significant relationships. The final step is to study these relationships and evaluate or interpret the results. The important areas of performance evaluation for the present study are: Production Trends, Sales Trends, Cost Trends.

Production Trend - Production is one of the most important areas of performance. Production performance of a company can also be measured by analyzing capacity utilization. The production of a concern or sector can be compared for different years with that of the companies in the same industry and may give an idea as to how the company has performed in the particular year under consideration.

Sales Trend - The figure of sales is the index of progress made by the company. It can also be used as an indicator of managerial efficiency. Marketing of the product is also one of the most important areas of operations. In the process of performance evaluation, sale indices are computed and compared with those of other similar companies for arriving at an objective conclusion.

Cost Trend - Cost is defined as 'the amount of expenditure incurred on or attributable to a specified article, product or activity'. Thus, cost has been defined as expenditure incurred on a thing. A study of cost trends helps in measuring efficiency or inefficiency with which each task has been carried out. It also helps in having control over expenditure and in fixing prices on the basis of the study of the cost trend which plays an important role in forecasting, planning, and budgeting and in breakeven analysis; wasteful expenditure, if any, can be avoided.

OBJECTIVES OF THE STUDY

The study is carried out with the following specific objectives:

- 1) To analyse the trends of production, sales and cost of the selected pharmaceutical units in India.
- 2) To present summary of the study and to make suitable suggestion for improvement in the competitive business world.

PERIOD OF STUDY

The period 2005-06 to 2014-15 is selected for this study of pharmaceutical industry in India. This 10 years period is chosen in order to have a fairly long, cyclically well balanced period, for which reasonably homogenous, reliable and upto-date financial data would be available. Further, the span chosen for the study is the period of the beginning of liberalization measures introduced by the Government of India. Hence, the period 2005-06 to 2014-15 is an era of growth of Indian Pharmaceutical industries has got genuine economic significance of its own.

SELECTION OF SAMPLE

Keeping in view the scope of the study, it is decided to include all the companies under Indian pharmaceutical industry working before or from the year 2005-06 to 2014-15. But, owing to several constraints such as non-availability of financial statements or non-working of a company in a particular year etc., the researcher is compelled to restrict the number of sample companies to ten. Therefore, this study is ex post facto based on survey method making a survey of ten companies under Indian Pharmaceutical Industry. There are seventeen companies operating in Pharmaceutical Industry in India. The details of the financial data available in only ten companies of Indian pharmaceutical industries.

SOURCE OF DATA

The study is mainly based on secondary data. The major source of data analyzed and interpreted in this study related to all those companies selected is collected from "PROWESS" database, which is the most reliable on the empowered corporate database of Centre for Monitoring Indian Economy (CMIE). It contains a highly normalized database built on a sound understanding of disclosure in India on around 12,000 companies, which include public, private, co-operative and joint sector companies. The database provides financial statements, ratio analysis, funds flow, cash flow, product profiles, returns and risk on the stock market etc.

Besides prowess databases, relevant secondary data have also been collected from BSE Stock Exchange Official Directory, CMIE Publications, Annual Survey of Industry, Business newspapers, Reports on Currency and Finance, Libraries of various Research Institutions, through Internet etc. The study required variety of data therefore; websites like <http://indiainfoline.com>, www.indiastat.com and www.google.com have been comprehensively searched.

LIMITATIONS OF THE STUDY

The data used in this study have been taken only secondary sources and as such its findings depends entirely on the accuracy of such data.

LITERATURE REVIEW

It is mandatory to review the literature available with respect to the area of the research study. Measuring the performance of the corporate sector has always been an area of controversies from the point of view of the government, shareholders, prospective investors, creditors, employees and any other stockholders. Several studies have been undertaken to evaluate the financial performance in the corporate sector. This chapter presents some of the studies conducted by financial analysis.

Amita S.Kantawala (2001-02)¹ in his study on financial performance of non-banking finance companies (NBFCs) in India concluded that there exists a significant difference in the profitability ratios, leverage ratios and liquidity ratios of various categories of NBFCs. The more number of ratios do not statistically differed from one another in majority of the cases except the trading in share and investment holdings were compared with leasing. The analysis of variance along with the details the average ratio may become a useful guide to companies to decide the dissatisfaction or continuation in the same line of business considering overall profitability within the regulatory frame work.

Kar.N.C and sahuo,sk,(2001)² in their study stated that even though, still the growth rate has been consistent. The average growth rate of current assets is higher in Bajaj Auto Ltd. It is observed that there exists a high degree of positive correlation between sales and current assets.

Padmaja Manoharan (2002)³ through her study on profitability of cement industries in India has revealed that the profitability of firms depend on age, size and region. She has indentified that quality of earnings depend on cost management, assets management and leverage management.

Shanmugasundaram and Ratnam (2002)⁴ in their study on "Measures for sustaining profitability of spinning mills", analyzed and the financial performance of 140 spinning mills in Tamilnadu during 1994-2000. The mills were classified as high and low profit mills. The financial performance of the spinning mills during the six years was found to the poor.

Nand Kishore Sharma (2002)⁵ in his study on Financial appraisal of cement industry in India found that the current and quick ratio showed a decreasing trend and also it varied from time to time. On comparing the current and quick ratio of cement industry, six companies were higher than the average and four recorded lower than the average of industries. The average debt equity ratio was 54:34 percentages. This ratio showed a decreasing trend in the first 4 years of study but after that it registered an increasing trend. The ratio of fixed assets to total debt always showed more than 100 percent, which indicated that the claims of outsiders were covered by the fixed assets of that organization. The return on capital employed recorded average of 15:46 percent. This ratio varied from 2.76 percent to 21.80 percent during the period of study.

Sankaran (2002)⁶ has made a financial performance evaluation of ten (five Indian and five MNC'S) Pharmaceutical companies in India. The financial performance was analyzed with the help of liquidity, profitability and solvency perspectives. The companies were ranked for assessing corporate excellence by ET-HBSAT model, bankruptcy and average return on net worth with the help of Altman model. It identified that the financial performances of MNC Pharma companies are better than the Indian companies.

Mansur Mulia.A(2002)⁷ in his study on use of 'Z' score analysis for evaluation of financial health of textile mills found that the textile mill under study was just on the verge of financial collapse. The financial health of the mill was never in the too healthy zone during the study period. The position of its performance front was very unviable and apprehensions of the total failure of the mill were inadequate level of working capital. The textile mill, on the volume front, had failed to achieve the sales target set for different years mainly due to the low achievement of production performance owing to the underutilization of the available capacity which contributed to the deterioration of the financial health of the mill.

Prasad Sangameshwaran (2002)⁸ has studied in detail the importance of branding the cement. Industry analysts feel that branding efforts have been initiated due to the cluster. The large media spends that has influenced the increased visibility for the brand. Cement has always been loyal to the door media, walls and hoarding. They spelled out measures why branding becomes important for cement for cement players today. Another reason is the nature of the product, which influence the manner in which it is sold. Being bulky by nature, cement manufactures sell their products close to the area of manufacturing. Finally he pointed out that to stand out in the cluster, branding would naturally help.

Jack Glen, Kevin Lee and Ajit Singh (2002)⁹ in their study presents time-series analyses of corporate profitability in seven leading Developing countries (DCs) using the common methodology as the persistence of profitability (PP) studies and systematically compare the results with those for Advanced Countries (ACs). Surprisingly, both short and long term persistence of profitability for DCs was found to be lower than those for ACs. The paper concentrated on economic explanation for these findings. It also reports the results on the persistence of the two components as profitability-capital-output ratios and profit margins. These two raise important general issues of economic interpretation for persistence of profitability (PP) studies, which are outlined.

Tze-wei Fu, Mei-Chiu ke and Yen-Sheng Huang (2002)¹⁰ examined the relationship between profitability and financial capital for 1,276 small firms in Taiwan over the period 1992-1997. The results indicated a statistically positive relationship between profitability and capital growth. When financial capital was further divided into debt and equity, the results indicate a significantly positive relationship between profitability and equity financing, but a significantly negative relationship between profitability and debt financing. Moreover, the profitability of small firms was positively related to both the external economic conditions and the firms' previous profitability.

Kaen and Baumann (2003)¹¹ in their study measured the profitability of US companies with a sample of 64 selected randomly. They had taken sales, EBITDA, EBIT, EBITDA margin, EBIT margin, total assets and number of employees as independent variables and return on assets as dependent variables for the study. Using regression and correlation techniques their study resulted that about half of industry, firm's profitability increases at decreasing rate and eventually declines as the firms become larger, for the remaining half, no relationship between profitability and size was found.

Bardia (2004)¹² Conducted an empirical study on liquidity management of the largest public sector company the steel Authority of India Ltd. (SAIL). This study put emphasis of working capital management of the company. The results of spearman's rank correlation and students' revealed the significant positive association between the liquidity and the profitability of the company. Further metal's comprehensive rank test and other statistical techniques demonstrated the need for improvement in debt collections, maintenance optimum quick ratio, need for arrangement of short term finances to manage the short terms liquidity of the company.

A.V.Dharmadrishnan(2004)¹³ has studied consolidation in the cement industry. The cement industry has been going through a period of re-alignment or consolidation since the early 1990s but still has a long way to go in this regard. The Indian Cement industry is the second largest in the world after China. The cement industry's progress since its inception in 1914 has been significant. Today in terms of quality, productivity and efficiency the industry is second to none in the world. India can produce cement to any international standards. Today, the industry has a combined installed capacity of 153 million tonnes. The cement industry's growth is in line with the Gross Domestic Product growth. Cement exports registered a 35 per cent growth in 2002-03 over the previous year.

Arthur S. Leahy (2004)¹⁴ Tested the proposition that profitability was related to the functions performed and risks assumed by a company. The tree measures of profitability such as gross margins, operating margin and berry ratio are examined and related to proxies for the functions performed and / or risks assumed by those manufactures. The results showed that SGA / Sales, Inv / COGs and AP / COGs variables are significant determinants of profitability. The results vary according to the measures of profitability employed i.e., the significance of the independent variable may depend on the profitability measures employed.

Patel (2004)¹⁵ in his study made an attempt to examine the profitability of Colour – Chem Limited during the period 1981-1999. The multiple correlation coefficient technique was used for analyzing the impact of net fixed assets, sales and net worth on the profitability. The result of the study showed that sales and net fixed assets, sales and net worth, and net fixed assets and net worth had significant effect on net profit of colour – Chem limited. The analysis of profitability ratios showed that the company was in a round position.

Marcos A. M. Lima and Marcelo Resende (2004)¹⁶ in their work entitled profit margins and business cycles in the Brazilian industry: a panel data study investigated the relationship between profit margins and business cycle in the Brazilian industry during the 1992-1998 period, taking as reference a dynamic panel data model founded around a conjectural variation framework. The empirical results indicated pro-cyclical behavior or profit margins for the aggregate business cycle but are less clear in the case of sector-specific business cycle variables. Among the most robust results, one can highlight the roles of lagged profitability and import intensity and the negligible role of union density.

Sueyoshi, Toshiyuki (2005)¹⁷ Financial Ratio Analysis is newly proposed to examine the financial performance of the American Power / energy industry. The new approach compares the financial performances of 147 non-default firms with those of 24 default firm in the US power / energy market. The proposed approach is a new type provides a set of weight of a linear discriminant function, consequently yielding an evaluation score for group membership. Such weight estimates, along with an evaluation score, of the discriminant function provide a total financial evaluation measure, based upon which we can determine the financial performance of the power / energy firms.

This empirical study informs that both leverages (debt) and profitability (returns of equity) are important financial factors in terms of avoiding corporate results obtained from the American power / energy industry are further extended to the International comparison of other major industrial nations including Japan and the European nations. The international comparison concludes that Japanese electric power firms have enough managerial and financial capabilities even if the American financial standard is hypothetically introduced into the evaluation of their financial performances. However, the empirical results also indicate that the Japanese power industry performs barely above the American standard. Thus, corporate leaders in the Japanese power industry need to pay more serious attention to their corporate finances and financial strategies. Such financial perspective will be increasingly important along with the current deregulation policy of the Japanese government.

Alovsat musulmov(2005)¹⁸ This paper examines the post-privatization performance of privatized companies in the Turkish cement industry. The findings indicate that, when performance criteria for both the state and private enterprises are considered privatization in the cement industry results in significant performance deterioration. Total value added and the return on investment declines significantly after privatization. This decrease mainly stems from deterioration in assets productivity. The decline in asset productivity, however, is not caused by an increase in capital investment, since post privatization capital investment did not change significantly.

Significant contraction in total employment and increase in financial leverage after privatization are among the key research findings. Privatization through public offering, gradual privatization and domestic ownership are found to stimulate the financial and operating performance of firms following privatization.

Hamasalakshmi and Manickam (2005)¹⁹ in their study on "Financial performance analysis of selected software companies" examined liquidity, profitability and leverage position on thirty-four software companies during the period 1998-1999 to 2001-2002 by using ratios, correlation and multiple regression analysis. The study revealed favourable liquidity and working capital position. They concluded that the companies vary on the internal financing and overall profitability position of the software companies showed a moderately increasing trend.

Dr. Sanjay J.Bhayani (2006)²⁰ in his study an attempt has been made to study the cost component of cement units under the study. For the purpose of analysis of cost component, all component cost has been calculated as percentage of sales. A study has been made by using data from financial statements of top five cement companies of India, viz.,

Gujarat Ambuja Cements Ltd., (GALL), Dalmia Cements Ltd., (DCL), Madras Cements Ltd., (MCL), Indian Cements Ltd., (ICL) and Shree Cements Ltd., (SCL) the data of total cost various cement companies under study have been rearranged and classified under the following heads; Raw materials and stores consumed, salaries and wages, indirect taxes, power and fuel, depreciation, administrative selling and distribution and other expenses and financial charges. He found out from his study that the most influencing factor in cost structure of cement industry is power and fuel cost, the portion of this cost of total was 21 percent, where the portion of raw materials cost and selling and distribution and other cost in total cost structure were 19.27 percent and 16.60 percentage respectively. So it can be calculated that to improve the profitability of units there is a need to give proper attention towards this cost by corporate. The closest view of analysis showed that the average cost in almost all elements of GACL was closer to the average industry.

Agiomirgianakis, Voulgaris and Papadogonas (2006)²¹ examined financial determinants of firm profitability and employment growth are identified by using a panel of 3094 Greek manufacturing firms for 1995 and 1999, just before the country's accession to the European Monetary Union. The analysis includes stepwise regression models.

The independent variables used are size, age, location and exports, as well as a number of financial ratios describing the asset structure, capital structure, reliance on debt, employee profitability and managerial efficiency.

The results show that size, age, exports, debt structure, investment in fixed assets and profitability assets and sales contribute significantly to firm growth. Econometric results also reveal that firm size, age, exports, sales growth, reliance on debt on fixed assets and investment growth, as well as efficient management of assets, influence profitability.

Sam Luther (2007)²² analyzed the liquidity, Risk and profitability. To measure the liquidity two important ratios are used; they are current ratio and quick ratio. There are two major categories of profitability ratios 1.profit in relation to sales, and 2.profits in relation to investments. One of the major drawbacks of the profits in relation to sales is that it ignores the Japanese electric power firms have enough managerial and financial capabilities even if the American financial standard is hypothetically introduced into the evaluation of their financial performances. However, the empirical results also indicate that the empirical results also indicate that the Japanese power industry performs barely above the American standard. Thus, corporate leaders in the Japanese power industry need to pay more serious attention to their corporate finances and financial strategies.

Such financial perspective will be increasingly important along with the current deregulation policy of the Japanese government deregulation policy of the Japanese government.

Dr. B. Ramachandra Reddy and Dr. B. Yuvaraja Reddy (2007)²³ in their study, an attempt has been made to examine the effect of selected variables on MVA of selected cement companies in India from 01.04.2003 to 31.03.2004. For the purpose of the study 3 major cement units and 7 mini plants were selected. The MVA has been taken as a dependent variable and return on net worth, capital productivity, labour productivity, earnings per shares, economic value added, return on sales (or) turnover, return on total assets and cash profits have been selected as independent variables. It can be inferred them regression analysis that none of the factors was found to have significant impact on MVA. But EPS was found to have a negative and significant effect on MVA. This implies that the MVA of cement companies is not only affected by selected independent variables but also influenced by other factors.

Kasturi Rangan, S. (2008)²⁴ in his study made an attempt to identify the factors determining the profitability of the banks through partial correlation co efficient for the period from March 2000 to 2007. These banks were categorized into 5 different groups for the purposes of analysis.

Victoria Bellou, Andronikidis, (2009)²⁵ depicts in their study that organizational climate, which includes the setting of values, rules and priorities to be followed by all individuals involved in the organization, has been receiving increased attention over recent years. The purpose of this paper is to look into the prevalent organizational climate within hotels and to identify variations employees' perception, based on whether they hold managerial or non-managerial positions. The results show that efficiency, reflexivity, innovation and flexibility, supervision support and quality were among the most prominent characteristics affected by organizational climate, whereas outward focus and pressure to produce were least affected. Moreover, the only differences revealed between managerial and non-managerial employees were in the areas involvement and efficiency.

Ray Sarbapriya and Mihir Kumar Pal (2010)²⁶ in their study reflect dismal declining trend after the path -breaking economic reforms in 1991. There is an urgent need for developing a comprehensive plan for cement industry so that it can survive in the post -liberalized Indian environment and make its presence global.

Chandrakumarmangalam, P Govindasamy (2010)²⁷ in their study have discussed the impact of leverage on the profitability of the firm. The relationship between the debt and equity ratio and earnings per share and how effectively the firm be financing. The leverage and profitability and growth are related and the leveraging impact on the profitability of the firm.

Glocker, Daniela (2011)²⁸ in this paper I evaluate the effect of student aid on the success of academic studies. I focus on two dimensions, the duration of study and the probability of actually graduating with a degree. To determine the impact of financial student aid, I estimate a discrete-time duration model allowing for competing risks to account for different exit states (graduation and dropout) using individual level panel data from the German Socio-Economic Panel (SOEP) for the years 1984-2007. My findings suggest that the duration of study is responsive to the type of financial support a student receives. There are three main results. First, student aid recipients finish faster than comparable students who are supported by the same amount of parental/private transfers only. Second, although higher financial aid does on average not affect the duration of study, this effect is (third) dominated by the increased probability of actually finishing university successfully.

Rai Sandeep Kumar and Dwivdei Shailesh K, (2011)²⁹ in their study, stated that the Cement Industry in India is moment. Driven by a booming real estate sector, global demand and increased activity in his fracture development such as state and national highways, the cement industry has witnessed tremendous growth. The realty sector boomed but could not sustain for long and it collapsed because of the loan defaults. This situation spread like wild fiber and put the Indian economy in danger like the US economy. The US financial crises have affected many countries of the world and India is no exception to it. Because of these financial crises, Indian economy has lost more than 2% of GDP growth. Almost all sectors of the Indian economy have been affected by this crisis.

N.VenkataRamana (2012)³⁰ Bankruptcy is a situation where the liabilities exceed the assets in the company, generally it happens due to under capitalization, not maintain sufficient cash, sources are not utilize properly, in efficient management in all activities, sales decline and market situation etc. Predicting bankruptcy is a dire vital for taking curative and corrective measures for better financial planning, profitability, liquidity and solvency efficiency of the firm. In this study an attempt has been made know the financial performance and also to predict the risk of bankruptcy for selected cement companies from 2001-to-2010.

Liquidity Ratios; Working Capital Ratios, Solvency Ratios and Altman Z-Score Analysis was made to diagnose the problem of bankruptcy. The result reveals that liquidity, working capital turnover efficiency and solvency position of the selected cement companies are not satisfactory. In this study the Z-Score analysis results show that KCP Ltd and Kesoram Industries Ltd have poor financial performance and Dalmia Bharat Ltd is at the edge of bankruptcy.

Sachin Mittal, (2012)³¹ Indian cement industry is the second largest cement industry in the world. The paper attempts to examine the working capital trends on the basis of size of working capital, ratio of working capital to total assets, fitting trend line analysis, and correlation amongst the profit, sales and current assets. The present study opined that in India, cement industry has low level of profitability due to mismanagement of current assets and current liabilities. The main objective of working capital management is to arrange the needed funds at right time from the right sources and for the right period so that tradeoff between liquidity and profitability may be realized. The study unearthed that the cement industry in India are failing to maintain the required level of working capital.

Sarangarajan (2013)³² Indian cement industry is the second largest cement industry in the world. The paper attempts to examine the performance and management of assets of the select cement companies in Tamilnadu with the support of Trend analysis. Data employed in this study are all secondary in nature which is frequently inspected by Institute of Chartered Accountants of India and Security Exchange Board of India. The pooled data collection is to assess the impact of regulation on performance of asset of cement companies in Tamil Nadu over the time horizon viz., 1996-97 to 2005-06 The variables used in this study are Land, plant, stock, cash and debtors. The authors have chosen four cement companies in Tamilnadu and using a statistical technique as Trend analysis with the aid of Minitab software version 15. On an analysis it is found that cement plants taken first study have procured land not only for plant construction but also mining lands keeping the future expansion/new plant on a long term basis. It is natural for Tamil Nadu cement factories to hold higher inventory of limestone because of various factors involved in mining operation and location of the mining land from the factory. As found in the Trend Analysis the cement plants had changed their marketing policy from "Cash and Carry" to credit sales. This change in policy of offering credit to large consumers is a major cause for higher debtor's balance in the recent years.

The cement plants in Tamil Nadu in their efforts to increase their market share started offering credit to the consumers especially for real estate builders which has resulted in low cash balance. It is expected that change in cement customer mix will result in a comfortable cash balance in future. It is found that so many small cement industries have been closed because of improper cash management. This has resulted in cash crunch In Cash Trend Analysis. The consumption of cement by government increases, this trend may be expected to decline.

Dr. P.Krishna Kumar (2013)³³ The study was designed to investigate the progress of Indian cements industry since 1991, in terms of its growth in installed capacity, production, exports, and value additions; In detail the research methodology used for the study that has focused on the past, present and the future performance of Indian Cement Industry (ICI) at the macro level and the Chettinadu Cement Corporation Limited (CCCL) at the micro level as a case firm. The study purely relies on secondary data. The secondary data were collected for a period of fifteen years (1991-92 to 2005-06) from the database maintained and made available by several organizations viz., Cement Manufacturers Association, Export Import Bank of India, Center for Monitoring Indian Economy etc. for the purpose of effective periodical analysis. In order to know the progress of ICI, annual time series data for the six variables were.

Studied for trend, cyclical variation and random variation, as seasonal variation was not observable in the annual data. The estimated trend equations were evaluated for their goodness of fit and predictive power and found valid to draw inferences. The values of the six variables were projected to the next five years. Estimated values were adjusted for the likely effects of cyclical variations (c) the reliability of predicted values were evaluated with the help of forecasting error. In the end of the study implications and conclusion were provided.

Acharekar Sachin Vilas Vijaya (2013)³⁴ Working capital is considered to be life -giving force to an economic entity and managing working capital one of the most important functions of corporate management. Working capital management (WCM) is the management of short – term financing requirements of a firm which includes maintaining optimum balance of working capital components –receivables, inventory and payables – and using the cash efficiently for day – to –day operations. The main objectives of this study are to examine and evaluate the working capital management in Cement Industries Limited, examine the management pattern of inventory, liquidity position and receivables management. This also finds the relationship between Working Capital Efficiency and Profitability, Profitability.

RESULTS AND DISCUSSIONS

1. TRENDS IN PRODUCTION

Production may be considered as the backbone of a manufacturing enterprise. In business enterprise, production will be considered to be very effective and useful when it serves the dual purpose: 1) It must operate primarily to satisfy customer demands and 2) It must permit production activities to operate in an economical and efficient manner. In the economic sense "production" means both making goods and rendering services that add value to a product even though there are no utilities and utilization of resources such as, labour, energy, materials, equipment and machinery, etc. Utilities are goods and services which have want satisfying powers.¹

Ho: There is no significant difference between actual value of production and the trend value of production among different years.

The trends in production of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been presented in Table 1. It exhibits that the highest mean value of production was Rs.6307.98 crores in CL which accounts of total industrial production, followed by Rs.5980.89 crores in DRLL production. The remaining production of industry by LL was Rs.4915.92 crores, followed by APL with Rs. 4118.49 crores, CHL with Rs.2703.98 crores, GPL with Rs.2118.91 crores, ILL with Rs.1935.89 crores, TPL with Rs.1886.93 crores, WL with Rs.1685.19 crores and DLL with Rs.1579.79. On the basis of average production, the maximum contribution together by CL, DRLL and LL of industrial production.

The value of production of the pharmaceutical industry for the period of study from 2005-06 to 2014-15 has been shown in Table 1. The production of pharmaceutical industry has marked an increasing trend throughout the period. In the year 2005-06 the production was Rs.13.627.20 crores which increased to Rs.59320.27 crores in 2014-15, marking an increase of 435.31 per cent in the indices. The mean value of production of pharmaceutical industry during the study period was Rs.33143.97 crores. The compound annual growth rate of production was 15.85 per cent. The CV value of actual value of production was 32.88 per cent which indicates more fluctuation in the production of pharmaceutical industry during study period.

The comparison of actual value of production has been shown in Table 1 which depicts that the trend values differed materially from the actual production. The original values of production were lower than the trend values in 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12. It may be pointed out that in the remaining year, the original values of production were higher than the trend values. The calculated χ^2 value comes to 63983.39 which is higher than the table value of 16.919 at 5 per cent level. It indicates that the differences between actual values of production and trend values of production in different years were significant. Further the fitted linear regression can be used for prediction of production.

2. TRENDS IN SALES

'Sales' is the value of output supplied to the customers. It is the life blood of a business enterprise without which the business cannot survive. Further, 'Sales' is the indicator of the operational efficiency of management in how efficiently the management has used the assets of the business. The higher volume of sales is more efficient the management. Sale is also related to profitability of an enterprise. The higher amount of sales more profitable the business is and vice versa. The matching of costs incurred during a certain period with sales generated during that period reveals the net income or net loss. The trend of sales indicates the direction in which a concern is going and on the basis of which forecast can be made. The trend analysis of sales helps to understand the growth of a business enterprise.

¹ S.A. Sherlekar, "Industrial Organisation and Management", (Himalaya Publishing House: Bombay), 1998, p. 375

Ho: There is no significant difference between the actual value and trend value of sales among different years.

The trends in sales of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been presented in Table 1. It exhibits that the highest mean value of sales was Rs.6167.07 crores in CL which accounts of total industrial sales, followed by Rs.5808.97 crores in DRLL sales. The remaining sales of industry by LL was Rs.4831.64 crores, followed by APL with Rs. 4051.75 crores, CHL with Rs.2675.86 crores, GPL with Rs.2106.47 crores, ILL with Rs.1896.74 crores, TPL with Rs.1857.77 crores, WL with Rs.1651.74 crores and DLL with Rs.1514.71. On the basis of average sales, the maximum contribution together by CL, DRLL and LL of industrial sales.

The value of sales of the pharmaceutical industry for the period of study from 2005-06 to 2014-15 has been shown in Table 1. The actual sales of pharmaceutical industry have marked an increasing trend throughout the period. In the year 2005-06 the sales were Rs.13367.30 crores which increased to 58093.50 crores in 2014-15, marking an increase of 434.59 indices. The mean value of sales during the study period was Rs.32562.73. The SD and CV value were 15338.03 and 47.10 per cent which indicate more fluctuation in the sales of pharmaceutical industry during the study period. The CAGR values were registered at 2.93 per cent.

The comparison of actual value of sales and trend value of sales has been shown in Table 1 which depicts that the trend values differed materially from the actual sales except in the year 2008-09 and 2013-14. The original values of sales were lower than the trend values in the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12. In the remaining years, the original values of sales were higher than the trend values. The calculated χ^2 value comes to 62883.70 which is higher than the table value of 16.919 at 5 per cent level. It indicates that the differences between actual value of sales and trend value of sales in different years were significant.

3. TRENDS IN COST OF PRODUCTION

The price for the product is usually fixed by taken into account the cost of the production and adding a mark-up which may be stated as a percentage of the cost for profit. The cost of production value is determined by the sum of the cost of the resources that went into making it. The cost can be composed of the cost of any of the factors of production including prime cost, work cost, administrative cost and selling cost, etc. Broadly, the determinants of cost of production are: the size of the plant, the level of production, that is, the utilization of the plant, the nature of technology used, the process of the various inputs like raw materials, labour, power and fuel, managerial and labour efficiency, etc. For instance, the larger the size of the plant, the greater are the internal economies of production and consequently. The large firm will experience increasing returns of decreasing cost. In other words, the average physical product will rise and correspondingly, the average cost will decline. Likewise, there will be better utilization of plant, the use of better technology, and fall in the cost of production. In the same manner, a fall of prices of inputs like raw materials, or a fall in transport charges will also reduce the average cost of production.²

Ho: There is no significant difference between actual values and trend values of cost of production among different years.

The trends in cost of production of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been shown in Table 1. It depicts that the highest mean value of cost of production was Rs.4158.31 crores in CL which accounts of total industrial cost of production, followed by Rs.3292.22 crores in DRLL cost of production. The remaining cost of production of industry by APL was Rs.3047.30 crores, followed by LL with Rs.2974.31 crores, CHL with Rs.1636.93 crores, GPL with Rs.1253.46 crores, ILL with Rs.1270.74 crores, WL with Rs.1128.15 crores, TPL with Rs.1074.18 crores and DLL with Rs.905.16. On the basis of average cost of production, the maximum contribution together by CL, DRLL and LL of industrial cost of production.

The value of cost of production of pharmaceutical industry for the period of study from 2005-06 to 2014-15 has been shown in Table 1. The cost of production of pharmaceutical industry has marked an increasing trend throughout the period. The mean value of cost of production of pharmaceutical industry during the study period was Rs.20740.49 crores. The SD and CV values of cost of production were 9450.06 and 45.56 per cent respectively during the study period. The CAGR value was marked 15.10 per cent.

The comparison of actual value and trend value of cost of production has been depicted in Table 1 which shows that the trend value differed materially from the actual value of cost of production except during the year 2005-06 to 2014-15. The original values of cost of production were lower than the trend values from 2008-09 to 2011-12. It may be pointed out that the lower cost of production incurred in the pharmaceutical industry. In the remaining year, the original values of cost of production were higher than the trend values. The calculated χ^2 value comes to 37521.15 which is higher than the table value of 16.919 at 5 per cent level of significance. It indicates that the difference between the actual and trend values of cost of production in different years were significant.

4. TRENDS IN RAW MATERIAL EXPENSES

Raw material is a very important factor of production. It includes physical commodities used to manufacture the final end product. It is the starting point from which the first operations start. It is the first and most important element of cost. According to the Indian Association of Materials Management, 64 paise in a rupee are spent on raw materials by Indian industries. Materials are the principal substances used in production, and are transferred into finished goods. Raw material consumed consists of the amount spent on various types of raw materials and components consumed during the course of manufacturing. Further, the figure has been arrived at by adding the cost of opening stock of raw materials to the purchase of raw material and deducting the cost of closing stock.

Ho: There is no significant difference between actual values and trend values of raw material expenses among different years.

The trends in raw material expenses of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been shown in Table 1. It depicts that the highest mean value of raw material expenses was Rs.2795.02 crores in CL which accounts of total industrial raw material expenses, followed by Rs.2245.69 crores in APL raw material expenses. The remaining raw material expenses of industry by LL was Rs.1858.50 crores, followed by DRLL with Rs.1724.46 crores, CHL with Rs.960.57 crores, GPL with Rs.879.01 crores, ILL with Rs.786.79 crores, WL with Rs.756.20 crores, TPL with Rs.658.43 crores and DLL with Rs.653.20. On the basis of average raw material expenses, the maximum contribution together by CL, APL and LL of industrial raw material expenses.

The value of raw material expenses of pharmaceutical industry during the study period from 2005-06 to 2014-15 has been shown in Table 1. The raw material expenses of pharmaceutical industry have marked an increasing trend throughout the period. In the year 2005-06, raw material expenses were Rs.6324.91 crores which crossed the mark of Rs.9028.15 crores during the year 2007-08 and reached Rs.22137.11 crores in the year 2014-15, marking an increase of 350.00 indices. The mean value of raw material expenses was Rs.13317.86 crores. The SD and CV values were 5382.92 and 40.42 per cent respectively which indicates more fluctuation in the raw material expenses of pharmaceutical industry during the study period. The CAGR value was 13.35 per cent.

The actual and trend value of raw material expenses comparison shown in the Table 1 depicts that the trend value differed from the actual value of raw material. The original values were lower than the trend values from 2008-09 to 2011-12. It indicates during the years the lower raw material expenses were incurred. In the remaining years, the original values were higher than the trend values. The calculated χ^2 value comes to 19154.56 which is higher than the table value of 16.919 at 5 per cent level. It indicates that the differences between actual value and trend value of raw material expenses in different years were significant.

5. TRENDS IN WAGES AND SALARIES EXPENSES

Wages and salaries as a means of providing income for the workers become the only sources of income which determines their economic survival in the society; so they try to force the employers to follow a method of payment which entitles them to higher wages. High wages and salaries are given to workers to become efficient and produce more. Increased production will result in lower cost per unit. Thus, cost of production per unit will come down. The amount paid to employees by way of salaries, wages, bonus, gratuities, and contribution towards the provident funds, superannuation funds, family pension scheme, staff welfare expenses, Voluntary Retirement Service (VRS) compensation funds have been classified as 'Wages and Salaries' in the present study.

Ho: There is no significant difference between actual value and trend value of wages and salaries expenses among different years.

The trends in wages and salaries expenses of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been shown in Table 1. It depicts that the highest mean value of wages and salaries expenses was Rs.730.90 crores in DRLL which accounts of total industrial wages and salaries expenses, followed by Rs.603.62 crores in CL wages and salaries expenses. The remaining wages and salaries expenses of industry by LL was Rs.493.27 crores, followed by CHL with Rs.327.45 crores, APL with Rs.302.02 crores, ILL with Rs.269.62 crores, GPL with Rs.259.62 crores, TPL with Rs.244.42 crores, WL with Rs.204.65 crores and DLL with Rs.117.28. On the basis of average wages and salaries expenses, the maximum contribution together by DRLL, CL and LL of industrial wages and salaries expenses.

² Sundharam K.P.M and Sundharam E.N., "Business Economies", (Sultan Chand & Sons: New delhi), Fourth Edition 2002, pp. 284-289.

The value of wages and salaries expenses of pharmaceutical industry for the period of study from 2005-06 to 2014-15 has been shown in Table 1. The wages and salaries expense of pharmaceutical industry have marked an increasing trend from 2004-05 and 2005-06 which reached the mark of 123.54 indices. In the year 2007-08 to 2012-13, the wages and salaries expenses declined to Rs.5311.89 crores and again increased to Rs.7557.71 crores in 2014-15, marking an increase of 685.44 indices from 2005-06 to 2014-15. The mean value of wages and salaries expenses was Rs.3552.84 crores. The SD and CV values were 2265.33 and 63.76 per cent which indicates the fluctuation found during the study period. The CAGR value was 21.23 per cent.

The comparison of actual value and trend value of wages and salaries expenses is depicted in the Table 1 which shows that the trend values differed materially from the actual wages and salaries expenses except the years from 2005-06 to 2014-15. The actual value of wages and salaries expenses is lower than the trend value during the year 2007-08 to 2012-13. The actual value is higher than the trend value in 2005-06, 2006-07, 2013-14 and 2014-15. It may be pointed out that the higher wages and salaries expenses were incurred the pharmaceutical industry. The calculated χ^2 value is 12253.71 which is higher than the table value of 16.919 at 5 per cent level of significance. It indicates that the difference between actual and trend values of wages and salaries in different years were significant.

6. TRENDS IN MANUFACTURING EXPENSES

The manufacturing expenses include freight inwards and transportation, packaging materials, job work/contract/processing charges, stores consumed, repairs on plant and machinery/buildings, technical fees paid, license fee/operation charges and other operating expenses have been grouped as manufacturing expenses for the purpose of the study.

Ho: There is no significant difference between actual value and trend value of manufacturing expenses among different years.

The trends in manufacturing expenses of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been presented in Table 1. It depicts that the highest mean value of manufacturing expenses was Rs.453.04 crores in CL which accounts of total industrial manufacturing expenses, followed by Rs.447.31 crores in DRLL manufacturing expenses. The remaining manufacturing expenses of industry by LL was Rs.318.62 crores, followed by APL with Rs.224.76 crores, CHL with Rs.152.37 crores, ILL with Rs.83.69 crores, TPL with Rs.67.09 crores, GPL with Rs.66.54 crores, WL with Rs.52.11 crores and DLL with Rs.46.04. On the basis of average wages and salaries expenses, the maximum contribution together by CL, DRLL and LL of industrial wages and salaries expenses.

The manufacturing expenses of pharmaceutical industry for the period of study from 2005-06 to 2014-15 have been shown in Table 1. The manufacturing expenses marked an increasing trend throughout the study period. In the year 2005-06, the manufacturing expenses were Rs.784.85 crores which increased to Rs.3630.36 crores in 2006-07, marking an increase of 462.55 per cent in the indices. The mean value was Rs.1911.56 crores. The CAGR value was 16.55 per cent. The SD and CV values were 884.33 and 46.26 per cent which shows more fluctuation in the manufacturing expenses of Pharmaceutical industry during the period under study. The comparison of actual and trend value of manufacturing expenses of pharmaceutical industry has been shown in Table 1 which depicts that the trend value differed materially from the actual manufacturing expenses. The original values of manufacturing expenses were lower than the trend values from 2009-10 to 2012-13. In the remaining years the original values were higher than the trend values. It may be pointed out that higher manufacturing expenses were incurred the pharmaceutical industry. The χ^2 value comes to 3405.20 which is found to be statistically significant. It indicates that the differences between the actual and trend of manufacturing expenses in different years were significant.

7. TRENDS IN POWER AND FUEL EXPENSES

Electricity expenses in pharmaceutical industry play a vital role. For the purpose of analysis any expenses related to electricity and for other fuel have been considered under this study.

Ho: There is no significant difference between the actual and trend value of power and fuel expenses among different years.

The trends in power and fuel expenses of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been presented in Table 1. It exhibits that the highest mean value of power and fuel expenses was Rs.195.78 crores in LL which accounts of total industrial power and fuel expenses, followed by Rs.190.98 crores in APL power and fuel expenses. The remaining power and fuel expense of industry by DRLL was Rs.155.19 crores, followed by CL with Rs.140.45 crores, DLL with Rs.77.42 crores, CHL with Rs.74.47 crores, ILL with Rs.69.47 crores, WL with Rs.48.70 crores, TPL with Rs.42.39 crores and GPL with Rs.23.68. On the basis of average power and fuel expenses, the maximum contribution together by LL, APL and DRLL of industrial power and fuel expenses.

The power and fuel expenses of pharmaceutical industry for the period of study from 2005-06 to 2014-15 have been shown in Table 1. The power and fuel expenses of pharmaceutical industry have marked an increasing trend throughout the period. In the year 2005-06, the power and fuel expenses were Rs.387.40 crores which increased to Rs.1809.80 crores marking an increase of 467.17 per cent of the indices. The mean value of power and fuel of pharmaceutical industry during the study period was Rs.1016.52. The SD and CV were 538.07 and 52.93 per cent respectively which indicates that there was fluctuation found during the study period. The CAGR value was 16.67 per cent.

The actual and trend values of power and fuel expenses comparison are depicted in Table 1 which shows that the trend value differed materially from the actual value of power and fuel expenses except in the year 2007-08. The original values of power and fuel expenses were lower than the trend values from 2007-08 to 2010-11. In the remaining years, the original values of power and fuel expenses were higher than the trend values. The calculated χ^2 value comes to 2441.57 which is found to be statistically significant. It indicates that the differences between actual and trend values of power and fuel expenses in different years were significant.

8. TRENDS IN SELLING AND ADMINISTRATIVE EXPENSES

Selling and distribution expenses include the amount spent during the course of sales, boosting the sales and delivery of goods sold has been termed as selling and distribution expenses. The expenses relating to advertisement, commission to selling agents, marketing expenses, service charges, delivery charges, freight and transportation etc. are covered under the above head. The expenses relating to office and general administration of companies like the director's remuneration, legal expenses, rent, rates, taxes and depreciation of office building and equipment have been grouped as administrative expenses.

Ho: There is no significant difference between actual value and trend value of selling and administrative expenses among different years.

The trends in selling and administrative expenses of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been presented in Table 1. It exhibits that the highest mean value of selling and administrative expenses was Rs.1231.18 crores in DRLL which accounts of total industrial selling and administrative expenses, followed by Rs.856.20 crores in CL selling and administrative expenses. The remaining selling and administrative expense of industry by LL was Rs.713.03 crores, followed by CHL with Rs.560.87 crores, TPL with Rs.364.57 crores, ILL with Rs.327.08 crores, GPL with Rs.249.68 crores, APL with Rs.235.79 crores, WL with Rs.207.66 crores and DLL with Rs.75.57. On the basis of average selling and administrative expenses, the maximum contribution together by DRLL, CL and LL of industrial selling and administrative expenses.

The selling and administrative expenses of pharmaceutical industry during the study period from 2005-06 to 2014-15 have been shown in Table 1. The selling and administrative expenses of pharmaceutical industry marked an increasing trend throughout the period. In the year 2005-06 the selling and administrative expenses were Rs.2137.25 crores which increased to Rs.8093.15 crores in 2014-15, marking an increase of 378.67 per cent of indices. The mean value was Rs.4821.63 crores. The SD and CV values were 1965.48 and 40.76 per cent respectively which indicates that fluctuation was found in the selling and administrative expenses of pharmaceutical industry during the study period. The CAGR value was 14.24 per cent.

The actual and trend value of selling and administrative expenses comparison is depicted in the Table 1 which shows that the trend value differed materially from the actual value of selling and administrative expenses. The original values lower than the trend values from 2009-10 to 2011-12. It indicates that the lower selling and administrative expenses growth were found in pharmaceutical industry. In the remaining years, the original values were higher than the trend values. The calculated χ^2 value comes to 7034.15 which is found to be statistically significant. It indicates that the differences between actual value and trend value of selling and administrative expenses in different years were significant.

9. TRENDS IN MISCELLANEOUS EXPENSES

The miscellaneous expenses include donations, loss on sale of assets, loss on sale of investments, loss on revaluation of investment, bad debts, expenses amortized, provision on doubtful loan/deposit/advances and other provision for contingency have been considered under this head for the purpose of the study.

Ho: There is no significant difference between actual value and trend value of miscellaneous expenses among different years.

The trends in miscellaneous expenses of select pharmaceutical companies for the periods from 2005-06 to 2014-15 have been presented in Table 1. It exhibits that the highest mean value of miscellaneous expenses was Rs.340.99 crores in WL which accounts of total industrial miscellaneous expenses, followed by Rs.196.69 crores in CL miscellaneous expenses. The remaining miscellaneous expense of industry by DRLL was Rs.190.11 crores, followed by APL with Rs.115.49 crores, CHL with Rs.104.28 crores, GPL with Rs.100.49 crores, ILL with Rs.87.15 crores, TPL with Rs.78.16 crores, ILL with Rs.39.10 crores and DLL with Rs.21.46. On the basis of average miscellaneous expenses, the maximum contribution together by WL, CL and DRLL of industrial miscellaneous expenses.

The miscellaneous expenses of pharmaceutical industry during the study period from 2005-06 to 2014-15 have been shown in Table 1. The miscellaneous expenses of pharmaceutical industry have marked a decreasing trend during the year 2005-06, 2006-07, 2007-08, 2010-11, 2012-13, 2013-14 and 2014-15 then slightly increase in 2008-09, 2009-10 and 2011-12 finally, it shows a fluctuating trend throughout the study period 2005-06 to 2014-15. In the year 2005-06, the miscellaneous expense was Rs.483.25 crores which increased to Rs.1464.61 crores in 2014-15. In 2007-08, 2010-11, 2012-13 and 2014-15 indices value showed decreasing and finally an index of the study period was 303.08 per cent. The mean value was Rs.1273.91 crores. The SD and CV values were 611.10 crores and 47.97 respectively which indicates that fluctuation was found in the miscellaneous expenses of pharmaceutical industry during the study period. The CAGR value was 11.73 per cent.

The actual and trend value of miscellaneous expenses comparison is depicted in the Table 1 which shows that the trend value differed materially from the actual value of miscellaneous expenses except in 2011-12. The original values were lower than the trend values in the year 2005-06, 2006-07, 2007-08, 2010-11, 2012-13, 2013-14 and 2014-15. In the remaining years, the original values were higher than the trend values. The calculated χ^2 value comes to 887.55 which is higher than the table value of 16.919 at 5 per cent significant level. It indicates that the differences between actual value and trend value of miscellaneous expenses in different years were significant.

The Table 2 explains after going through the above discussion on production and sales of pharmaceutical industry in India, it is found that there has been an increasing trend throughout the study period except in 2007-08 and 2009-10. The cost structure analysis reveals a significant increasing trend during the study period. The cost structure of pharmaceutical industry, the proportion of raw material cost with 51.43 per cent got the first place followed by wages and salaries with 13.72 per cent, manufacturing expenses with 7.38 per cent, power and fuel with 3.93 per cent, selling and administrative expenses with 18.62 per cent and miscellaneous expenses with 4.92 per cent during the study period.

FINDINGS AND SUGGESTIONS

1. The production of pharmaceutical industry has marked an increasing trend throughout the period. The mean value of production of pharmaceutical industry during the study period was Rs.33143.97 crores. The compound annual growth rate of production was 15.85 per cent. The CV value of actual value of production was 32.88 per cent which indicates more fluctuation in the production of pharmaceutical industry during study period.
2. The actual sales of pharmaceutical industry have marked an increasing trend throughout the period. The mean value of sales during the study period was Rs.32562.73. The SD and CV value were 15338.03 and 47.10 per cent which indicate more fluctuation in the sales of pharmaceutical industry during the study period. The CAGR values were registered at 2.93 per cent.
3. The cost of production of pharmaceutical industry has marked an increasing trend throughout the period. The mean value of cost of production of pharmaceutical industry during the study period was Rs.20740.49 crores. The SD and CV values of cost of production were 9450.06 and 45.56 per cent respectively during the study period. The CAGR value was marked 15.10 per cent.
4. The raw material expenses of pharmaceutical industry have marked an increasing trend throughout the period. The mean value of raw material expenses was Rs.13317.86 crores. The SD and CV values were 5382.92 and 40.42 per cent respectively which indicates more fluctuation in the raw material expenses of pharmaceutical industry during the study period. The CAGR value was 13.35 per cent.
5. The wages and salaries expense of pharmaceutical industry have marked an increasing trend from 2004-05 and 2005-06 which reached the mark of 123.54 indices. The mean value of wages and salaries expenses was Rs.3552.84 crores. The SD and CV values were 2265.33 and 63.76 per cent which indicates the fluctuation found during the study period. The CAGR value was 21.23 per cent.
6. The manufacturing expenses of pharmaceutical industry have increasing trend throughout the study period. The mean value was Rs.1911.56 crores. The CAGR value was 16.55 per cent. The SD and CV values were 884.33 and 46.26 per cent which shows more fluctuation in the manufacturing expenses of Pharmaceutical industry during the period under study.
7. The power and fuel expenses of pharmaceutical industry have marked an increasing trend throughout the period. The mean value of power and fuel of pharmaceutical industry during the study period was Rs.1016.52. The SD and CV were 538.07 and 52.93 per cent respectively which indicates that there was fluctuation found during the study period. The CAGR value was 16.67 per cent.
8. The selling and administrative expenses of pharmaceutical industry marked an increasing trend throughout the period. The mean value was Rs.4821.63 crores. The SD and CV values were 1965.48 and 40.76 per cent respectively which indicates that fluctuation was found in the selling and administrative expenses of pharmaceutical industry during the study period. The CAGR value was 14.24 per cent.
9. The miscellaneous expenses of pharmaceutical industry have marked a decreasing trend during the year 2005-06, 2006-07, 2007-08, 2010-11, 2012-13, 2013-14 and 2014-15 then slightly increase in 2008-09, 2009-10 and 2011-12 finally, it shows a fluctuating trend throughout the study period 2005-06 to 2014-15. The mean value was Rs.1273.91 crores. The SD and CV values were 611.10 crores and 47.97 respectively which indicates that fluctuation was found in the miscellaneous expenses of pharmaceutical industry during the study period. The CAGR value was 11.73 per cent.
10. The cost structure analysis reveals a significant increasing trend during the study period. The cost structure of pharmaceutical industry, the proportion of raw material cost with 51.43 per cent got the first place followed by wages and salaries with 13.72 per cent, manufacturing expenses with 7.38 per cent, power and fuel with 3.93 per cent, selling and administrative expenses with 18.62 per cent and miscellaneous expenses with 4.92 per cent during the study period.

CONCLUSION

After going through the above discussion on production and sales of pharmaceutical industry in India, it is found that there has been an increasing trend throughout the study period except in 2007-08 and 2009-10. The cost structure analysis also reveals a significant increasing trend during the study period. To Find out the difference between actual and trend values of production, sales and respective expenses. Chi-square test has been applied. The results of the analysis reveal that computed chi-square value is greater than the critical value. Hence, the hypothesis is rejected. It is concluded that "There is significant difference between actual and trend values of production, sales and respective expenses."

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ANNEXURE

TABLE 1: ACTUAL VALUE AND TREND VALUE OF PRODUCTION, SALES, COST PRODUCTION, EXPENSES OF RAW MATERIAL, WAGES & SALARIES, MANUFACTURING, POWER & FUEL, SELLING & ADMINISTRATIVE AND MISCELLANEOUS OF PHARMACEUTICAL INDUSTRY (Values Rs. In Crores)

Year	Production	Indices	Trend Values (Yc)	Sales	Indices	Trend Values (Yc)	Cost of Production	Indices	Trend Values (Yc)	Raw Material Expenses	Indices	Trend Values (Yc)
2005-06	13627.20	100.00	10328.93	13367.30	100.00	10143.80	9060.86	100.00	6919.69	6324.91	100.00	5404.90
2006-07	18111.82	132.91	15398.94	17847.51	133.52	15125.79	11231.57	123.96	9990.98	7743.25	122.42	7163.34
2007-08	20103.29	147.52	20468.94	19688.22	147.29	20107.77	13072.16	144.27	13062.27	9028.15	142.74	8921.77
2008-09	23566.43	172.94	25538.95	23219.64	173.70	25089.75	15061.36	166.22	16133.56	10031.52	158.60	10680.21
2009-10	26910.83	197.48	30608.96	26200.27	196.00	30071.73	16643.83	183.69	19204.85	11399.76	180.24	12438.64
2010-11	32407.64	237.82	35678.97	31936.45	238.91	35053.72	20564.37	226.96	22276.13	13282.24	210.00	14197.08
2011-12	37904.47	278.15	40748.98	37457.60	280.22	40035.70	23832.43	263.03	25347.42	15088.35	238.55	15955.51
2012-13	46155.98	338.70	45818.99	45151.22	337.77	45017.68	28727.26	317.05	28418.71	18440.35	291.55	17713.95
2013-14	53331.74	391.36	50889.00	52665.55	393.99	49999.67	32238.76	355.80	31490.00	19702.95	311.51	19472.38
2014-15	59320.27	435.31	55959.01	58093.50	434.59	54981.65	36972.29	408.04	34561.28	22137.11	350.00	21230.81
Mean	33143.97	Computed X ² Value = 63983.39		32562.73	Computed X ² Value = 62883.70		20740.49	Computed X ² Value = 37521.15		13317.86	Computed X ² Value = 19154.56	
SD	15609.02			15338.03			9450.06			5382.92		
CV (%)	32.88			47.1			45.56			40.42		
CAGR (%)	15.85	Critical Value of X ² with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level		2.93	Critical Value of X ² with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level		15.1	Critical Value of X ² with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level		13.35	Critical Value of X ² with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level	
		Result : H ₀ is Rejected			Result : H ₀ is Rejected			Result : H ₀ is Rejected			Result : H ₀ is Rejected	

Contd.....

Year	Wages and Salaries Expenses	Indices	Trend Values (Yc)	Manufacturing Expenses	Indices	Trend Values (Yc)	Power & Fuel Expenses	Indices	Trend Values (Yc)	Selling & Administrative Expenses	Indices	Trend Values (Yc)	Miscellaneous Expenses	Indices	Trend Values (Yc)
2005-06	1102.60	100.00	283.89	784.85	100.00	647.56	387.40	100.00	236.01	2137.25	100.00	1936.35	483.25	100.00	747.09
2006-07	1362.16	123.54	1010.33	1079.72	137.57	928.45	479.75	123.84	409.46	2695.53	126.12	2577.53	583.54	120.75	864.17
2007-08	1635.19	148.30	1736.76	1234.81	157.33	1209.33	544.80	140.63	582.90	3429.41	160.46	3218.70	484.01	100.16	981.24
2008-09	1984.67	180.00	2463.19	1572.67	200.38	1490.22	649.82	167.74	756.35	3909.20	182.91	3859.87	1868.90	386.74	1098.31
2009-10	2389.15	216.68	3189.63	1615.08	205.78	1771.11	714.93	184.55	929.80	4214.76	197.20	4501.04	1944.59	402.40	1215.38
2010-11	3501.64	317.58	3916.06	1771.66	225.73	2052.00	1022.05	263.82	1103.24	4611.57	215.77	5142.21	972.35	201.21	1332.45
2011-12	4256.32	386.03	4642.49	2080.31	265.06	2332.89	1278.47	330.01	1276.69	5368.95	251.21	5783.38	2074.45	429.27	1449.52
2012-13	5311.89	481.76	5368.92	2316.55	295.16	2613.78	1620.51	418.30	1450.14	6432.62	300.98	6424.56	1349.60	279.28	1566.59
2013-14	6427.09	582.90	6095.36	3029.56	386.00	2894.67	1657.67	427.90	1623.58	7323.83	342.68	7065.73	1513.84	313.26	1683.66
2014-15	7557.71	685.44	6821.79	3630.36	462.55	3175.56	1809.80	467.17	1797.03	8093.15	378.67	7706.90	1464.61	303.08	1800.73
Mean	3552.84	Computed X^2 Value = 12253.71		1911.56	Computed X^2 Value = 3405.20		1016.52	Computed X^2 Value = 2441.57		4821.63	Computed X^2 Value = 7034.15		1273.91	Computed X^2 Value = 887.55	
SD	2265.33			884.33			538.07			1965.48			611.1		
CV (%)	63.76			46.26			52.93			40.76			47.97		
CAGR (%)	21.23	Critical Value of X^2 with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level Result : H_0 is Rejected		16.55	Critical Value of X^2 with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level Result : H_0 is Rejected		16.67	Critical Value of X^2 with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level Result : H_0 is Rejected		14.24	Critical Value of X^2 with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level Result : H_0 is Rejected		11.73	Critical Value of X^2 with (n-1)=9, Degree of freedom is 16.919 at 5% Significant Level Result : H_0 is Rejected	

Sources: Annual Reports of the Respective units

TABLE 2: COST STRUCTURE OF PHARMACEUTICAL INDUSTRY (2005-06 to 2014-15)

S.No	Cost Structure	Average Values (Rs. In Crores)	Percentage as Total
1	Raw Material Expenses	13317.86	51.43
2	Wages & Salaries Expenses	3552.842	13.72
3	Manufacturing Expenses	1911.557	7.38
4	Power & Fuel Expenses	1016.52	3.93
5	Selling & Administrative Expenses	4821.627	18.62
6	Miscellaneous Expenses	1273.914	4.92
Total		25894.32	100.00

Sources: Computed

A STUDY ON ETHICAL VALUES AS CONTAINED IN BHARAT RATNA DR. M. G. RAMACHANDRAN'S SELECTED FILM SONGS – AN ACADEMIC COMPARATIVE ANALYSIS WITH CONTEMPORARY THEORIES OF ETHICS

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ABSTRACT

Entertainment is a form of activity that holds the attention and interest of an audience and also gives pleasure and delight. It can be an idea or a task, but is more likely to be one of the activities or events that have developed over thousands of years specifically for the purpose of keeping an audience's attention or enthrall. Although people's attention is held by different things, as individuals have different preferences in entertainment, such as storytelling, music, drama, dance. It is quite possible that an entertainment may go beyond the pale of gratification and produce many insights to the audience when we consider universal philosophical questions such as: "What is the meaning of life?"; "What does it mean to be human?"; "What is the right thing to do?"; or "How do I know what I know?". Questions such as these drive many narratives and dramas, whether they are presented in the form of a story, film, play, poem, book, dance, comic, or game. Dramatic examples include Shakespeare's influential play the Hamlet, whose hero articulates these concerns in poetry; and films, such as The Matrix, which explores the nature of knowledge and was released world-wide. Its themes encompass the meaning of life, as well as the ethics of entertainment, artificial intelligence, multiple worlds, God and Philosophical method. Similar is the fact that Dr. M. G. Ramachandran's philosophical Tamil Film Songs which awakened millions of common man in Tamil Nadu. Indeed, it made them to Think about their position in the society! The general freedom guaranteed to them! What is good conduct and how should they behave in the society? What is dharma, artha and kama or righteous living? What constitute general good and welfare of society?

KEYWORDS

Dr. M. G. Ramachandran's selected film songs, ethical values, contemporary theories of ethics.

INTRODUCTION

Civilization came in to existence when mankind settled on the banks of rivers as they discovered to cultivate food for themselves. In course of time men found leisure time available at their disposal and discovered language and literature is the advancement of language that contain along with grammar the structure of sentence formation. Indeed, these two are wonderful creation of mankind otherwise the world would have been without expression and great imagination would not have taken place and the world would have been bereft of development. Cultivation of food or invention of language first is not the scope of this research work and thereby it is not in dispute here. Organized living, practice of virtue and religion paved the way for great cultural and heritage. Then came the concept of entertainment which was to satisfy the mind through fun, frolic and amusement that has become an ideal tool to go beyond the pale of routine life to relieve strain and stress. Singing songs in stage drama might have emerged later. Great social thinkers and philosophers took it as an opportunity to propagate moral values in drama, dance and songs in order to uphold the moral fabric of the society otherwise the society would have been in peril leading to uncertainty and chaos among the masses.

Right to live, equality and justice are watch words that determine quality of life in a society. However, there is always a fight between the haves and have not's in the society and it is for the law gives to maintain equanimity in the society. Great Civilization bears beacon to propagate the idea of peace, harmony and prosperity in a society that had chastened the pages of history of mankind.

MGR's genius in using the medium of cinema to revolutionize the Tamil Society has not only carved a name for himself in the annals of history of Tamil Cinema but kindles interest to present this research paper in the fascinating area of Philosophy or Media and Ethics. For example, in the following song Dr. M. G. Ramachandran displays his concern for welfare of the society. The English translation is as follows:

He wonders for how many days' politician try to cheat the common man in this country! One act as though he is a righteous person however cheats people at the appropriate time by all means! With attire as a great devotee attract the common man and ultimately cheat them. Let us build schools at every street and eradicate the word illiteracy in the society! Let us learn different technical skills and eradicate the word poverty in the society! Let us build house for each family and create learning opportunity on the nuances of life skills! Even to pass the rest of one's leisure hours let us collect information relating to questioning on wisdom and debate! Thus this song envisions society's plight and enunciates steps to be taken to weed out the same. What is interesting is this song weighs importance to spreading of wisdom among the masses of the society. A wisdom full society alone would pave the way for an integrated growth and such an integrated growth will become a beacon for the rest of the societies in the world (movie; Malaikallan sung by TM Soundararajan Song written by T. M. Ramiah Doss).

THE SCOPE OF ENTERTAINMENT

Entertainment is a form of activity that holds the attention and interest of audience and also gives pleasure and delight. It can be an idea or a task, but is more likely to be one of the activities or events that have developed over thousands of years specifically for the purpose of keeping an audience's attention or enthrall (1). Although people's attention is held by different things, as individuals have different preferences in entertainment, such as storytelling, music, drama, dance.

It is an accepted fact that different kinds of performance existed across different cultures of the world. Indeed, in ancient times these were supported in royal courts, developed into sophisticated forms and over the period of time spread over to the common man as well. **The technological advancement made by the media industry is phenomenal and now a day's media has become an indispensable companion of common man and he depends on it one way or the other.**

THE ROLE OF AUDIENCE IN ENTERTAINMENT

An important aspect of entertainment is the audience, which turns a private recreation or leisure activity into entertainment. Audience may have a passive role, as in the case of persons watching a play, opera, television show or film; then audience role may be active, as in the case of games, where the participant roles may be routinely reversed.

Entertainment can be public or private, involving formal, scripted performance, as in the case of theatre or concerns; or unscripted and spontaneous, as in the case of children's games. Most forms of entertainment have persisted over many centuries, evolving due to changes in culture, technology, and fashion. Films and video games, for example, although they use newer media, continue to tell, present drama, and play music.

Some activities that once were considered entertaining, particularly public punishments, were removed from the public arena in many parts of the world, however they still exist in certain parts of the world. Others, such as fencing or archery, once necessary skills for some, have become serious sports and even professions for the participants, at the same time developing into entertainment. In the same way, other necessary skills, such as cooking have developed into performances among professionals, staged as global competitions and then broadcast for entertainment.

OBJECTIVE AND SCOPE OF THE PAPER

It is quite possible that an entertainment may go beyond the pale of mere sense gratification but would produce certain insight to the audience when one considers universal philosophical questions such as:

"What is the meaning of life?"; "What does it mean to be human?";

"What is the right thing to do?"; or "How do I know what I know?"

Questions such as these drive many narratives and dramas, whether they are presented in the form of a story, film, play, poem, book, dance, comic, or game. Dramatic examples include Shakespeare's influential play the Hamlet, whose hero articulates these concerns in poetry; and films, such as The Matrix, which explores the nature of knowledge (2) and was released world-wide (3).

Novels give great scope for investigating these themes while they entertain their readers (4). An example of a creative work that considers philosophical questions so entertainingly that it has been presented in a very wide range of forms is The Hitchhiker's Guide to the Galaxy. Originally a radio comedy, this story became so popular that it had also appeared as a novel, film, television series, stage show, comic, audio-book, LP record, adventure game and online game, its ideas became popular references and has been translated into many languages (5). Its themes encompass the meaning of life, as well as the ethics of entertainment, artificial intelligence, multiple worlds, God and Philosophical method (6). Indeed it is not an exaggeration to state that Bharat Ratna Dr.M.G.Ramachandran's philosophical Film Songs had not only dragged the attention of millions of common man in Tamil Nadu, indeed made them to

Think about their rights position in the society!

The general freedom guaranteed to them!

What is morality and the accepted behavior in the society?

What is righteous living?

What constitute general good and welfare of society?

Common man of Tamil Nadu listened M.G.R.'s Film songs with awe and majesty, and MGR had become their idol, philosopher and role model. MGR was called **Puratchi Nadigar, Makal Thilakam, Ponmana Chemmal, Vathiyar, Puratchi Thalaivar** etc...but to the Tamilians and the fans of Tamil movies all over the world he was known by the three magical alphabets – **"MGR"** indeed he was posthumously awarded the highest civilian award of India the **Bharat Ratna**.

MGR's genius in using the medium of cinema to revolutionize the Tamil Society has not only carved a name for himself in the annals of history of Tamil Cinema but kindles interest to conduct this research in the fascinating area of ethics as several of his songs coincide with the fundamental idea of ethical import.

In this day and age of 24 hour cable TV where politicians especially in the western countries rely on image consultants, publicists, stylists etc. to create the "right" image for the public, MGR did this already on his own in the mid-1950s and his influence is not only felt in the Tamil cinema but also in the politics of Tamil Nadu and one cannot write political history of Tamil Nadu neglecting the noble contributions made by MGR. In many ways he also brought changes in Tamil movies where its real effect would not be seen until much later.

THE SCENARIO OF CINEMA

It was in 1890's the concept of movie camera came in to existence that may be an extended and advanced version to the still camera. Technicians had video-graphed silent movement. The first silent picture that came in to existence in the world in 1895 that was about 49 seconds and it was named as "Arrival of Train". The content of the video was that of a train that arrives and stops at a railway station. Using this technology silent movies were emerged for nearly three decades. Later, movies with audio recordings came into existence. It was in 1927 the first speaking movie was produced by Warners Brothers titled "Jazz Singer" that was released in America. Four years later a film by name "Alam Aara" was released in India in 1931 and that was the first movie from Indian Cinema Industry which was released in Hindi and Urdu. The person who produced the movie Alam Aara produced "Kalidas" in Tamil and Telugu (7) Though this movie was produced by the same producer who produced Alam Aara i.e. Aurtheseer Irani made H.M.Reddy to direct the movie Kalidas. When the silent movies were screened - a person used to stand at one corner of the screen where the movie is being screened in the theatre and narrate the audience the scenes but also the sequence of action, he would more over sing songs as well. Some-times these narrators used names representing community and cast; sometimes they also used vulgar words that had created resentments among the public resulting in street fighting. The British Government intervened in the affairs to control such incidents and finally established the Sensor Board in 1920. The sensor board functioned in Chennai, Mumbai, Delhi and in Rangoon as well. However, the moment the speaking pictures came in to existence the running commentary type ceased to exist and the role of Sensor Board had also changed.

When the movie Kalidas was released in 1931 actually India was not divided into states according to language that was the reason why we can see the hero speaks in Telugu and the heroine speaks in Tamil and at some places they converse in Hindi as well. During those days there used to be more than 50 songs in a film. Kalidas itself consisted 50 songs. There was a movie which did not have a single song that was "Andanal" (that day), the movie "Indira Saba" consisted of 72 songs. The movie Kalidas was taken at the expense of Rs.8000/- however it fetched a collection of Rs.80,000/- (8). When cinema came in to existence in India movies were produced on the basis of stories from puranas because the general masses wished to see live action in movies what they have listened through stories. Kalidas is a famous story from Sanskrit. Later producers tried to produce films dubbing from the movies produced in other languages including other countries. For example the movie "Man in the Iron Mask" was produced in Hollywood based on a novel and Mr.Sundaram of Modern Theatres produced a movie called "Uttama Puthiran" dubbing from Man in Iron Mask.

When the film industry was producing movies based on stories relying on puranas and kings few movies on social movements such as Menaka, Anathai Pen and Sabapathi came in to existence. However, when the movie by name Nam Iruvar (we two) released in 1947 by AVM Productions many movies on the basis of social evils or crisis were produced. AVM productions flourished in the Tamil Cinema facing great difficulties enduring restrictions made by the Government owing to second world war.

It should be emphasized here that the screen play written by Peraringer Anna for movies such as Velaikkari (Servant Maid) or Orlavu (one night) which was based on social evils attained great success and Anna became popular during 1940's. The greatest success that was achieved by the film Para Sakthi screen play was written by Dr.Kalaigarn Karunanithi attracted the attention of many people in Tamil Nadu (9)

INTRODUCING THE HERO OF THE TOPIC

Dr.MGR belonged to a well off family his father was a district magistrate of Thrishoor, Kerala (10).

Dr.MGR's father Shri.Maruthur Gopalan who marveled great difficulties caused even by his own relatives finally decided to move to Srilanka 1913 with the help of his friends especially Ramu Pillai and Velupillai. These two friends supported MGR's father financially to settle in Kandi of Srilanka. Marudur Gopalan could easily find an English teacher's job in a College in Srilanka initially and later tried to get into judiciary in view of his legal back ground and finally settled in getting the same (11)

Shrikanth Veeravalli in his book MGR A Biography quotes "Menon was a righteous magistrate who truly cared about the downtrodden and made his share of enemies among the powers that be. His fairness in dispensing justice did not spare his own relatives, and few orders he passed against them resulted in their rallying against him. Whacking Namboodris did not help his cause either. He was shunted from one position to another as life after all was not a movie script. At some point of time, he had to choose to move out of Kerala and Ceylon, now Sri Lanka beckoned to him. Maruthur gopalan had become the District Judge of Kandi. Dr.MGR was born on 17th Jan. 1917 at Kandi of Srilanka. Unfortunately, due to fortunes fate Dr.MGR's father passed away in 1920 when MGR was only three years old.

After the demise of MGR's father, mother Satyabhama decided to move to Kumbakonam of Tamil Nadu where the maternal uncle of Dr.MGR Mr.Narayanan lived. Dr.MGR and Chakrapani were admitted to the school in Kumbakonam (Anaiyadi School).

Dr.MGR could continue only up to third standard. Due to poverty he had to leave his study. When he was in school MGR acted as Lava in a drama known as Lava Kusa. This was the first drama in which MGR acted and Lava was the first character (13).

Admiring the acting skills of MGR his uncle who was then working with Madurai Original Boys Company made MGR to join the company along with him his brother MG.Chakrapani also joined. Mother Satyabhama did not liked it but with heavy heart mother had to agree to them joining the drama company. In the beginning MGR's salary for a week was four and half rupees. Here MGR met comedy actor Kali, N.Ratinam PU Chinnappa. After joining the drama troop MGR acted in the drama "Mahabharatham" and his character was Abimanyu. MGR acted more than 30 drama's within the age of 15 years finally Bharat Ratna Dr.MGR got a chance to act in the movie called Sathi Leelavathi that was released in the year 1936. Kalaivanar and N.S.Krishnan were introduced in this movie. MGR's brother M.G.Chakrapani also got a chance in this movie to act in a small role. MGR's salary for this movie was Rs.100/- first time MGR could own a hundred rupee note for himself. Many chances to act as inspector in various other movies came, however MGR refused to act because of fear that he will be sealed as an Inspector role. MGR acted in small roles in movies like Iru Sagothirargal (two brothers), Maya Machindra, Prahaladan, Ashokumar, Sitha Jananam, Tamilarium Perumal, Dasipen. Later he was booked to act as a hero in the movie by name Chaya, however did not get the chance as this film was not produced. Thus for nearly nine years MGR had to struggle before he got a chance to act as a Hero in the film called Rajakumari released by Jupiter Pictures. This movie was directed by ASA Sami who was the best friend of Aringer Anna through whom MGR got a chance to meet Anna and become his admirer. After the release of Rajakumari also MGR had to struggle and he had to act as the second hero in movies like Abimanyu, Rajmukti and Ratnakumar. In 1952 MGR had to closely associate with the great Peraringer Anna and was introduced by actor T.V.Narayanawamy.

MGR's movie Marma-Yogi which was released in 1951 became very successful. The films that were released thereafter like Sarvathikari, Andaman Kaithi, En Thangai, Kumari, Genova, Nam, Panakkari have also become successful and MGR attained fame and popular among the people of Tamil Nadu. MGR and Kalainger have become great friends. However, the fame that was attained through the movie "Malaikallan" screen play written by Kalaiger Karunanidhi gave MGR an identity that this hero is going to address the common man's sufferings. This image bosted the confidence of MGR and he had taken the great responsibility of visualizing the social evils faced by the common man in every of his movies one way or the other including through his film songs. The dream of common man in Tamil Nadu that their Hero should become a political leader has come true when MGR founded AIADMK in 1972 and then become the Chief Minister of Tamil Nadu in 1977.

One of the greatest schemes announced by Dr.MGR when he became the Chief Minister of Tamil Nadu was the "Mid-Day Meals Scheme". In his famous speech on AIR on 30.06.1982 Dr.MGR makes the following remarks:

I came here to speak about the Noon Meals Scheme which was introduced with a view just to relieve the sufferings created by hunger faced by the poor children of Tamil Nadu by feeding them atleast one time a day speech delivered by Dr.MGR on 30th June 1982 through AIR and also telecast in TV (14).

Mahatma Gandhi used to say that "God shows his form to the poor's through the food plate" at the same time Peringer Anna used to say that I could see God in the smiling face of the poor's. The great Thiruvalluvar says உறுபசியும் ஓவாப் பிணியும் செறுபகையும் சேரா தியல்வது நாடு. (குறள் எண் : 734) meaning "மிருந்த பசி, நீங்காத நோய், வெளியில் இருந்து வந்து தாக்கும் பகை ஆகிய இவை இல்லாமல் இருப்பது நாடு" English Translation- "Devoid of starvation, disease and attack by other country should alone be considered as Nation." The country is crossing the population of 70 crores. Due to excessive population and resultant poverty the poor children are mal-nourished and leading doctors of the country proclaims that the children are mal-nourished due to prevalence of extreme poverty.

Great saint Avvaiyar says "greatest distress is poverty and that too poverty occurs in childhood days". I introduced the Mid-Day Meals Scheme as I have undergone such a state of starvation when I was a child. Had not my neighbor a generous lady did not gave bowl full of rice to appease the hunger caused due to starvation for nearly three days- my mother, myself along with my brother would have died long ago". Such a motherhood made me the Chief Minister of Tamil Nadu with full confidence on me. To wipe the tears of millions of such mother-hood, I have undertaken the path known to me. I have realized that it is my duty to reduce the sufferings of the mother-hood atleast to a certain extent and introduced this scheme so that poor children from the age of two to ten will benefit from this scheme. According to census of Tamil Nadu the total population is 4.82 crores in 1981. In which the children belonging to the age of two to five is estimated to be 42.10 lakhs. Children belonging to the age limit between 5 to 10 is 73.73 lakhs. Thereby the total children from 2 to 10 age are 105.83 lakhs in which about 60 lakhs children belonging to below poverty line would be benefitted. For the children with the age limit from 2 to 5 will avail this benefit from the child care centres. The children beyond the age of five will avail this benefit from their own schools. The district level officers will take the responsibility of implementing the scheme. I have taken the responsibility of myself to head the higher level committee consisting of eminent persons who are ministers and philanthropers.

The social welfare department is running about 4343 child care centres throughout the state more over this scheme facilitates establishment of one centre per village and thereby 15,501 child care centres were established. To impart education a qualified lady teacher has been appointed in each of the centre. Preference has been given to young widows. They will be nominated by the officers in consultation with noted social personality of the local area. The selection process was over and they are undergoing training and they will take charge from 1st July onwards.

The children beyond the age of 5 to 10 will avail the benefit from thirty-six thousand primary schools of Tamil Nadu.

It is true that a noon meals scheme is being run by the state of Tamil Nadu for the school children but there is a big difference in the new scheme introduced by me. The old scheme was benefitted only one third of the pupils. The new scheme will benefit all the poor children of the schools. In the old scheme mid-day meals was provided only for 200 days but the new scheme provides food for all the 365 days of the year. The government spends about 10 Pise in the old scheme and every block should give 5 pisa per student belonging to their block. However due to economic scarcity the blocks were not in a position to meet the expenditure and thereby I have ordered that the entire expenditure would be borne by the Government itself and thereby the old scheme got the recognition of the Government.

This scheme should not be considered merely as a noon-meal providing scheme. I expect these centres will provide avenues for the poor children come together forgetting their religion and cast and grow in the atmosphere of total freedom from the social evils and thereby pave way for social integration and general health will be promoted.

I have plans for construction of public toilets to be used by women and this will be used by the children as well. I also have plans to generate powers from the human waste. These children will be educated to use the toilet at their very young age.

More-over the children will maintain their own lunch plates and the drinking water tumblers and will also be trained to cultivate vegetables in the gardens of the centers and exercises will also be taught to the children thereby they will maintain good body condition. I expect that children from these centres will become useful citizens and think of the welfare of the society early in their age.

The total expenditure per year will work out to be Rs.100 crores and this expenditure will increase year after year and I expect that the general public will extend their fullest co-operation to avail this important scheme and the NGO's will come forward to give their helping hand. The plan sketch for the building for the Centre is ready and it is estimated that about Rs. 38,000/- will be the construction cost of each centre.

The Prime Minister of the country came forward to know this scheme and various foreign organizations have shown interest to know about the scheme. I feel the children are the wealth of the nation and it is my duty to nurture them so that the burden on their parents will be reduced.

JUSTIFICATION OF THE STUDY

There were bewildering outcomes that were reported in research studies about emotional impacts that was created by music's and their adverse effects particularly on the youth. In the American Academic of Pediatrics (pediatrics.aapublications.org) reports adverse and staggering impact created by rap music that panics the listener and goes to the extent of altering their character and they go wild and commit mistakes resulting in to crimes (15).

The above report which was published with a view to Guide and define the child Health Care System and/or improve the Health of all Children. This report expresses concern over heavy metal music listening. The publisher's took reference to the research findings of Roberts f, St.Lawrance JS. Joseph D.J. in their research papers such as "Popular music in childhood and Adolescence and the Effects of Sexually violent rock music on males acceptance of violence against women respectively". This report indicates listening that results in increased depression, delinquency risk behavior, smoking and conduct problem. This report exclaims that fans of heavy metal and rap music showed a greater tendency to engage in reckless behavior than their peers who were not fans of those types of music.

Comparing the above staggering report that came to a conclusion of degradation of character of heavy metal music listeners with that of Dr.MGR philosophical film songs, his philosophical songs ushered in an uncanny evidence of propagating ethical ideas to uphold the moral fabric of the society wherein the citizens are expected to mold their character to uphold its great cultural and religious heritage. This establishes the fact that celebrities who has huge fan followers has the responsibility to guide them to be responsible citizens of the society and it is not an over statement to mention here that Dr.MGR had taken up on his shoulders' this great responsibility and displayed it with determination without any dilemma or fear on the success of his movies. It is here one should uphold the deserving highest civilian award posthumously awarded to him.

JUSTIFICATION FOR THE SONGS BELONG TO THAT OF DR. MGR

A question arises here or the moot-point to be considered whether Dr.MGR had composed these songs nor did he sung these songs. The answer is that he did not compose these songs nor did he sing. Then how could one come to a conclusion that these songs belong to Dr.MGR.

After the great success of his movie Nadodi Mannan (Vagabond King) Dr.MGR shared his views on the story selection and various other aspects of producing the movie including lyrics of the songs in the following manner (16):

The lyrics of the songs should reflect the real theme of the story. I would like to share one of my recent experiences in this regard:

One day the producer of a movie asked me to give my opinion on how to take a love seen in a particular movie wherein I am acting as the hero. The seen is that "myself and the heroine would share the moment of love and romance". I told him that the story of the movie is not finalized then how can we come to a conclusion about the love seen at the premature stage. The love seen should match with that of the story, the song to be sung and the tune as well. The producer said that he shall send the recorded song so that I can come up with an idea. Such peculiar situation had not resulted in the film Nadodi Mannan. The title song was written by Na Muthukoothan. He is also a member of the political party I belong and thereby the political ideology with that of mine and him coincided. He also wrote another song in this movie that is "Sammathama (is it ok)". This song is a reflection of equity between man and his wife. It also contains eternal truth that if hunger arise the family should share the food they have between them as the birds do. Similarly, other songs written by Sri.Baskaran and Kavinger Suradha, I clearly shared my views that made them to compose the songs. The song like "Thadukkathe Ennai Thadukkathe (do not stop me)" was written by Sri.Athmanabhan this is a reflection of people who blindly follow certain sophistry that never yield results. For example, a man who never tries to obtain a job remains unemployed but only blames the fate.

The super hit song - Thoongathe Thambi Thoongathe (do not sleep), written by Pattukottaiar our friend - is not written for the children alone. It was written for people who did not care to realize the sufferings of the people however pretend to know things. Another song written by Pattukottair - Kadu velanthena machan (what is the use of growing the paddy field) is reflection of the political ideology of DMK.

It took good amount of time between me and the lyric writer Sri.Lakshmanadoss to write the song Vulaipathila Vulaippai Peruvathilla (it is indulging in work or extracting work happiness lies). As he is new to this field he struggled hard to complete the lyrics in accordance with my thinking. Especially I want him to introduce certain new thoughts such as - happiness will not arise both i.e. the giver of alms and the receiver of alms. So far the Philosophers acclaim that the giver attains happiness when he gives and sees the receiver is enjoying what is given.

But I wish to propagate a message in the song that no one should be there in the country to give nor to take and everyone should have their basic necessity fulfilled without seeking it from someone.

The lyrics such as "pattathile pathavi vuyarvathile" i.e. attaining degrees and getting greater elevation in jobs one did not get happiness - such message is a warning message to the Ministers and the officials who are occupying higher positions in the society but doing nothing to improve the conditions of the people. Mr. S. M. Subbiah wonderfully composed these songs. Thus in this movie - the story, the lyrics and the tunes of the songs combinely reflect the message that gave us impetus for the success.

The above establishes the fact that Dr.MGR was always cautious in producing meaningful songs along with best music consistent with the story of each film and thereby become a task master. It also establishes the fact that he did not merely acted in accordance to the whims and fancies of the Director or Producer of the movies.

To substantiate the fact one should consider the following version contained in the book written by Sabbetha Joseph entitled Puratchithalaiver MGR's success formula (17). The author goes to say that: Dr.MGR used to pay utmost attention to his film songs. His film songs become so popular because he had translated whatever he experienced in life into his songs. He used to sit with the lyric writer and music composer and make them to toil till such time he is convinced of a particular lyric and tune. It seems the great composer M.S.Viswanathan enacted 25 tunes to a particular song.

For a song i.e. Anbukku Naan Adimai (Slave to Pure Love) in the film "Enrupol Endrum Valga (Live like this for ever) it took one week to complete the lyric and the writer had to wait from 7.00 p.m. onwards every day for a week. For a film "Ninaithathai Mudippavan" the lyric writer Maruthakasi wrote the following stanza:

"On earning money and gold people will forget where they come from - let them go in their way" - Dr.MGR did not like the last line and asked the writer what do you mean to say in the line "let them go in their way" - by writing like this do you really point out the mistakes committed by them. Then the writer changed the line into "If they wish to go shutting their eyes let them go". Appreciating the suggestion MGR approved and the corrected version was included in the song. Thus MGR used to scan each and every line of the song in every of his movie; similarly, he scanned through each and every scene and dialogue in a movie including location of the suiting spot concludes the author in the book.

For example, the following the song of movie: Malaikallan sung by TM Soudarajan Directed by Sri.Ramulu Naidu released in the year 1954, Dr.MGR displayed his concern for welfare of the society in the following manner:

SONG-1

For how long politicians try to cheat the common people in this country!

One acts as though he has never crossed the boundary of virtue however cheats people at the appropriate time by all means!

With attire as a great devotee he attracts the common man (but when they fall in their line) ultimately cheat them.

Let us build schools at every street and make the people unknown to illiteracy!

Let us learn different technical skills and eradicate the word poverty from the society!

Let us build house for each and every family in the society and create learning opportunity to the common man on the nuances of all the life skills!

Even to pass the rest of one's leisure time in amusement and fun let us collect information relating to questioning on wisdom and debate them!

Thus this song at the outset envisions society's plight and at the same time enunciates steps to be taken to weed out the inequality. What is interesting is that it gives importance to spreading virtue or wisdom among the masses of the society. A virtuous society alone would provide an harmonious atmosphere for peaceful co-existence of men and women in a society that will also pave the way for an integrated growth of the society.

CAN A FILM SONG CONTAIN ETHICAL IMPORT?

One may wonder how a song sung in a film would propagate ethical ideas? Before finding an answer to this important question one should understand the objective and scope of ethics. What does the study of ethics contemplate? To answer the above important questions one should understand the objective and scope of ethical studies and the following are the objective and scope of ethical studies:

THE OBJECTIVE AND SCOPE OF ETHICAL STUDIES

The field of ethics is also known as moral philosophy, which involves in systematizing, defending, and recommending concepts of right and wrong behavior. Of late, Moral Philosophers divide ethical theories into two branches, viz. Theoretical Ethics and Applied Ethics. Under theoretical ethics there are two sub branches like (a) Meta ethics and (b) Normative ethics. Meta ethics seeks to understand the nature of ethical evaluations such as (i) What does it mean to say something is good? (ii) If at all, how do we know what is right or wrong? (iii) How do moral attitudes motivate action? (iv) Are there objective values? Normative ethics addresses questions such as "what actions are good and bad? What should we do? Thus, a theory of normative ethics will endorse some ethical evaluations. While Meta-ethics deals with the study of the origin and meaning of ethical concepts, applied ethics is the branch of ethics which consists of the application of ethical theories to practical situations analyzing specific, controversial moral issues such as abortion, animal rights, and euthanasia.

DEONTOLOGICAL ETHICS

Duty theories base morality on specific, foundational principles of obligation. These theories are sometimes called deontological. The word "deontological" has been derived from the Greek word "deon" or duty, in view of the foundational nature of our duty or obligation. They are also sometimes called non-consequential since these principles are obligatory, irrespective of the consequences that might follow from our actions. For example, it is wrong not to care our children even if it results in some great benefit, such as financial savings. There are four central duty theories. The first is propounded by the 17th Century German Philosopher Samuel Pufendorf, who classified dozens of duties under three headings, they are (18) (a) Duties to God, (b) Duties to Oneself, and (c) duties to others. Concerning our duties towards God, he argued that there are two kinds (a) theoretical duty to know the existence and nature of God and (b) practical duty to worship God both inwardly and outwardly. Concerning our duties towards oneself, they are also of two sorts: (a) duties of the soul, which involve developing one's skills and talents and (b) duties of the body, which involve not harming our bodies through gluttony or drunkenness, and not killing oneself. Concerning our duties towards others, Pufendorf divides these between absolute duties, which are universally binding on people and conditional duties, which are the result of contracts between people. Absolute duties are of three sorts (a) avoid wronging other (b) treat people as equals and (b) to promote the good of others. Conditional duties involve various types of agreements; the principal one is the duty to keep one's promises.

A second duty-based approach to ethics is rights theory. Most generally a "right" is a justified claim against another person's behavior – such as my right not be harmed by you. Rights and duties are related in such a way that the rights of one person correlate with the duties of another person. The most influential early account of rights theory is that of 17th Century British Philosopher John Locke who argued that the laws of nature mandate should not harm anyone's life, health, liberty or possessions. For Locke, these are our natural rights, given to us by God (19).

A third duty-based theory is by Kant, which emphasizes a single principle of duty. Influenced by Pufendorf. Kant agreed that we have moral duties to oneself and others, such as developing one's talents, and keeping our promises to others. The fourth and more recent duty-based theory is by British philosopher W.D. Ross, which emphasizes *prima facie* duties. As quoted by James Fieser like his 17th and 18th century counterparts, Ross argues that our duties are "part of the fundamental nature of the universe". However, Ross's list of duties is much shorter, which he believes reflects our actual moral convictions.

TABLE 1

Fidelity	The duty to keep promises
Reparation	The duty to compensate others when we harm them
Gratitude	The duty to thank those who help us
Justice	The duty to recognize merit
Beneficence	The duty to improve the conditions of others
Self-improvement	The duty to improve our virtue and intelligence
Non-maleficance	The duty not to injure others

Once the concept of ethics has been discussed above and a conspicuous concept or pointers of ethical practice is arrived it is now imperative to find out whether the selected MGR Film Songs contain these ethical concepts.

Especially the song that was discussed above contemplates self-improvement of common man in the society which comes under **Ross's list of duties more specifically Ross's idea about self-improvement i.e. the duty to improve our virtue and intelligence.**

Consider another song written by Sri.Kannadasan in the Movie Dharmam ThalaiKakkum – Sung by TM Soundararajan- film directed by MA Thirumugam and released in the year 1963.

SONG-2

The Charity one gives will save him at times it will save his life as well.

Even though act of sabotage done cunningly by those who are closely associating with a righteous person the noble deeds performed by him will save him.

Even mountain big problems would recede as mountain dews and those who made our life miserable will be made to come to our door step with their head down cast

The mind of a person who relentlessly resort to charity will become a treasure house of blissful garden

The vedas declare that righteous people never embrace distress

Mind of a person would become a blissful flower garden who relentlessly gives charity. Good people will never fall to distress declares the Vedas.

CRITICAL ANALYSIS

This concept coincides with the ethical thought of Ross especially the duty to improve the conditions of others.

Consider another song from the movie "Thirudathe" written by Pattukottai Kalyanasundaram – sung by TM Soundararajan and released in the year 1961 and Directed by S.Ragavan.

SONG-3

Don't steel oh child. Do not be afraid of penury and remember that you have skill.

Think well and change your attitude when you commit silly mistakes early in your life.

By some means you have committed mistakes unknowingly see that you do not repeat it again.

The planned swindlers go on robbing at the same time the law givers' will enact laws to punish these offenders.

It is the thieves who had to change otherwise no one can curtail robbery.

The time for giving arrives and therefore there is no need to indulge in robbery.
 If everything in the society becomes public the necessity for hoarding or hiding will not arise.
 When the tendency of working hard becomes predominant the attitude of spoiling others will not arise.

CRITICAL ANALYSIS

This song enunciates self-improvement i.e. the duty to improve our virtue and intelligence as contemplated by Ross.

Consider another song sung by TM Soundararajan in the Film Vulagam Sutrum Valiban released in the year 1973 directed by Dr.MGR himself.

SONG-4

Live a life of happiness with smiles but never lead a life to tantalize others to smile at you.
 Live to work hard but never lead a life depending on others earnings.
 Even Gods will pay respect to the person whose heart is full of pure love.
 How can distress come near to a person who has no desires?
 Mind delights in gold and glory but when one sees laughing face like yours they will realize where the real happiness resides.
 The world will accept wherever goodness happens but the heart of a good man travels there, accepts the goodness and glorify it.
 Even though rose is grows among thorn but what pride did the thorn get?
 Similarly, though pearl grows in oyster, the oyster is never slighted.

CRITICAL ANALYSIS

This song also enunciates self-improvement i.e. the duty to improve our virtue and intelligence as contemplated by Ross.

Consider another song sung by none other than the former Chief Minister of Tamil Nadu Dr.J.Jayalalitha in the movie Adimaipen released in the year 1965:

SONG-5

Mother stands for love
 Father stands for knowledge
 Teacher stands for education
 They are Gods in the world

Child calls Mother and Mother
 Also calls the child Mother
 Meaning of love an exclamation of virtue
 All leads to a single word mother

She carries the baby for ten months
 Forgets her suffering soon after she yields the baby
 She protects the child by undergoing diets
 She converts her blood in to feeding milk

The wealth given by the nature should be kept in public
 That should be equally distributed to both the haves and have nots

Rain does not pour for one person
 Moon does not shine for one person
 If whatever comes are distributed to all equally
 There can be no strife or struggle

CRITICAL ANALYSIS

This song advocates not only the position of different relationship in life but enunciates how knowledge flows and the duty to improve the life style of the public, finally it proposes a general welfare concept that would result in a conflictless global society an obligation rest upon the planners of the society not only to augment the skills of the masses but provide opportunity to sustain it thereby there will be no moral conflicts between the haves and have nots.

The above songs one way or the other coincides with the identified ethical pointers already arrived. On the other hand, consider the following songs they were intended to attract the attention of masses on the social evils prevail in the society towards which the general public turn a blind eye without showing any resistance. Moreover, these songs propagate the idea of moral adjustment required from the general public so that the society is better off.

Consider the song from the film: En Annan; Written by Sri.Kannadasan; Music by Sri.Vedha; and sung by Sri.T.M. Soundararajan film released on 1970 and directed by Sri.Pa.Neelakandan.

SONG-6

(You know) Why God has turned as stone –
 (it is due to the fact that) minds of men had become stone
 Those who witness treachery (but remain silent) should be considered that they have no eyes (even though they have eyes)
 Those who indeed try to stop the above menace with all their anger would have lost their words
 The man who (after witnessing the above menace) wanted to be merciful in his mind would have certainly lost his grandeur
 However, the man who wants to be good to both (the sinner and the wise) should be considered has lost himself.
 The necessity for the heart is righteousness that is ruled by God of Dharma
 He is the witness of the above happenings and the truth behind everything however his deposition will not come to public domain
 Those who indulge in the activity of sabotage might have been considered as intelligent
 And those who have endured the difficulties arising out of the sabotage might have considered as an offender too!
 The man who speaks the truth should have been considered as terrorist – it is bewildering whether God has any sway in this world!

CRITICAL ANALYSIS

In this song various acquisitions were made on the social problems created by elements who act as though they are noble to the outside world at the same time disturb the common man with their cunning and cruel plans.

SONG-7

Consider the song from the film: Aasaimugam Written by Sri.Vali and sung by Sri.T.M. Soundararajan film released on 1965 and directed by Sri.P.Pulliah:

A man who enacts various acts day in and out should not be considered man at all.
 Having one thing in mind and speaking another thing that mind should not be considered as mind at all.
 On the other hand a man who speaks without hiding what he thinks should be considered as man.
 A man who lives on other people's earnings should be considered as the leader of insane people of the world.

Who is benefitted when the Moon rises in the forest nor rain pours in the sea.
 At the same time the society will be benefitted if one assist in opposing poverty and feeds the hunger.
 The huts never grows to become domes
 Even though the birds fly high they will never become eagles.

CRITICAL ANALYSIS

This song propagates the idea of the attitude required to be a good human being who helps the fellow men to prosper.

SONG-8

Consider another song from the film: Aasaimugam Written by Sri.Vali and sung by Sri.T.M.Soundararajan film released on 1965 and directed by Sri.P.Pulliah:

To watch people suffer may be fun time for them and this has become customary to heartless people.

Though he is regarded as great man; however, he has very small mind (in terms of generosity)

Though the bird is small at the same time it has greater generosity than the man

Whether he is rich or poor though his color of body is black however their blood's colour is Red.

If they follow a single path of (truthfulness and generosity) they become great

At the same time if they follow different paths of sin they will be regarded as low born

Look at the hen/cock it wakes up early in the morning

Look at the birds (sparrow) it will avoid laziness

Look at the crows they live jointly and together

Look at our human endeavor the world would laugh at us

Having certain ideology for which there exist a leader for him a path and journey

Realize what you want in live and lead a life depending on your hands and skills.

CRITICAL ANALYSIS

This song contemplates the essential ingredient for truthfulness and generosity and the obligation to uplift the fellow human being and the necessity to prosper depending on one's skills.

CONCLUSION

From the above research interpretation, it comes to light that people's attention can be engaged by music and ethical messages can be purposefully transmitted through lyrics written in cinema songs that could attract the attention of the common man. The aim and objective of giving such moral messages is to sustain societal moral values otherwise the society will disintegrate.

Thus in the paper the ethical values contained in selected MGR film songs were discussed along with the theories of ethics and this comparative study proves beyond doubt that MGR had vision for the moral upliftment of general masses in the society which is very relevant to the deteriorating ethical values of modern societies. Dr.MGR used the media effectively to propagate ethical ideas to the masses and thus made the common man to think the higher values of life which he considered very important and took cinema from ordinary sensual pleasures to moral upliftment in this way he had done a yeomen service to the society.

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ROLE OF EMOTIONAL INTELLIGENCE IN HR PRACTICES: AN EMPIRICAL EVIDENCE FROM INDIAN MANUFACTURING SECTOR

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ABSTRACT

HR practices followed in manufacturing organization plays a very crucial role for the organizational success. The present study was designed to study the nature and pattern of relationship between HR practices (Compensation, Performance Evaluation process & promotion) and Emotional Intelligence of the employees working in manufacturing sector. Questionnaires consisting of 15 items (HR practices) and 15 items (Emotional Intelligence) were used. The findings of the present study reveals that HR practices followed in manufacturing organization are correlated negatively with the Emotional Intelligence.

KEYWORDS

Indian manufacturing sector, emotional intelligence, HR practices.

INTRODUCTION

 Organizations in the present age are facing big challenges due to globalization, technological innovation, restructuring and outsourcing. The human resource management function has increasingly been recognized as an important element of a company's strategy. The organizations attempt to succeed in the highly competitive business environment tend to depend heavily on employee's skill and commitment. The individuals working in the organization become the source and basis for utilization of other resources. Effective human resource management makes organizations and its employees achieve their own objectives. The effective human resource practices can motivate, reward, develop and offer challenging tasks so that the employee will stay in and contribute to the organization and the employee become a strategic asset. Carrel et al. (2000) stated that performance evaluation is the ongoing process of evaluating and managing both the behaviour and human outcomes in workplace. Dessler (2002) defined that any procedure that involves (i) Setting work standards (ii) assessing the employee's actual performance relative to these standards (iii) providing feedback to the employee with the aim of motivating that person to eliminate performance deficiencies or to continue to perform above par. Armstrong (2006) defined promotion practices as to obtain the best talent available within the company to fill more senior posts and to provide employees with the opportunity to advance their careers within the company. It is in accordance with the opportunities available and abilities of the employee. Milkovich and Newman (2007) stated compensation as all forms of financial and tangible services and benefits employee receives as part of an employment relationship. Author further defined that compensation includes wages, salary, pay, perquisites, fringe benefits, performance incentives, commissions, bonuses, stock options, remuneration etc. Salovey and Mayer (1990) introduced the concept of emotional intelligence as a type of social intelligence, separable from general intelligence. According to them, emotional intelligence is the ability to monitor one's own and others' emotions, to discriminate among them, and use the information to guide one's thinking and actions (Salovey & Mayer, 1990). However emotional intelligence was made popular outside academia by Daniel Goleman. In 1995, psychologist and journalist Daniel Goleman Published Emotional Intelligence which became an instant best-seller.

LITERATURE REVIEW

Huselid (1995) conducted a research after taking eleven HRM practices (personnel selection, labor management participation, incentive compensation, performance appraisal, grievance procedures, information sharing, job design, attitude assessment, recruitment efforts, promotion criteria and employee training) and reported significant relationship between high work practices such as compensation and employees outcomes. Sohrab Ahmad and Khurram Shezad (2011) did a study on the impact of compensation, promotion and performance evaluation practices on the performance of university teachers of Jammu and Kashmir. Baloch et al. (2010) conducted his research on HRM practices to examine their relationship with the perceived performance of employees in private and public sector banks of NWFP. Compensation, promotion and performance evaluation practices were significantly found to be correlated with employee performance and suggested that banks are encouraged to pay proper attention to these three practices. Goleman (2001), Kanfer & Kantrowitz (2002), Wong & Law (2002) stated that emotional intelligence is considered as being more important in influencing leaders job success and performance than traditional general mental intelligence. Jaeger (2003) revealed a strong relationship between emotional intelligence and performance of employees leading to task success.

OBJECTIVES

To study the relationship between HR Practices (Compensation, Performance Evaluation, Promotion and Emotional Intelligence (Emotional Sensitivity, Emotional Competency, Emotional Maturity and Overall Emotional Intelligence)).

RESEARCH METHODOLOGY

To fulfill the above mentioned objective, following research methodology was used:

SAMPLE

A sample of 436 respondents working in manufacturing sector of Jharkhand, Odisha and Chhattisgarh states was drawn by Convenient Sampling Method. The age of the respondents ranged between 21 to 65 years. Majority of the respondents were Graduates in different disciplines.

TOOLS

A. HR PRACTICES

The questionnaire for HR practices consists of 15 items comprising of three HR practice measure viz. Compensation, Performance Evaluation process & Promotion, which was based on 5 point Likert scale (Strongly disagree to strongly agree) developed by Teseema & Soeters (2006).

B. EMOTIONAL INTELLIGENCE

The questionnaire for Emotional Intelligence consisting of 15 items measuring three dimensions of emotional intelligence (emotional sensitivity, emotional maturity, emotional competency) & overall emotional intelligence by Chadha & Singh, 2003 was used.

Emotional Intelligence test was prepared by compiling 15 real life situations experienced by individuals in their day to day life. The situations were selected to avoid response bias such as faking good or social desirability tendency by the respondents. Each statement was followed by 4 alternatives and the score were given from 0 to 20. The total score of 8 statements constituted the total score of emotional competence, similarly the total score of 4 statements constituted the score of emotional sensitivity and the total score of 3 statements constituted the score of emotional maturity. Finally, the total score of emotional competence, emotional sensitivity and emotional maturity was added to form the overall EQ score. Norms for interpretations of the score are shown in table 1 as mentioned below:

TABLE 1: SHOWS NORMS OF MEAN SCORE FOR EMOTIONAL INTELLIGENCE

Mean Score Range	Level of Emotional Intelligence
285 and above	Extremely High
250 to 274	High
200 to 249	Moderate
150 to 199	Low
149 and below	Try some other day

STATISTICAL ANALYSIS

The obtained data were processed for the computation of Mean, S.D., Skewness, Kurtosis, Pearson's correlation.

RESULTS & ANALYSIS

In order to fulfill the main research objectives of the present study, the obtained, data were processed for the computation of means, Standard Deviations, Skewness, Kurtosis and Pearson's correlation.

ANALYSIS & INTERPRETATIONS

DESCRIPTIVE STATISTICS

The collected data were analyzed with the help of descriptive statistics. Skewness and Kurtosis describe the pattern of score of distribution. The scores of employees on 7 variables including 3 of HR Practices (compensation, performance evaluation process & promotion) and 4 of Emotional Intelligence (i.e. emotional sensitivity, emotional maturity, emotional competency & overall emotional intelligence) have been shown in table 2. All the measures of emotional intelligence (i.e. emotional sensitivity, emotional maturity, emotional competency & overall emotional intelligence) and two measures of HR Practices (performance evaluation process & promotion) are negatively skewed whereas only one measure of HR Practices is positively skewed. Careful inspection of HR Practices variables shows that employees working in manufacturing industries of Jharkhand, Odisha and Chhattisgarh states are scoring above then average on all the variables, suggesting thereby that they are better on almost all the variables of HR Practices whereas mean of emotional intelligence tend to be in moderate level (M = 215).

INTER CORRELATIONS BETWEEN HR PRACTICES AND EMOTIONAL INTELLIGENCE

The obtained correlations between the measures of HR Practices and Emotional Intelligence have been presented in the inter correlation matrix (table 3). Inspection of table reveals that out of 12 inter correlations between the variables of HR Practices and Emotional Intelligence, 5 are significant at .01 level and 2 are significant at .05 level but they are negatively correlated. 5 correlations are non-significant. The inter correlations ranges between -.177 to .026. Emotional competence correlates -.134 ($p < .01$) with compensation, -.135 ($p < .01$) with promotion practices. Emotional Sensitivity correlates -.108 ($p < .05$) with compensation practices. Emotional Maturity correlates -.089 ($p < .05$) with compensation, -.177 ($p < .01$) with performance evaluation practices, -.151 ($p < .01$) with promotion practices. Overall Emotional Intelligence correlates -.155 ($p < .01$) with compensation practices only.

The significant inter correlations between four measures of Emotional Intelligence (i.e. emotional sensitivity, emotional maturity, emotional competence & overall emotional intelligence) and 3 of HR Practices that is compensation, performance evaluation and promotion practices reveals that these measures share their variances negatively with each other.

FINDINGS

Emotional competence an emotional intelligence variable is found to be negatively associated with compensation and promotion practices. Emotional Sensitivity shows negative association with compensation practices. Emotional Maturity express negative association with all three measures of HR practices that is compensation, performance evaluation and promotion practices. Overall Emotional Intelligence have negative association with only one measure of HR practices that is compensation.

DISCUSSIONS & CONCLUSIONS

The present study states that HR Practices measure compensation practice is found to have negative and significant relationship with all measures of emotional intelligence i.e. emotional competence, emotional sensitivity, emotional maturity and overall emotional intelligence. Performance evaluation practice is found to have negative and significant relationship with emotional maturity measure of emotional intelligence and have non significant relationship with other three measures (emotional competence, emotional sensitivity and overall emotional intelligence). Promotion practice, a measure of HR practice is found to have negative and significant relationship with emotional competence & emotional maturity but other two measures emotional sensitivity & overall emotional intelligence are having non significant relationship.

On the basis of above discussion that it is concluded, that in manufacturing sector industries of Jharkhand, Odisha and Chhattisgarh state, all the three measures of HR practices are found to have significant and negative relationship with measures of emotional intelligence. Certain previous studies were tried to relate/link HR measures like job satisfaction, compensation, and stress management with emotional intelligence in view of performance of the organization. A study by Phin (2016) tried to relate employment practices with emotional intelligence. Jorfi et al (2011) tried to relate emotional intelligence with job satisfaction and stress management via communication effectiveness. Al-Taei et al. (2012) concluded that HR roles have positive impact on emotional intelligence in Hotel industry, which is contradictory to the current study in manufacturing sector.

DESCRIPTIVE STATISTICS

TABLE 2: MEANS, STANDARD DEVIATIONS, SKEWNESS & KURTOSIS (N= 436) ON MEASURES OF HR PRACTICES AND EMOTIONAL INTELLIGENCE

Dimensions	Mean	Standard Deviation	Skewness	Kurtosis
Compensation	22.7656	4.57764	.022	-.223
Performance Evaluation Process	17.7578	3.00488	-.487	.466
Promotion	10.5000	1.73374	-.081	-.619
Emotional Competence	120.1172	19.46913	-.538	-.082
Emotional Sensitivity	45.7031	13.54466	-.358	-.308
Emotional Maturity	49.2969	11.69967	-1.537	2.004
Emotional Intelligence	215.1172	33.07742	-.810	.511

TABLE 3: CORRELATIONS MATRIX OF HR PRACTICES AND EMOTIONAL INTELLIGENCE

Dimensions	Compensation	Performance Evaluation Process	Promotion
Emotional Competence	-.134**	.026	-.135**
Emotional Sensitivity	-.108*	-.006	.018
Emotional Maturity	-.089*	-.177**	-.151**
Emotional Intelligence	-.155**	-.05	-.125

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

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

CONCLUSION

HR practices followed in manufacturing organization plays a very crucial role for the organizational success. The present study was designed to study the nature and pattern of relationship between HR practices (Compensation, Performance Evaluation process & promotion) and Emotional Intelligence of the employees working in manufacturing sector. Questionnaires consisting of 15 items (HR practices) and 15 items (Emotional Intelligence) were used. The findings of the present study reveals that HR practices followed in manufacturing organization are correlated negatively with the Emotional Intelligence.

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EXAMINATION OF MICRO FINANCE RESOURCES AND AWARENESS LEVEL OF PEOPLE IN WARDHA DISTRICT

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ABSTRACT

Microfinance is the extension of small loans to entrepreneurs of poor section of the society to get quality for the traditional banks loans. It is also related to financial services such as deposits, loans, payment services, money transfer, insurance etc. It became effective tools to cater the needs of people where the banking system yet to reach. This paper will examine the Micro financial resources and awareness level about it among the people in Wardha district. India is the country of villages All over India there are approximately 600000 villages. Maximum of Population live there and engaged in traditional business of Agriculture. But lacks in infrastructure resulting in lacks of opportunities related to finance, Marketing, and Business etc. In these situations, the micro finance emerged as a need based policy and programs to serve the target people. Now days the word micro finance become very common and effective intervention for economic progress of the poor.

KEYWORDS

SHG, microfinance, awareness.

INTRODUCTION

Microfinance refer to small scale financial services for both credits and deposits that are provided to non-rich people who may engaged in small primary level business like agriculture, animal husbandry fishing etc. Also may operate small or micro enterprise where goods are produce recycled repaired or traded.

Since Independence and after liberalization period India put stress on providing financial services to the poor and underprivileged. The commercial banks were nationalized in 1969 and were directed to lend 40% of their loans able fund at a concessional rate to the priority sectors. To supplement these efforts the credit scheme integrated rural development programme (IRDP) was launched in 1980 but due to corruption and linkages this program achieve little the share of the formal financial sector in total rural credit was 56.6% compared to informal financial sector at 39.6% and unspecified sources at 3.8% (RBI 1992) The Gap continued to be filled by village moneylender who charges interest rate of 2 to 10% per months.

Due to the above situation the micro finance revolution occurred worldwide. In India it starts in 1980 with the formation of self help group (SHG) engaged in micro activities financed by Micro-Finance. The First efforts were made under the direction of National Bank for Agriculture & Rural Development (NABARD). The self help group, Income Generation & women Empowerment are the key words in the development of Financial Assistant to the rural people specifically poor People. The member of SHG decides to deposit small amount may range from Rs 20 to Rs100 per week. This collected funds are deposited with Microfinance Institutions which they usually lend. The Microfinance Institutions stress on asset creation by the SHGs and extend loans for production and provides training for the same. Though out India women Empowerment had been taken place due to microfinance which leads into self –confident and help to fight poverty & exploitation The majority of SHG are consist of Women's as it found to be most powerful tool for emancipation of women The Microfinance also help to reduce Gender bias as economic condition is mostly related to the gender discrimination.

This Paper aims to find the resources and awareness level of people in Wardha district of Maharashtra India.

LITERATURE REVIEW

01. Katedea and Berhanu (2013):- Find out the efficiency of Microfinance Institution in Providing Financial Services to the needy by comparing cost efficiency of Institution with commercial bank in Ethiopia during the period-2001-2008.

02. Gordon, A.N. and Other(2011):- this paper aims to study the links between women's access to Microfinance & how they use material health care services in Sub-Saharan Africa. (SSA)

03. Anand Kumar,T.S.Praseeda.S and Jeyanth K,N, (2008):- Explained in his paper titled "operational guideline for sustainable housing micro Finance in India" that housing micro Finance is emerging globally as an important financial activity to help alleviate the housing needs of Economically backward people.

04. Soma Sharma, Anant Deshmukh (2013):- The paper presented in IJSIR studied facilities & awareness of Microfinance in people of Nagpur City and found that mostly urban people are aware about the Microfinance but lack in knowing various schemes related to it.

OBJECTIVES

1. To examine Micro Finance sources.
2. To study the awareness level of people regarding Micro Finance.
3. To find working of SHG & MFIs.

HYPOTHESIS

1. People are aware of the Microfinance.
2. People are aware about resources and schemes of Micro Finance.

RESEARCH METHODOLOGY

DATA COLLECTION

PRIMARY DATA

- Primary data are collected through questionnaire filled up from SHGs & MFIs.
- Information gathers from DRDA regarding policies & procedure of Micro Finance.

SECONDARY DATA

- Broucher of MFIs & Banks.
- Periodicals about Micro Finance.
- Printed materials available at DRDA SGSY (Swarna Jayanti Gram Swarajgar Yogana) Scheme etc.

POPULATION OF THE STUDY**AREA**

Wardha District

SAMPLE SIZE

100

DATA ANALYSIS**01. RESPONDENTS AGE**

Age	Frequency and Percentage
18-25	03
26-30	18
31-35	43
36-40	14
41 onwards	22
Total	= 100

The Maximum Number of respondents is in the age group of 31-35 which is 43% Then age group of 41 onwards has 22% Minimum respondent age group is 18-25 of age.

02. EDUCATIONAL STATUS

Education	Frequency & Percentage
SSC	41
HSC	38
Graduate	15
Post Graduate	06
Total	100

From Chart it is shown that maximum number of respondents are SSC which is 41% after this HSC are 38%, graduates are 15% & post graduation are 06%.

03. RESPONDENTS OCCUPATION

Occupation	Frequency & Percentage
Service	06
Labour	43
Maid	35
Small Business	12
Other	04
Total	100

Maximum Number of Respondent are labour which counts 43% Then second highest are Maid Servants Count 35% The respondent doing services are 6% and Engaged in small Business are 12 %.

04. RESPONDENT MONTHLY INCOME

Income(Per Months)	Frequency & Percentage
Upto 1000	07
1001-2000	16
2001-3000	42
3001-4000	22
4001- onwards	13
Total	100

The monthly income of Maximum respondents is 2001 to 3000 RS i.e. of 42% Then 32 % respondent has income between 3001 to 4000 Rs Income less than 1000 Per Months are 7% and 1001 to 2000 are 16% while above 4001 Income Respondents are 13%.

05. AWARENESS LEVEL OF RESPONDENTS

Level	Frequency & Percentage
Fully Aware	81
Little Known	19
Not Aware	00
Total	100

This question is related to the awareness of Respondents towards Microfinance i.e. the respondents has information about it or not The 79% respondents found to be aware which 21% has no idea regarding this.

06. MICROFINANCE AWARENESS SOURCES

Sources	Frequency & percentage
SHG Members	19
Neighbours	36
Friends	33
Relatives	10
Other	02
Total	100

According to questionnaire filled it is found that maximum number of respondents get aware about microfinance from neighbour i.e.36% then Friends 33% SHG members 19% and Relatives 10% The 2% members get aware from other sources then mentioned in above source.

HYPOTHESIS TESTING**HYPOTHESIS NO. 01**

"People are aware of the Microfinance."

The hypothesis no 01 that is people are aware of the microfinance is found to be valid. Question no 05 is related with the awareness of people about microfinance the 81 % respondents are aware about the microfinance.

Question no 06 is the extension of question 05 related to the sources of awareness of microfinance from that it is found that 36% respondent get aware from neighbour 33% from friends 19% from SHG members 10% from relatives and only 2% respondents get aware from other Sources then Mentioned.

HYPOTHESIS NO. 02

"People are aware about resources and schemes of Microfinance".

Question no 07 is related with the awareness of people about various resources and schemes of Microfinance. From the answer of respondents it is found that 41% knows microfinance as an option of Micro Credits, 27% think it is saving schemes 18% as employment schemes & 14% as micro insurance.

DRDA ACTIVITIES

District rural development Authority handle the responsibility of Development of Microfinance in rural area every district has DRDA. We discuss with DRDA Wardha officers related to the development of microfinance and various activities related to it.

- The officer tells us that around 80% of Members of SHG are belongs to poor. SHG can get financed easily for business purpose. Minimum 10 & maximum 20 members are required to form SHG Among which few members have been given responsibility of president, vice president, secretary, treasurer etc.
- As per DRDA to avail finance it not required any collateral security for SHG. But it should be registered under DRDA to get help for finance. But in certain cases financial institute has right to reject the finance proposal.
- DRDA are funded by both central as well as state government 75% grants is given by central government where as 25% grants is given by State government.
- DRDA makes grading of SHGs every six Months after that they get eligible for finance.
- Training to SHG is given at Tehsil level also centres situated at district level.
- Mostly SHGs are formed and operated by females. If properly repayment is done by female SHG then government refund 4% of interest charged.
- According to the performance the SHGs are awarded by various prices.

FINDINGS

From the above research the following points has been find out.

- The main objective of this study is to find out microfinance resources from study it is found that there are various resources available for microfinance in a selected area.
- Second objective is to study awareness level of people regarding microfinance. From the study it is found that people are much more aware about this around 81% of people are fully aware where as 19% people knows about this.
- The third objective is to find working of SHGs & MFI from the study it can be termed that most of the poor people are aware about microfinance also DRDA has working to promote microfinance and microfinance has given the poor chance and opportunities to earn their live hood better. Mostly MFIs are working in rural area and providing finance in a better manner.

CONCLUSION

The above research Paper can be concluded as per following:

- Most of the people are aware about microfinance. They get informed about this mostly from neighbours, friends, SHG members etc. Most of the people see Microfinance as the microcredit option the people availing loans under this scheme are mostly belongs to the poor family and they use these loans to earn their small live hood.
- The government through DRDA working for promotion of microfinance. Most of the SHGs are registered with DRDA with registration SHGs can easily get loans sanction.
- The MFIs are working in the district around 28 MFIs are in India. Out of which 14 have offices in the various part of Wardha district which are engaged in providing loans to poor.

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CUSTOMER RELATIONSHIP MARKETING: IT's IMPACT ON CUSTOMER SATISFACTION IN BANKS**NEHA VIJ****LECTURER****DEPARTMENT OF MANAGEMENT****GOVERNMENT COLLEGE FOR WOMEN****FARIDABAD****DR. JYOTI RANA****HEAD****DEPARTMENT OF PG COMMERCE****DAV CENTENARY COLLEGE****FARIDABAD****ABSTRACT**

In service industry it becomes important as well as difficult for banks to satisfy their customers. Thus, they have moved towards building relationship with the customers. Customer satisfaction is the most important factor for banks and it can be achieved through customer relationship marketing. CRM helps in building long term relationship with their customers and its importance has been realized by acquiring new customers and maintaining the existing ones. Technology has helped banks deliver services at lower cost which satisfy customers. This paper will focus on the relationship between customer relationship marketing and customer satisfaction. Furthermore, the aim of this paper is to analyze the different factors that satisfy customers in banks. For this various studies already done are considered, bank journals and magazines are referred.

KEYWORDS

customer relationship marketing, customer satisfaction.

INTRODUCTION

Everybody focuses on increasing market share by beating competition; Banks are also part of this rat race. Market share can be increased by satisfying customers. In service industry it becomes more difficult for organisations to satisfy their customers. Thus, they have moved towards building relationship with their customers which is known as customer relationship marketing. It is regarded as the main influential strategy for successful organisation in service industry. CRM and customer satisfaction are inter-related. Customer relationship marketing helps in meeting the individual needs of customers, it prioritizes the customers, provide them what they needed because of all these services customers feel satisfied and he do repurchases which results in loyal customers. (Daikh, 2015)

If practically seen customer satisfaction is the most important factor for organisations. Through CRM it can be easily achieved. CRM activities provide customers with additional benefits like home service, online banking which increases their level of satisfaction. Banks have their own customer care cells which interact with customers & listen to their queries. These kind of services helps in building long term relationship with customers and in banking sector long term relationship with customers are the important factor for their success. (Dawar, 2013)

Kumar & Murthy (2013) is of opinion that by formulating good & strong customer retention strategies, banks can satisfy their customers, can make more loyal customers. Customer satisfaction helps in facing competition.

REVIEW OF LITERATURE

Sabir et al (2014) finds in his study that customer satisfaction is very much related to service quality and it increases customer loyalty. In competitive era, banks want to retain their customers which can be possible only when customers satisfaction is achieved (kumar&Gangal, 2011).

Both public and private banks deal with customers differently. Private banks are now using good technology, but public sector banks are still using traditional ways and in public sector banks old customers are satisfied with these services. (Jham& Khan, 2008). Amoah-mensah (2010) has found that the meaning of satisfaction varies with age, sex, occupation, education & geographical area. In his study he finds that quality of service in Ghana & Spain is very poor. Banking industry is facing challenges and to meet the competition banks have to focus on their services & quality to increase customer satisfaction (Nagabushnam)

OBJECTIVES OF THE STUDY

1. Customer is more demanding in this time and its essence of every business to satisfy their customers which can be done if CRM tools are effectively implemented. This study will focus on the relationship between customer satisfaction & customer relationship marketing.
2. As mentioned above that customer satisfaction is very much important so this study will analyse the different factors that satisfy customers in banks.

METHODOLOGY

SECONDARY DATA- It is the data which is already been published or used. In this research secondary data is being collected through the following:

- Magazines
- Research papers
- Internet

LIMITATION OF STUDY

1. Time provided for study was very limited.
2. Due to time constraint data was only collected from secondary sources.
3. Accuracy might have been compromised due to secondary data as respondents hesitate to provide complete information.

DISCUSSION

There are various factors that affect customer satisfaction and Customer Relationship Marketing helps in achieving satisfaction by focusing on these objectives.

- Service quality is regarded as the most important factor for satisfying customers. If customers are given good services like message alert, ATM, online services then they will choose that particular bank else they will shift to competitive bank.
- Other important factor is how a bank handles the complaint of its customer. Customer will be highly satisfied when he gets solution to his problems immediately.

- Bankers will be able to handle complaints of customers if they have full knowledge about the product they are selling. For this, proper training sessions should be arranged for customers from time to time.
- Last but not least a customer's does not have much time and they get very irritated if they have to stand in queues for their small work. So banks should focus on digitalising their work so that they can reduce queue time

CONCLUSION

This study shows that level of customer satisfaction is directly related to the relationship building process of banks. In customer relationship marketing, banks try to provide personal services to their customers which make them feel important and integral part of organisation & give customer high level of satisfaction. Whether it is a public bank or private bank customer satisfaction is very important factor and banks should focus on increasing customer services, customer loyalty, reliability, and responsiveness. Banks can provide training to their employees regarding the use of CRM tools so that they can work efficiently to render high quality personal services to their customers which will satisfy them.

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FINANCIAL PERFORMANCE ANALYSIS ON SELECT PARAMETERS OF TELANGANA GRAMEENA BANK

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ABSTRACT

The establishment of regional rural banks in India marks another important landmark in the banking sector. These banks were established under the provision of the Regional Rural Banks Ordinance, 1975, promulgated by the government on September 27, 1975. The main objective of establishing the regional rural banks is to provide credit and other facilities especially to the small and marginal farmers, agricultural laborers, artisans and small entrepreneurs in the rural areas. Telangana Grameena Bank (TGB) is one of the rural banks in Telangana state. The present study examines the performance of the TGB by analyzing the performance of the various parameters such as number of banks branches, deposits, advances, priority sector lending, profitability of the bank during the period of three years from 2013 – 2016.

KEYWORDS

Telangana Grameena Bank, Regional Rural Bank, profitability, bank branches, deposits, advances.

INTRODUCTION

"Rural India is Real India and Rural Development is the Real Development of India"

Gandhi ji

India is densely populated in rural areas, nearly 68.84% percent (83.3 crores) of the India's population lives in rural areas. So, the economic development of the country depends on the development of the rural economy. The Government has recognized this fact and initiated many programmes for the upliftment of the rural poor. In all Five Year Plans of the country, with this reason, the RRBs occupy a predominant place in rural development.

Regional Rural Banks were established under the provisions of an Ordinance passed on 27 September 1975 and the RRB Act, 1976 to provide sufficient banking and credit facilities for agriculture and other rural sector. These were set up on the recommendations of The Narasimham Working Group during the tenure of Indira Gandhi's government with a view to include rural areas into economic mainstream. The development process of RRBs started on 2 October 1975 with the forming of the first RRB i.e the Prathama Bank. Also on 2 October 1975 five regional rural banks were set up with a total authorized capital of 100 cores, which later increased to 500 cores. The Regional Rural Banks were owned by the Central Government, the State Government and the Sponsor Bank who held shares in the ratios of 50% - 15% - 35%.

The objective of RRB'S are as follows:

- To take banking to the doorsteps of the rural masses, in areas without banking facilities;
- To mobilize rural savings and canalize them for supporting productive activities in the rural areas
- To make available cheaper institutional credit to the exclusion to weaker sections of society, who are to be the only clients these banks
- To generate employment opportunities in the rural areas.
- To bring down the cost of providing credit in rural areas.
- To encourage small business and rural artisans.

REVIEW OF LITERATURE

NABARD (1986) published "A study on RRBs viability", which was conducted by Agriculture Finance Corporation in 1986 on behalf of NABARD. The study revealed that viability of RRBs was essentially dependent upon the fund management strategy, margin between resources mobility and their deployment and on the control exercised on current and future costs with advances. The proportion of the establishment costs to total cost and expansion of branches were the critical factors, which affected their viability. The study further concluded that RRBs incurred losses due to defects in their systems as such, there was need to rectify these and make them viable. The main suggestions of the study included improvement in the infrastructure facilities and opening of branches by commercial banks in such areas where RRBs were already in function.

In the year 1989 for the first time, the conceptualization of the entire structure of Regional Rural Banks was challenged by the Agricultural Credit Review Committee (Khusro Committee), which argued that these banks have no justifiable cause for continuance and recommended their mergers with sponsor banks. The Committee was of the view that "the weaknesses of RRBs are endemic to the system and non-viability is built into it, and the only option was to merge the RRBs with the sponsor banks. The objective of serving the weaker sections effectively could be achieved only by self-sustaining credit institutions."

The Committee on Financial Systems, 1991 (Narasimham Committee) stressed the poor financial health of the RRBs to the exclusion of every other performance indicator. 172 of the 196 RRBs were recorded unprofitable with an aggregate loan recovery performance of 40.8 percent. (June 1993). The low equity base of these banks (paid up capital of Rs.25 lakhs) didn't cover for the loan losses of most RRBs. In the case of a few RRBs, the Narasimham Committee suggested that the RRBs should be permitted to engage in all types of banking business and should not be forced to restrict their operations to the target groups, a proposal which was readily accepted. This recommendation marked a major turning point in the functioning of RRBs.

(Prasad, 2011), evaluated the performance of Regional Rural Banks by applying Camel Model. They studied Capital Adequacy, Assets Quality and efficiency of Management, quality of Earnings and Liquidity of Financial two RRBs, Andhra Pragathi Grameena Bank (APGB) and Saphthagiri Grameena Bank (SGGB), in Andhra Pradesh State.

(Kanika, 2013), studied the 'Financial Performance Evaluation of RRB's in India'. In her study she examined the growth of RRBs, geographical distribution of RRBs, outstanding loans and advances of RRBs Credit deposit and investment deposit ratio, Financial Performance of RRBs.

(Kapre), studied and concluded the rapid expansion of RRB has helped in reducing substantially the regional disparities in respect of banking facilities in India. The efforts made by RRB in branch expansion, deposit mobilization, rural development and credit deployment in weaker section of rural areas are appreciable. RRB successfully achieve its objectives like to take banking to door steps of rural households particularly in banking deprived rural area, to avail easy and cheaper credit to weaker rural section who are dependent on private lenders, to encourage rural savings for productive activities, to generate employment in rural areas and to

bring down the cost of purveying credit in rural areas. Thus RRB is providing the strongest banking network. Government should take some effective remedial steps to make Rural Banks viable.

(Padmavathi, 2013), conducted a study on the Deccan Grameena Bank and found that the bank showed a good performance through deposits and advances in the backward districts of Telangana viz Adilabad, Karimnagar, Nizamabad, Ranga Reddy, and Hyderabad (U). The branch expansion as well as credit and deposits are shown an increasing trend in the study period. Though the bank's area of operations covers towns and metropolis, which is the main reason behind the fulfilling of the objectives of RRBs.

(Naik, 2014), analyzed the financial performance of Deccan Grameena Bank in Telangana during the period of 2006 – 07 to 2012 – 2013. Their study analyzed the Key Performance Indicator such as number of Branches, Deposits and Borrowing Loans, Recovery performance and growth rate index etc. and found that there was a consistent improvement in all the thrust areas of the bank.

Some of the other studies held by renowned scholars in this area are: Noulas and Ketkar (1996), Bhattacharyya et al., (1997), Das (1997), Saha and Ravisankar (2000), Mukherjee et al., (2002), Kumar and Verma (2003), De Kumar (2004), Chakrabarti and Chawla (2005), Kaur and Sharma (2005-06), Kumar and Gulati (2008), Khankhoje (2008), Sathye (2008) and Mohindra (2011) which analyzed the performance of RRBs by using Stochastic Frontier Analysis (SFA) and Data Envelopment Analysis (DEA) approach respectively.

OBJECTIVES OF THE STUDY

The following are the main objectives of the present paper:

1. To study the growth-pattern and progress of the Telangana Grameena Bank during 2013-14 to 2015-16.
2. Bank during 2013-14 to 2015-16.
3. To analyze the overall performance of Telangana Grameena Bank during the period of 2013-14 to 2015-16.

METHOD OF DATA COLLECTION

The present study is empirical in character based on the analytical method.

The study is mainly based on secondary data which is collected, compiled and calculated mainly from annual reports of the TGB. Other related information collected from journals, conference proceedings and websites.

RESEARCH METHODOLOGY

The financial performance of the TGB has been analyzed with the help of key performance indicators. The year 2015-2016 was taken as the current year and year 2014-2015 was base year for the calculation of growth rate. Analytical technique used here is growth rate analysis method with a view of studying financial performance of TGB. Growth rate is measured with the help of following formula-

$$\text{Growth Rate} = \frac{Y_t - Y_{t-1}}{Y_{t-1}}$$

Y_t = current year, Y_{t-1} = base year.

LIMITATION OF THE STUDY

The following are the limitations of the present study are:

This study is conducted for a specific time period i.e 2013-14 to 2015-16. Analysis may be influenced by some subjective factors like knowledge, judgment and can vary person to person and situation to situation.

TELANGANA GRAMEENA BANK (TGB) – OVERVIEW

The Telangana Grameena Bank – TGB (formerly known as Daccan Grameena Bank - DGB) was established on 24-03-2006 by amalgamating four RRBs sponsored by state Bank of Hyderabad, viz, Sri Saraswathi Grameena Bank, Sri Satavahana Grameena Bank, Sri Rama Grameena Bank and Golconda Grameena Bank and introducing as Deccan Grameena Bank with head quarter at Hyderabad by giving various facilities like low rate of interests and best credit facilities etc. The Deccan Grameena Bank is covering 5 Districts in Telangana State, majority of them are backward districts i.e., Adilabad, Nizamabad, Karimnagar, Rangareddy and Hyderabad (Urban). The authorized share capital of the bank is Rs. 5 corers. The paid up capital is Rs. 4 corers which is contributed by Government of India, Sponsor Bank i.e., State Bank of Hyderabad and Government of Telangana in the ratio of 50:35:15 respectively. The vision of the bank is to be the premier RRB in the state providing technologically advanced, committed and quality service in all spheres of banking and be the most trusted bank for rural development.

The mission of the bank with "Providing transparent and efficient Banking Services at a reasonable cost at the doorsteps of our customers by ensuring 100% Financial Inclusion, empowerment of rural customers, promote Self Help Group (SHG) movement with special emphasis on women and earn continuous profits by having a healthy business mix thus becoming a leading Bank in our area of operation".

TABLE 1: PERFORMANCE OF TGB (Rupees in crores)

parameters	31 st March 2014	31 st march 2015	31 st march 2016	Growth (%)
Branches	300	330	363	10
Deposits	4155.33	4890.33	5836.95	19.36
Advances	3531.1	4162.54	4560.27	9.55
Total Business	7686.53	9052.87	10397.22	14.85
Gross Profit	96.41	167.29	102.49	-38.74
Gross NPA's	101.63	88.91	105.45	18.60
Gross NPA's to Aggregate advances	2.88%	2.14%	2.31%	
Net NPA's to Aggregate advances	0.42%	0.64%	0.97%	
Average cost deposits	7.51%	7.58%	7.52%	
Average yield on advances	11.84%	12.49%	10.71%	
Average return on investments	9.00%	9.00%	8.08%	
Advances under agricultural segments	66.23%	66.52%	70.38%	
Advances to priority sectors	65.76%	65.86%	78.07%	
Credit deposit ratio	85.00%	85.12%	78.13%	
Owned funds	369.23	484.39	553.61	14.29
Productivity				
a) Per Branch	25.62	27.43	28.64	4.41
b) Per Employee	6.72	6.59	7.16	8.65

Source: Reports of TGB

FINDINGS OF THE STUDY**BRANCH NETWORK**

As on 31.03.2015 the number of branches operating in the five districts of Telangana increased to the total of 363 branches from 330 branches as on 31.3.2015 with growth rate of 10 percent.

DEPOSITS

Deposits of TGB increased from 4890.33 crore to 5836.95 crore during the year registering growth rate of 19.0%. Average cost deposits have also increased to 7.52 percent

ADVANCES

Advances of TGB increased from 4162.54 crore as on 31 March 2015 to 4560.27 crore as on 31 March 2016 registering an increase of 10.0%. But average yield on advances has decreased to 10.71% from 12.49%.

TOTAL BUSINESS

The total Business increased to 10397.22 crore as on 31.03.2016 from 9052.87 crore as on 2015 with a growth rate of 15 percent.

PROFITABILITY

The profit was marginally lower than the previous year. The profit earned was 167.29 crore as on 31.3.2015 which decreased to 102.49 crore as on 31.3.2016 with a negative growth rate of 39.00%

NON-PERFORMING ASSETS (NPA)

The Gross NPA of TGB stood at 88.91 crore as on 31.03.2015 (i.e.2.14%)and increased to 105.45 crore as on 31.03.2016(2.31%). The percentage of Net NPA of has shown an increase from 0.64% to 0.97% during the year.

ADVANCES TO PRIORITY SECTORS

The advances to Priority sector is being continuously increasing from 65.86% as on 31.03.2015 to 78.07% on 31.03.2016, with the increase of advances to agricultural sectors to 70.38%.

CREDIT DEPOSIT RATIO

The aggregate CDR of TGB decreased over the years from 85.12% as on 31 March 2015 to 78.13 % as on 31 March 2016.

OWNED FUNDS

The owned funds of TGB comprising of share capital, share capital deposits received from the shareholders and the reserves stood at 553.61 crore as on 31 March 2016 as against 484.39 crore as on 31 March 2015; registering a growth of 14.0%.

PRODUCTIVITY OF BRANCH AND STAFF

The branch productivity increased to 28.64 crore in 2015-16 from 27.43 crore in 2014-15, with a growth of 4.0%. Similarly, staff productivity in 2015-16 increased to 7.16 crore from 6.59 crore in 2014-15 with a growth of 9.0%.

CONCLUSION

The efforts made by TGB in branch expansion, deposit mobilization, rural development and credit deployment in weaker section of rural areas are appreciable. TGB successfully achieve its objectives like to take banking to door steps of rural households particularly in banking deprived rural area, to avail easy and cheaper credit to weaker rural section who are dependent on private lenders, to encourage rural savings for productive activities, to generate employment in rural areas. Government should take some effective remedial steps to make Rural Banks viable. Regional Rural Banks plays a key role as an important vehicle of credit delivery in rural areas with the objective of credit dispersal to small, marginal development of agriculture, trade and industry. But still its commercial viability has been questioned due to its limited business flexibility, smaller size of loan & high risk in loan & advances. Rural banks need to remove lack of transparency in their operation which leads to unequal relationship between banker and customer. Banking staff should interact more with their customers to overcome this problem. Banks should open their branches in areas where customers are not able to avail banking facilities. In this competitive era, TGB have to concentrate on speedy, qualitative and secure banking services to retain existing customers and attract potential customers.

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UNDERSTANDING THE LINK BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES AND EMPLOYEE LOYALTY

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ABSTRACT

This study aims to explore the impact of the human resource management practices (HRM) on employee loyalty in spinning Mills. The scope of the study is confined only to the lower level employees perception on Implementation of Human resource management practices in spinning mills. The researchers adopted random sampling method for collecting data from the employees. This study identified six important dimensions of Human resource management practices. These are: Incentives, Communication, Employee suggestion, Grievance and Redressal, Trust, career development. Among the important dimensions, except incentive, all Human resource management practices have significant influence on employee loyalty. Furthermore, incentive of highly viewed Human resource management dimension among the employees. The findings of the study would help the human resource manager to implement Human resource management practices in different industries.

KEYWORDS

career development, communication, employee suggestion, incentive, trust.

INTRODUCTION

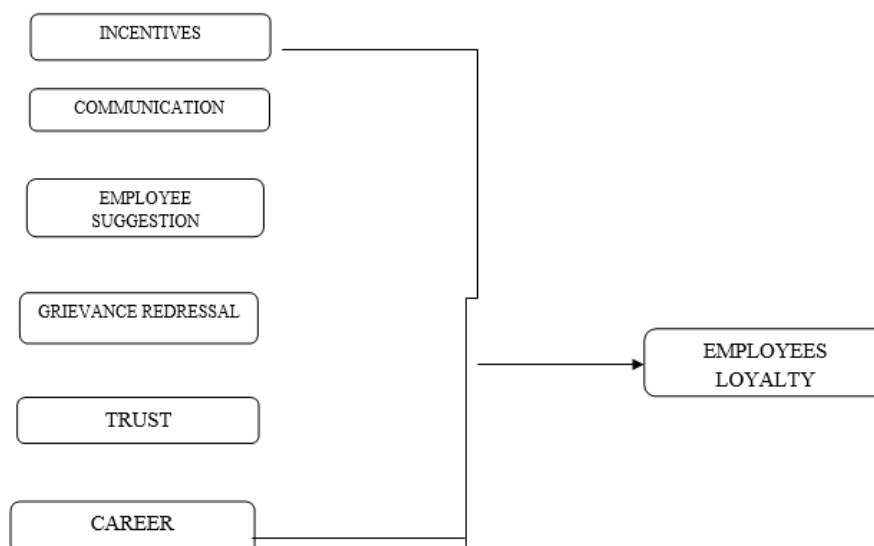
Human resource management may have a significant influence on the company's success and its competitive position in the market. (Becker and Huselid, 2006; Wright et al, 2001). Several studies in the field of Human resource management support the relationship between high-commitment HR practices and performance. (Guest, 1997; Guthrie, 2001; Huselid, 1995; Mitchell et al, 2013; Razouk, 2011). Human resource (HR) practices have been recognized by several scholars as an important function in enhancing organizational productivity and performance (Petrescu and Simmons, 2008). Furthermore, several researchers view human resource management (HRM) as a means of sustaining competitive advantage for organization; (Zheng, 2009; Chang and Huang, 2005). The organizations manage their human resources impact various criteria of organizational performance (Combs et al, 2006) HRM practices are communications from an employer to an employee (Bowen and Ostroff, 2004) HRM can be defined as "all activities associated with the management of people in firms (Boxall and Purcell, 2008, P.1) Human resource management (HRM) has come to acknowledge as one of the significant functions in assisting the performance of the organization. (Jain et al, 2009; Petrescu and Simmons, 2005). Today, several researchers view HRM as a means of sustaining competitive advantage for organizational (Zheng, 2009; Chang and Huang, 2005; Chandrakumara Sparrow, 2004) The perception of HR practices refers to the extent to which one perceives that the organization, Offers him/her any set of given HR practices (Boon et al, 2011) Several studies have shown a positive relationship between HRM practices and employee commitment (Allen et al, 2003) Prior studies have revealed that employees who are offered flexible work options have higher levels of organizational commitment, (Anderson and Kellier, 2009). Several studies have found that performance evaluation has a positive relationship with organizational commitment. (Appelbaum et al, 2000; Chai-Amonphaisal and Ussahawanitchakit, 2008; Slocum and Bluedorn, 1999) All the practices that lead to superior performance have variously been termed "High performance work systems or practices", (Appelbaum and Batt, 1994), "High-investment practices" (Lawler, 1986), "Best HRM practices", (Pfeffer, 1994), "High commitment practices", (Wood, 1996) several authors (Becker and Gerhart, 1996; Wright and Sherman, 1999; McMahan et al, 1999; Delery and Shaw 2001) have indicated that there is a lack of understanding about the process through which HRM created organizational value and increases performance. Several studies have examined on the relationship between individual HR practices and organizational effectiveness, such as staffing, (Terpstra and Ruzell, 1993), promotion systems (Ferris et al, 1998) goal setting (Terpstra and Ruzell, 1993), Training (Russell et al, 1985; Bartel, 1994) Compensation (Gerhart and Milkovich, 1990; Banker et al, 1996).

REVIEW OF LITERATURE

Delery and Doty (1996), an established that HRM policies positively influence organisational performance. Several studies have reviewed previous empirical research (Becker and Gerhart, 1996; Dyer and Reeves, 1995; Paauwe and Richardson, (1997) concluded that previous studies have revealed varying degrees of positive relationships between a firm's HR practices and financial performance. Fingold et al, (2000), revealed that best HRM practices in the hotel sector of the USA are career development and vocational education. Freeman, Kleiner and Ostraff, (2000) revealed that HR practices have a positive effect on employee satisfaction at the organisational level. Boselie et al, (2001) revealed employee satisfaction, and motivation, as HRM mediating outcomes between HRM policies and organisational performance. Studies conducted by Rousseau and Fried (2001), Tsui, (2004), Shapiro et al, (2007) suggested that future researchers should examine best HRM practices in different geographical settings. Devine et al, (2007), and Boluk (2013) found that five best HRM practices in the hotel sector. These are: Equal employment opportunities, managing diversity, in-depth induction programmes, Training and development and socialisation activities. Finegold et al, (2000) revealed that best HRM practices in the hotel sector of the USA are career development and vocational education Sledge et al, (2008) revealed that four best HRM practices in Brazil's hotel sector are training and development, good working conditions, fair compensation system and employment security.

PROPOSED RESEARCH MODEL

FIGURE 1: SHOWS THE RESEARCH FRAMEWORK OF THE PROPOSED STUDY



OBJECTIVES OF THE STUDY

The objectives of the study are to investigate the antecedents of HRM practices and its impact on employee loyalty.

RESEARCH METHODOLOGY

The scope of the study is confined only to the lower level employees working in Spinning mills situated in erode district. The spinning mills were identified based on the following criteria. A spinning mill should be registered under companies Act 1956 and a spinning should have obtained ISO-9000 quality certification and a spinning mill should have implemented HRM practices. Of the 30 firms initially contacted that fulfilled the criteria, 20 spinning mills agreed to participate in the study. This data has been collected from lower level employees of these 20 spinning mills. The researchers approached each and every employee and explained the purpose of the study before collecting data. The researchers employed interview schedule method for collecting data from the employees. The questionnaire consists of three important components, first part of the questionnaire covers a demographic profile of the employees, Second and third part of the questionnaire covers variables relating to HRM practices and its consequences. The researchers obtained sample frame from the top management and collected data through random sampling method. The researchers distributed 200 questionnaires to the respondents. Even though researchers made several efforts to collect data from the employees, only 150 questionnaires have been collected. Therefore, the response rate of the questionnaire is 67%. This study has been conducted from the period of November 2016 to March 2017.

PROPOSED HYPOTHESIS

This study is approached with the following proposed hypothesis

H₀₁: Incentive does not have a positive impact on employee loyalty.

H₀₂: Communication does not have a positive impact on employee loyalty.

H₀₃: Employee suggestion does not have a positive impact on employee loyalty.

H₀₄: Grievance and redressal does not have a positive impact on employee loyalty.

H₀₅: Trust does not have a positive impact on employee loyalty.

H₀₆: Career Development does not have a positive impact on employee loyalty.

The demographic profile of the respondent is exhibited in Table No 1.

TABLE NO. 1: DEMOGRAPHIC PROFILE OF THE EMPLOYEES

S. No	Profile Variables	Description	Percentage
1	Gender	Male	81
		Female	19
2	Monthly Salary	Below Rs.20,000	17
		Rs.20,000-Rs.30,000	43
		Rs.30,000-Rs.40,000	39
		Above Rs.50,000	1
3	Department	Human resource department	27
		Finance department	31
		Production department	20
		Marketing department	22
4	No of years working in the organization	Less than 2years	38
		2 to 4 years	48
		4 to 9 years	20
		Above 10 years	1
5	Educational qualification	Arts Qualification	42
		Science Qualification	22
		Engineering Qualification	36
6	Age of the respondents	Less than 25 years	18
		25 to 35 years	29
		35 to 45 years	10
		Above 45 years	38

Overall, 81 percent of our sample was male, 43 percent of the employees earned a monthly salary around Rs. 20,000 to Rs. 30,000. In total, 27 percent were human resource department staff, 10 percent were finance department staff, 20 percent were production department staff and 22 percent were marketing department, 48 percent of the employees working in the organization more than 2 to 4 years, 42 percent of the employees had Arts qualification, 29 percent of the employees falling the age group under 25 to 35 years.

RELIABILITY ANALYSIS

This type of analysis refers to the internal consistency of the factors. (chu and murramann, 2006). As it can be observed from the result of the study the values of cronback Alpha exceed the minimum 0.6 score (Nunnally, 1978). Table No 2 exhibits Reliability dimensions of HRM practices

TABLE NO. 2: RELIABILITY DIMENSIONS OF HRM PRACTICES

S. No	Dimensions	No. of original items	No. of items required	Cronback alpha
1	Incentives	5	5	.83
2	Communication	3	3	.87
3	Employee suggestion	2	2	.88
4	Grievance and redressal	2	2	.87
5	Trust	2	2	.81
6	Career development	2	2	.82

FACTOR ANALYSIS

A principal component factor analysis with varimax rotation was performed on the sixteen items that accessed the HRM practices. The statistical test result (KMO=.603, Bartlett's test of sphericity=200.555, Significant=.000) revealed that factor analysis method was suitable. Therefore, the 16 items were reduced into 6 factors with the eigen values greater than 1. The resultant factor analysis explained 54.314 of the item variance. The KMO and Bartlett's Test, Communalities and six factors and the loadings are listed in Table 3, 4 and 5 respectively.

Table No 3 reveals KMO and Bartlett's test result

TABLE NO. 3: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.603
Bartlett's Test of Sphericity	Approx. Chi-Square	200.555
	Df	120
	Sig.	.000

COMMUNALITIES

TABLE NO. 4

	Initial	Extraction
v1	1.000	.411
v2	1.000	.577
v3	1.000	.422
v4	1.000	.486
v5	1.000	.645
v6	1.000	.571
v7	1.000	.573
v8	1.000	.446
v9	1.000	.577
v10	1.000	.696
v11	1.000	.476
v12	1.000	.515
v13	1.000	.566
v14	1.000	.554
v15	1.000	.616
v16	1.000	.560
Extraction Method: Principal Component Analysis.		

The result of factor analysis is exhibited in Table No 5

TABLE NO 5: RESULTS OF FACTOR ANALYSIS

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.372	14.825	14.825	2.372	14.825	14.825	2.106	13.162	13.162
2	1.473	9.207	24.032	1.473	9.207	24.032	1.374	8.590	21.753
3	1.349	8.434	32.466	1.349	8.434	32.466	1.368	8.548	30.301
4	1.235	7.719	40.185	1.235	7.719	40.185	1.322	8.260	38.560
5	1.142	7.135	47.320	1.142	7.135	47.320	1.269	7.930	46.491
6	1.119	6.994	54.314	1.119	6.994	54.314	1.252	7.823	54.314
7	.979	6.121	60.435						
8	.960	5.999	66.434						
9	.934	5.840	72.274						
10	.764	4.774	77.048						
11	.709	4.430	81.477						
12	.704	4.397	85.874						
13	.671	4.194	90.069						
14	.586	3.662	93.731						
15	.525	3.284	97.015						
16	.478	2.985	100.000						
Extraction Method: Principal Component Analysis.									

The results of scree plot are exhibited in the following Figure No 2.

FIGURE NO. 2: SCREE PLOT

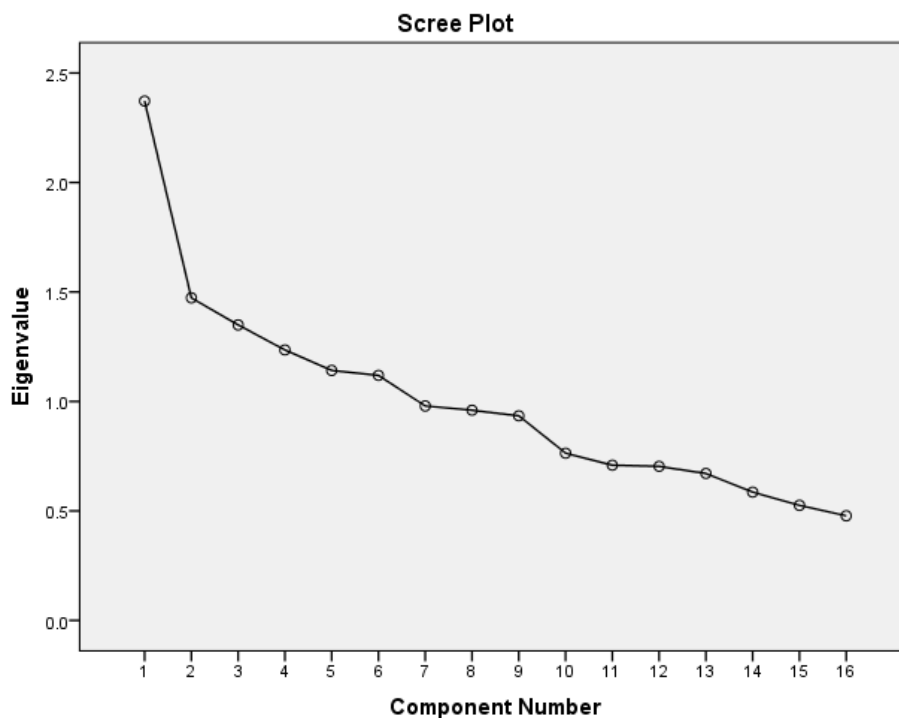


Table No 6 reveals the rotated component matrix output

TABLE NO. 6

Rotated Component Matrix ^a						
	Component					
	1	2	3	4	5	6
v11	.650					
v1	.608					
v3	.594					
v9	.563					
v2	.433					
v16		.724				
v6		.604				
v5		.518				
v7			.643			
v8			-.605			
v10				.812		
v4				.435		
v12					.670	
v14					.649	
v13						.732
v15						.479

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 10 iterations.

The factor one 1 which was labelled as personal interaction was composed of 'incentive' five items were loaded and accounted for 13.162 percentage of the variance. The factor two comprised as three items that related to the 'communication' and accounted for 8.590 percentage of the variance. The factor three which was labelled as 'personal interaction' was composed of two items and accounted for 8.548 percentage of the variance. The factor four which was labelled as 'grievance redressal' was composed of two items and accounted for 8.260 percentage of the variance. The factor five which was labelled as 'personal interaction' was composed of trust two items were loaded and accounted for 7.930 percentage of the variance. The factor six which was labelled as Career development two items were loaded and accounted for 7.823 percentage of the variance.

LINKAGE BETWEEN HRM PRACTICES AND EMPLOYEE LOYALTY

Multiple regression analysis was carried out to explore the linkage between employees perception on HRM practices and employee loyalty. The factor score of the HRM practices obtained in the factor analysis represented as independent variables Whereas employees loyalty considered dependent variables.

Table No 7 reveals model summary of regression analysis

TABLE NO. 7: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.614 ^a	.377	.351	.470

a. Predictors: (Constant), Career development, Trust, Incentive, Grievance redressal, Employee suggestion, Communication

Table No 8 reveals results of ANOVA table

TABLE NO. 8: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.142	6	3.190	14.429	.000 ^b
	Residual	31.616	143	.221		
	Total	50.758	149			
a. Dependent Variable: Employee loyalty						
b. Predictors: (Constant), Career development, Trust, Incentive, Grievance redressal, Employee suggestion, Communication						

TABLE NO. 9: LINKAGE BETWEEN HRM PRACTICES AND EMPLOYEE LOYALTY

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	.479	.352		1.361	.176		
	Incentive	.037	.081	.038	.460	.646	.643	1.556
	Communication	.204	.061	.272	3.340	.001	.656	1.524
	Employee suggestion	.135	.054	.170	2.495	.014	.944	1.060
	Grievance redressal	.175	.044	.267	3.996	.000	.976	1.025
	Trust	.151	.048	.209	3.146	.002	.990	1.010
	Career development	.184	.047	.266	3.948	.000	.956	1.046
a. Dependent Variable: Employee loyalty								

It is thus, evident from the adjusted R^2 that the model explains 35.1 percent of the variance employee loyalty. The ANOVA Table revealed that multiple regression model is statistically significant. It is inferred from table, Communication ($\beta=.272$, $t=3.340$, $P<.05$) significantly influencing employee loyalty, Grievance redressal ($\beta=.267$, $t=3.996$, $P<.05$) significantly influencing employee loyalty, Career development ($\beta=.266$, $t=3.948$, $P<.05$) significantly influencing employee loyalty, Trust ($\beta=.209$, $t=3.146$, $P<.05$) significantly influencing employee loyalty, Employee suggestion ($\beta=.170$, $t=2.495$, $P<.05$) significantly influencing employee loyalty. This study accepts the hypothesis that there is no significant difference between incentive and employees loyalty.

Correlation matrix HRM practices along with Mean and standard deviations are exhibited in Table No 10

TABLE NO. 10: CORRELATION MATRIX

	Mean	Standard deviation	1	2	3	4	5	6	7
Incentives	3.57	.595	1						
Communication	3.30	.777	.582**	1					
Employee suggestion	3.36	.731	.196**	.133	1				
Grievance and redressal	3.25	.889	.075	.046	-.018	1			
Trust	3.24	.806	.016	.158	-.042	.052	1		
Career development	3.42	.844	.110	.104	.138	.124	-.130	1	
Employee loyalty	3.43	.584	.282**	.369**	.236**	.323**	.224**	.349**	1

Among the six dimensions of HRM practices, Incentives had the highest mean score (3.57), that was followed by Career development (3.42), Employee suggestion (3.36), Communication (3.30), and Trust (3.24). From correlation table, it is inferred that there is no multi Collinearity problem in the data.

TABLE NO. 11: TESTING OF HYPOTHESIS

The Researchers tested the Hypothesis with the help of Multiple Regression.

Serial no	Hypothesis	Beta	t	Results
H ₀₁	Incentive do not have positive impact on employee loyalty	.038	.460	Accepted
H ₀₂	Communication do not have positive impact on employee loyalty	.272	3.340	Rejected
H ₀₃	Employee suggestion do not have positive impact on employee loyalty	.170	2.495	Rejected
H ₀₄	Grievance redressal do not have positive impact on employee loyalty	.267	3.996	Rejected
H ₀₅	Trust do not have positive impact on employee loyalty	.209	3.146	Rejected
H ₀₆	Career development do not have positive impact on employee loyalty	.266	3.948	Rejected

CONCLUSION

The present study presented a positive correlation between HRM practices and employee loyalty and a causal relationship was determined between the variables with the help of multiple regression analysis. This study identified six important dimensions of HRM practices. These are; Incentive, Communication, Employee suggestion, Grievance redressal, Trust, Career development with regard to mean score of HRM practice incentives was found to be highly perceived dimension among spinning mills lower level employees. Since the mean score of employee trust is minimum (3.24), the management need to improve trust dimensions among spinning mills employees. Furthermore, this study found that there is a significant influence on communication, employee suggestion, grievance redressal, trust, career development on employee loyalty. This study considers only limited variables of HRM practice. In future HRM more number of variables relating to HRM practice may be considered. This study examines the influence of HRM practice on employee loyalty. Future research should examine other factors that may affect the relationship between HRM practice on employee's satisfaction, employee's morale, employee's motivation, etc.

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QUALITY OF WORK LIFE AS PREDICTOR OF EMPLOYEES MENTAL HEALTH IN PUMP INDUSTRIES WITH REFERENCE TO COIMBATORE DISTRICT

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ABSTRACT

It is important for employees in the work place to have a sound mental health in order for them to actualize their full potential and to add value to the organization. The organizations are required to adopt a strategy to improve the employees 'quality of work life' to satisfy both the organizational objectives and employee needs. The study indicated that employees should experience high levels of quality of work life as well as mental health in order to realize their full potential, and become an asset to the organization. Too much work, poorly defined responsibilities, an unsupportive boss, a lack of control and many other factors can constitute stressors that, in turn, under the right conditions, can create sufficient strain such that a person becomes physically or mentally ill.

KEYWORDS

quality of work life, mental health, working conditions, job satisfaction.

1. INTRODUCTION

1.1 QUALITY OF WORK LIFE

Quality of Work Life to satisfy both the organizational objectives and employee needs. As such, QWL may reflect working conditions and contextual issues such as relationships with work colleagues and the intrinsic satisfaction of the job itself. A movement focusing on employee perceptions related to job satisfaction and job challenges, health and safety at work, job fulfillment and working conditions and the balance between work and non-work. Underlying this use of QWL is the belief that it enhances employee performance and productivity; however, empirical proof of this relationship is not conclusive. Quality of working life is dependent on the extent to which an employee feels valued, rewarded, motivated, consulted, and empowered. It is also influenced by factors such as job security, opportunities for career development, work patterns, and work life balance.

2. OBJECTIVES OF THE STUDY

1. To find out how effectiveness of quality work leads to high satisfaction.
2. To identify the problems of workers and implement the steps to increase productivity.
3. To study the existing working conditions, industrial health and safety of the employees.
4. To examine how the training and development programs helps to improve the quality worklife.

3. SCOPE OF THE STUDY

The study cover the major areas connected with employees and their Quality of work life. The study helps to know different factors concerned with the employees working life, like training, career opportunity, health care benefits, attitude of management towards employee, job satisfaction and employees view about work life.

4. RESEARCH DESIGN

The researcher had adopted descriptive research for the study. Primary data was collected through questionnaire and the secondary data was collected through journals, articles and magazines.

5. DATA ANALYSIS & INTERPRETATION

Tables Showing the relationship between the productivity of the respondents and promotion of the employees

TABLE 1: OBSERVED FREQUENCY

Productivity \ Promotion	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Feedback Sessions	12	1	11	2	26
Higher Incentives	8	1	8	2	19
Rewards and Recognition	15	1	12	1	29
Better Working Conditions	18	1	10	2	31
All the above	11	2	9	3	25
Total	64	6	50	10	130

TABLE 2: EXPECTED FREQUENCY

Productivity Promotion	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
Feedback Sessions	12.8	1.2	10	2	26
Higher Incentives	9.35	0.88	7.31	1.46	19
Rewards and Recognition	14.28	1.34	11.15	2.23	29
Better Working Conditions	15.26	1.43	11.92	2.39	31
All the above	12.31	1.15	9.62	1.92	25
Total	64	6	50	10	130

Degree of freedom = $(r-1)(c-1)$

= $(5-1)(4-1)$

= 4×3

= 12

Table value at 5% level of satisfaction is 21.6

TABLE 3

O	E	$(O-E)^2$	$(O-E)^2/E$
12	12.8	0.64	0.05
1	1.2	0.04	0.03
11	10	1	0.1
2	2	0	0
8	9.35	1.8225	0.19
1	0.88	0.0144	0.02
8	7.31	0.4761	0.07
2	1.46	0.2916	0.19
15	14.28	0.5184	0.04
1	1.34	0.1156	0.09
12	11.15	0.7225	0.06
1	2.23	1.5129	0.68
18	15.26	7.5076	0.49
1	1.43	0.1849	0.13
10	11.92	3.6864	0.31
2	2.39	0.1521	0.06
11	12.31	1.7161	0.14
2	1.15	0.7225	0.63
9	9.62	0.3844	0.04
3	1.92	1.1664	0.61

INFERENCE

For the table 5.1 the chi-square analysis is undertaken and the observed value is **3.93** it is less than the table value. So, there is no significant relationship between the productivity of the respondents and promotion of the employees.

Table Showing the relationship between the safety working conditions and job satisfaction

TABLE 4: OBSERVED FREQUENCY

Safety working conditions Job Satisfaction	Yes	No	Total
Agree	48	26	74
Disagree	34	22	56
Total	82	48	130

TABLE 5: EXPECTED FREQUENCY

Safety working condition Job Satisfaction	Yes	No	Total
Agree	46.68	27.32	74
Disagree	35.32	20.68	56
Total	82	48	130

Degree of freedom

= $(r-1)(c-1)$

= $(2-1)(1-1)$

= 1×1

= 1

Table value at 5% level of satisfaction is 3.841

TABLE 6

O	E	(O-E) ²	(O-E) ² /E
48	46.68	1.74	0.03
26	27.32	2.64	0.09
34	35.32	1.74	0.04
22	20.68	1.74	0.08

INFERENCE

For the table 5.2 the chi-square analysis is undertaken and the observed value is **0.24** it is less than the table value. So, there is no significant relationship between the safety working conditions and job satisfaction of the respondents.

TABLE 7: SHOWING THE RELATIONSHIP BETWEEN THE AGE AND TARGET PREFERENCE OF THE RESPONDENTS

(Age) X	(Target preference) Y	$X - (\bar{X})$	$Y - (\bar{Y})$	$(X - \bar{X})^2 = X^2$	$(Y - \bar{Y})^2 = Y^2$	$\sum X Y$
26	29	0	3	0	4	0
24	23	-2	-3	4	9	6
23	24	-3	-2	9	4	6
29	28	3	2	9	4	6
28	26	2	0	4	0	0
130	130	$\sum X = 0$	$\sum Y = 0$	$\sum X^2 = 24$	$\sum Y^2 = 21$	$\sum XY = 18$

$$r = \frac{\sum xy}{\sqrt{(\sum x^2)(\sum y^2)}}$$

$$r = \frac{18}{\sqrt{24 \times 30}}$$

$$r = \frac{154}{\sqrt{720}}$$

$$r = \frac{18}{26.83}$$

$$r = 0.6709$$

INFERENCE

For the table 5.3 the correlation analysis is undertaken, there is a positive relationship between age and target preference of the respondents. When compared with aged people, young and middle aged people achieves their target in short span of time.

6. FINDINGS

1. There is no positive relationship between the productivity of the respondents and promotion of the employees.
2. There is no significant relationship between the safety working conditions and job satisfaction of the respondents.
3. There is a positive relationship between age and target preference of the respondents. When compared to the aged people, young and middle aged workers are achieved their targets in short span of time.

7. SUGGESTIONS

Most of the respondents mentioned the working conditions should be improved along with proper feedback sessions to the employees to increase productivity. Workload of employees should be reduced to achieve their best performance. Employees should be given recognition for a job done well by way of incentives to enhance their performance and motivate them to perform better. Supervisors should provide all the help needed by the subordinates to perform their tasks. Reward and recognition should be given to competent employees in order to motivate them and boost their morale. This will increase the productivity of the organization as well as the employee's performance.

8. CONCLUSION

The organization is advised to provide the safety and healthy working conditions for the employees and need to provide rewards and recognition to the employees for their good performance. Also training opportunities will help new employees to achieve their targets. The quality of work life is employee satisfaction, harmonious employee-management relations, and increased performance, profitable and organizational effectiveness through which the organizational objectives are met as well as the individual's economic wealth.

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EXAMINING TOURIST BEHAVIOR TOWARDS TOURISM PRODUCTS IN HIMACHAL PRADESH

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ABSTRACT

Success in the business world is not limited only to producing valuable and in-demand products. Lacking on proper understanding of the consumers that a business markets and sells their products to, a company's accomplishments can quickly become failures. Consumer preferences change with changing age, profession, lifestyle, and social groups. This change has significant effects in the selection and buying pattern of the tourists when they choose their preferable tourist spot. The preference is also dependent on the purpose of their visit and the compatibility factor that they have with their companion. The internal influential factors are often backed by the external physical attributes and facilities which include accommodation facilities, availability of quality food, climate and natural beauty, social and political conditions, infrastructural facilities, local hospitality and other services, social and culture lifestyle, shopping and entertainment facilities etc. The concerned state and other beneficiaries with their expertise in providing and promoting the ultimate blend in their service offers can capitalize in creating more demand for their tourism product. The paper explores indispensable value of understanding tourist activities and the crucial role they play in developing successful marketing strategies. Focusing on concepts such as consumer perceptions, consumption culture, and the influence of information technology and other local facilities, this paper is a pivotal reference source for business managers, marketing executives, and academicians interested in the relationship between consumer activities and tourism industry.

KEYWORDS

tourism product, consumer perceptions, consumer behavior, marketing strategies, consumer experience, consumer memories.

I. INTRODUCTION

Tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to development and turned itself into a key driver for socio-economic progress. Today the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles. Tourism has become one of the main income sources for many developing countries. This world over spread of tourism in industrialized and developed states has produced economic and employment benefits in many related sectors - from construction to agriculture or telecommunications. For many countries tourism is seen as a main instrument for regional development, as it promotes new economic activities. Tourism may have a positive economic impact on the balance of payments, on employment, on gross income and production, but it may also have negative effects, particularly on the environment. The environment, being the major source of tourist product, should therefore be protected in order to have further growth of tourism and economic development in the future. This is particularly true with regard to tourism based on the natural environment as well as on historical-cultural heritage. Sustainable tourism has three interconnected aspects: environmental, socio-cultural, and economic. India has a vast tourism potential ranging from Himalayas, beaches of Goa and Kerala, Spiritual places, Buddhist places and many more. But this vast potential has been untapped for many reasons like cleanliness, safety and security, hospitality, language problem, country image, E-services, social awareness campaigns etc. If all these issues are addressed properly manner, then the tourism industry will of great help increasing revenue and GDP of the country.

Till 19th century, Tourism in Himachal Pradesh was restricted only to a limited movement of pilgrims to a few spiritual destinations in around the hills. Tourism activity received a shot in the arm when British declared Shimla "The Summer Capital of India" in 1864. Post-independence, more investment in the infrastructure sector led to opening up of Tourism in the State. However, the biggest boost to tourism occurred in the mid 80s and 90s. While traditionally Himachal was known as a summer destination, the State Government has taken special efforts to break the seasonality factor and has developed diversified tourism products to attract tourists in other seasons too. Now the state of Himachal is known as "A Destination for All Seasons and All Reasons". In fact, the State Government has laid a special focus on the development of activity-based tourism and opening up of new sub destinations. To promote tourism in the countryside and to unexplored areas, appropriate infrastructure is being developed within available resources. By focusing on quality tourists, the State aims at promoting sustainable tourism and encouraging private sector to develop tourism related infrastructure in the State without disturbing the existing ecology and environment.

Daneil Kahneman (2010), points out that the decisions we make are based on our memories, not our experiences. This distinction between experience and memory is especially important as related to luxury brands. Unlike supermarket products and neighborhood restaurants, for which price, utility, and availability are important; the vital ingredient for success in luxury product and service segments is consumer experience. Kahneman cites travel as a great change-inducing experience. Because travel provides an ongoing supply of new and novel experiences, it is an almost perfect memory-making activity. It is a guaranteed path for the affluent to achieve their goal of long-term quality of life. The lesson for luxury goods marketers is that they need to satisfy the needs of the Experiencing Self so that consumers are drawn to them; while they also provide experiential change that the Remembering Self can use to create memories which will bring those consumers back again.

Bhatt Snehal j (2015), reports that every tourist is different and so attracted by tourist destinations, prefers to engage in different activities during vacation period, likes varied entertainment facilities and complains about different aspects of their vacation. The major factors considered by tourists for selecting a tour destination are the distinctiveness of the place, their budget for the trip, choice and preference of their family.

Rajesh R (2013), developed a holistic model for destination loyalty with five constructs that are pre trip image, post trip image, destination image, tourist satisfaction and destination loyalty. Analyzing the antecedents of tourist perception, destination image, tourist satisfaction and destination loyalty may provide insight in the process of creating destination loyalty at both construct and indicator level.

Choibamroong, T (2006), stressed that understanding consumer behavior is very useful for developing tourism products. It is an integral source of information for promoting tourism products particularly in this globalized era in which the pattern of tourist travelling is highly influenced by global factors.

L Djeri (2014) noted that the growth of standard of living brought extra available money, but less free time which are two basic preconditions for participation in tourism. As the answer to the fast tempo of modern urban life style, there is a growing need for intact, unpolluted areas. Personal safety has been noted as one of the critical criteria in reaching the final decision, accompanied with the concern for personal health.

A, Budeanu (2007), discussed that people have intrinsic reasons for not behaving in a responsible manner, related to habits, convenience and personal preferences. Conflicts between motivations for tourist choices and environmental ones have the potential to hinder sustainable tourist behavior.

Mondal S (2015), noted that the behavioral pattern of tourists, being the consumer of the tourism industry is judged on the basis of four different factors such as psychological factors, personal factors, social factors and cultural factors. The thorough knowledge about these influential factors induces a tourist in preferring a particular destination over other is essential for marketers to bridge the gap between the offer and expectation.

II. METHODOLOGY

Proposed Problem: The study attempts to examine the problems faced by tourists during their visit to the state of Himachal Pradesh. The study explores different measures and policies effective for more tourist inflow and product satisfaction during visit to Himachal Pradesh.

FORMULATION OF HYPOTHESIS

i. **Null Hypothesis (Ho):** There is no significant relationship between the general background of tourist and their purpose of visit, mode of traveling and type of accommodation preferred.

ii. **Null Hypothesis (Ho):** The views of tourists with regard to tourism products are equally distributed.

Sampling design: keeping in view the largest flow of tourists to the two districts namely Kullu and Shimla in the state of the Himachal Pradesh, convenience sampling has been used. Tourists visiting all the important places of attractions have been covered in order to make sample more representative.

Statistical Analysis Tools: Factor Analysis has been applied to check the number and originality of variables used in the study. Further Chi square test has been applied to test the hypothesis formulated under the present study.

III. SOCIO-ECONOMIC PROFILE OF TOURISTS

Age wise distribution of tourists in Table No 1 shows that most of the respondents i.e. 45.3 per cent belong to the age group of above 45 years, while the next 28.7 per cent reported in the age group of below 30 years. 26 per cent tourists reported between 30-45 years of age group.

TABLE NO. 1: AGE WISE CLASSIFICATION OF TOURISTS

Age Group		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 30	43	28.7	28.7	28.7
	Between 30-45	39	26.0	26.0	54.7
	Above 45	68	45.3	45.3	100.0
	Total	150	100.0	100.0	

The occupation wise distribution of tourists in Table No 2 shows that maximum number of tourists i.e., 44 per cent come from business class followed by 29 percent from service class.

TABLE NO. 2: OCCUPATION WISE CLASSIFICATION OF TOURISTS

Occupation Class		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Service	44	29.3	29.3	29.3
	Business	66	44.0	44.0	73.3
	unemployed	40	26.7	26.7	100.0
	Total	150	100.0	100.0	

Classification of tourists based on their education in Table No 3 shows that 46 percent tourists reported them as post graduate while 42 percent are under graduate. Only 12 per cent tourists reported their education up to 10+2 or below.

TABLE NO. 3: EDUCATION WISE CLASSIFICATION OF TOURISTS

Education Level		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10+2 or below	18	12.0	12.0	12.0
	Under Graduate	63	42.0	42.0	54.0
	Post Graduate	69	46.0	46.0	100.0
	Total	150	100.0	100.0	

The Table No 4 shows that out of total respondent's maximum 34.7 per cent tourists reported their annual income up above 10 lakh. 29 per cent of total respondents are having annual income up to 5 lakh. 28 percent of total respondents reported their annual income between 8 to 10 lakh.

TABLE NO. 4: INCOME WISE CLASSIFICATION OF TOURISTS

Income Level		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	up to 500,000	44	29.3	29.3	29.3
	Above 5 lakh to 8 lakh	12	8.0	8.0	37.3
	Above 8 lakh to 10 lakh	42	28.0	28.0	65.3
	Above 10 lakh	52	34.7	34.7	100.0
	Total	150	100.0	100.0	

IV. FINDINGS

TABLE NO 5: CLASSIFICATION OF TOURIST BY AGE GROUP AND THEIR * PURPOSE OF VISIT

		Purpose of Visit							Total
		Business Purpose	Pleasure trip	Visiting Friends/Relatives	Pilgrimage	Climate change	Historical Monuments	Other (sports and expedition, official tours, studies)	
Age Group	Below 30	2	19	6	12	2	0	2	43
	Between 30-45	14	8	9	5	3	0	0	39
	Above 45	2	0	9	7	24	14	12	68
	Total	18	27	24	24	29	14	14	150

The Table No 5 reveals that out of the total respondents, maximum number of tourists visits the state for the purpose of climate change followed by the tourists with the purpose of pleasure trip. Equal number of respondents i.e., 24 reported visiting the state to their relatives or friends and with the pilgrimage purpose. It further shows that out of total tourist in the age group of above 45 years, maximum number of tourist visit the state for the purpose of climate change followed

by the number of tourists visit for seeing historical monuments. The maximum numbers of tourists below the age of 30 years visit the state for the purpose of pleasure trip followed by tourists visit under this age group for the purpose of pilgrimage.

TABLE NO. 6: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	104.058 ^a	12	.000
Likelihood Ratio	116.294	12	.000
Linear-by-Linear Association	40.687	1	.000
N of Valid Cases	150		

a. 5 cells (23.8%) have expected count less than 5. The minimum expected count is 3.64.

The chi-Square value is significant (Table No 6) which shows significant relationship between the age group of tourists and purpose of their visit to the state of Himachal Pradesh.

The classification of tourist on the basis of occupation and purpose of their visit in the below Table No 7 shows that a large number of tourists under the business class visit the state for business purpose followed by the number of tourists under this class visit for pilgrimage purpose and the equal number of tourists under business class visit the state with the purpose to see historical monuments, pleasure trip and visiting their relatives and friends.

TABLE NO. 7: CLASSIFICATION OF TOURIST BY OCCUPATION CLASS AND THEIR * PURPOSE OF VISIT

		Purpose of Visit							Total
		Business Purpose	Pleasure trip	Visiting Friends/Relatives	Pilgrimage	Climate change	Historical Monuments	Other (sports and expedition, official tours, studies)	
Occupation Class	Service	5	8	6	7	18	0	0	44
	Business	12	9	9	14	7	9	6	66
	unemployed	1	10	9	3	4	5	8	40
Total		18	27	24	24	29	14	14	150

Maximum tourists under the unemployed class reported to visit the state for the purpose of pleasure trip, visiting relatives and friends and for other purpose. Tourist under the service class preferred to visit the state for climate change and for the purpose of pleasure trip.

TABLE NO. 8: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	41.110 ^a	12	.000
Likelihood Ratio	47.562	12	.000
Linear-by-Linear Association	2.076	1	.150
N of Valid Cases	150		

a. 5 cells (23.8%) have expected count less than 5. The minimum expected count is 3.73.

It is evident from Table No 8 that there is significant association between the occupation and purpose of visit. It concludes that the majority of tourists under the unemployed class visit the state for pleasure. Whereas majority of tourists under business and service class visit the state for business purpose and climate change respectively.

The Table No 9 shows association between income level of tourist and purpose of their visit to the state. It shows that majority of tourists having annual income above 10 lakh visit the state for climate change whereas tourists having income between 8 to 10 lakh report to visit the state for pilgrimage. It further shows that maximum number of tourists i.e. 11 lie in the income level up to 5 lakh visited the state for the purpose of pleasure trip.

TABLE NO. 9: CLASSIFICATION OF TOURISTS BY INCOME LEVEL AND THEIR * PURPOSE OF VISIT

		Purpose of Visit							Total
		Business Purpose	Pleasure trip	Visiting Friends/Relatives	Pilgrimage	Climate change	Historical Monuments	Other (sports and expedition, official tours, studies)	
Income Level	up to 500,000	1	11	7	8	4	5	8	44
	Above 5 lakh to 8 lakh	1	3	1	3	4	0	0	12
	Above 8 lakh to 10 lakh	7	8	7	11	5	4	0	42
	Above 10 lakh	9	5	9	2	16	5	6	52
Total		18	27	24	24	29	14	14	150

It is also evident from the Pearson Chi-Square test (Table No 10) that there is significant association between Income level of tourists and their purpose of visit to Himachal Pradesh (p value < .05).

TABLE NO. 10

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.584 ^a	18	.006
Likelihood Ratio	45.416	18	.000
Linear-by-Linear Association	.459	1	.498
N of Valid Cases	150		

a. 13 cells (46.4%) have expected count less than 5. The minimum expected count is 1.12.

It is noted from the below Table No 11 that taxi and own conveyance are the popular mode of travelling among the tourists. Age wise distribution and mode of travelling shows that majority of tourists above the age 45 preferred to travel by taxi followed by Bus and own conveyance. The table also shows that among the age group of below 30 years, majority of tourists preferred to travel by their own conveyance.

TABLE NO. 11: CLASSIFICATION OF TOURISTS BY AGE GROUP AND * TRAVEL MODE

		Travel Mode					Total
		Own Conveyance	Bus	Train	Taxi	Air	
Age Group	Below 30	13	9	8	5	8	43
	Between 30-45	8	3	16	9	3	39
	Above 45	14	19	9	22	4	68
Total		35	31	33	36	15	150

While applying chi-square test, it is observed from Table No 12 that there is significant association between age group of tourists and their mode of travelling to visit the state (p-value is less than .05).

TABLE NO. 12

<i>Chi-Square Tests</i>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.443 ^a	8	.002
Likelihood Ratio	24.342	8	.002
Linear-by-Linear Association	.043	1	.835
N of Valid Cases	150		

a. 2 cells (13.3%) have expected count less than 5. The minimum expected count is 3.90.

Occupation wise classification of tourists with respect to mode of travelling in table No 13 indicates that majority of tourists under the business class preferred to travel by taxi followed by train. Among service class that majority of tourists preferred to travel by train and their own conveyance. Among the unemployed class most of the tourists visited the state by bus and their own conveyance.

TABLE NO. 13: CLASSIFICATION OF TOURISTS BY OCCUPATION CLASS AND * TRAVEL MODE

Count		Travel Mode					Total
		Own Conveyance	Bus	Train	Taxi	Air	
Occupation Class	Service	16	9	17	2	0	44
	Business	5	7	14	27	13	66
	unemployed	14	15	2	7	2	40
Total		35	31	33	36	15	150

The Pearson Chi-Square test in Table No 14 shows significant association between occupation of tourists and their mode of travelling to visit the state.

TABLE NO. 14: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	59.196 ^a	8	.000
Likelihood Ratio	67.424	8	.000
Linear-by-Linear Association	.253	1	.615
N of Valid Cases	150		

a. 2 cells (13.3%) have expected count less than 5. The minimum expected count is 4.00.

Table No 15 states that among the age group of below 30 years and between 30-45 years majority of tourists visited the state for first time whereas majority of tourists above the age group of 45 years visited thrice or more. It is also noted from the table that out of total respondent's majority of tourists visited the state for first time followed by the tourists visited twice across the age groups.

TABLE NO. 15: CLASSIFICATION OF TOURISTS BY AGE GROUP AND * NUMBER OF VISITS

Count		Number of Visits				Total
		First Time	Second Time	Twice	Thrice or more	
Age Group	Below 30	20	6	16	1	43
	Between 30-45	30	4	3	2	39
	Above 45	13	12	18	25	68
Total		63	22	37	28	150

It is evident from Table No 16 that there is significant association between the age group of tourists and their number of visits to the state. There is a need to flourish tourism in such a way which can cater to the needs of different groups.

TABLE NO. 16: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.255 ^a	6	.000
Likelihood Ratio	54.168	6	.000
Linear-by-Linear Association	18.307	1	.000
N of Valid Cases	150		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.72.

Table No 17 reveals that majority of tourists having annual income above 10 lakh reported their visit to the state time and again whereas majority tourists having income between 8 lakh to 10 lakh visited the state for first time. Majority of tourists having income below 5 lakh reported to visit the state twice, thrice or more.

TABLE NO. 17: CLASSIFICATION OF TOURISTS BY INCOME LEVEL AND * NUMBER OF VISITS

Count		Number of Visit				Total
		First Time	Second Time	Twice	Thrice or more	
Income Level	up to 500,000	7	4	19	14	44
	Above 5 lakh to 8 lakh	4	4	3	1	12
	Above 8 lakh to 10 lakh	33	3	0	6	42
	Above 10 lakh	19	11	15	7	52
Total		63	22	37	28	150

There is significant association between income level of tourists and their number of visit to the state (Table No 18). It is evident from the above table that tourists having income between 5 lakh to 8 lakh need a different marketing segment approach towards the state tourism promotion.

TABLE NO. 18: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.781 ^a	9	.000
Likelihood Ratio	58.675	9	.000
Linear-by-Linear Association	12.139	1	.000
N of Valid Cases	150		

a. 3 cells (18.8%) have expected count less than 5. The minimum expected count is 1.76.

Age wise tourist's preference towards type of accommodation in Table No (19) shows that majority of tourists prefer to stay in Private Hotel accommodation followed by the tourists preference towards Himachal Tourism Hotels/ Complexes.

TABLE NO. 19: CLASSIFICATION OF TOURISTS BY AGE GROUP AND * TYPE OF ACCOMMODATION PREFERRED

Count		Preferred Accommodation Type				Total
		Himachal Tourism Hotels	Private Hotels	Dharmshallas	With friends/relatives	
Age Group	Below 30	7	19	11	6	43
	Between 30-45	6	17	8	8	39
	Above 45	19	35	10	4	68
Total		32	71	29	18	150

While applying Pearson Chi-Square test (p-value >.05), Table No 20 shows that there is no significant association between tourists of different age group and type of accommodation used during visit to the state.

TABLE NO. 20: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.267 ^a	6	.159
Likelihood Ratio	9.316	6	.157
Linear-by-Linear Association	5.615	1	.018
N of Valid Cases	150		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.68.

Table No 21 depicts that out of total respondent tourists staying in private hotels, majority of them fall in the income level below 5 lakh followed by the tourists having annual income Above 10 lakh. Majority of tourists staying in Himachal tourism hotels reported their annual income above 10 lakh.

TABLE NO. 21: CLASSIFICATION OF TOURISTS BY INCOME LEVEL AND TYPE OF ACCOMMODATION PREFERRED

Count		Preferred Accommodation Type				Total
		Himachal Tourism Hotels	Private Hotels	Dharmshallas	With friends/relatives	
Income Level	up to 500,000	5	29	9	1	44
	Above 5 lakh to 8 lakh	5	6	1	0	12
	Above 8 lakh to 10 lakh	8	14	9	11	42
	Above 10 lakh	14	22	10	6	52
Total		32	71	29	18	150

It is also evident from the below Table No 22 that there is significant relationship between type of accommodation and annual income of respondent tourists (p value<.05).

TABLE NO. 22: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.324 ^a	9	.006
Likelihood Ratio	24.650	9	.003
Linear-by-Linear Association	.588	1	.443
N of Valid Cases	150		

a. 3 cells (18.8%) have expected count less than 5. The minimum expected count is 1.44.

Occupation wise preference of tourists towards type of accommodation in Table No 23 indicates that among business class majority of tourists prefer to stay in private accommodation followed by Himachal Tourism Complexes. Majority of tourists among unemployed class also prefer to stay in private hotels followed by their preference for Dharmashalla.

TABLE NO. 23: CLASSIFICATION OF TOURISTS BY OCCUPATION CLASS AND PREFERRED ACCOMMODATION TYPE

Count		Preferred Accommodation Type				Total
		Himachal Tourism Hotels	Private Hotels	Dharmshallas	With friends/relatives	
Occupation Class	Service	13	20	8	3	44
	Business	16	26	10	14	66
	unemployed	3	25	11	1	40
Total		32	71	29	18	150

It is evident from Pearson Chi-Square test in Table No 24 that there is significant association between occupation and type of accommodation (p-value<.05).

TABLE NO. 24: CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.764 ^a	6	.005
Likelihood Ratio	20.332	6	.002
Linear-by-Linear Association	1.379	1	.240
N of Valid Cases	150		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.80.

FACTOR ANALYSIS

Factor analysis is a set of techniques which, by analyzing correlations between variables, reduces their number into fewer factors which explain much of the original data.

TABLE NO. 25: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.640
Bartlett's Test of Sphericity	Approx. Chi-Square	547.289
	df	45
	Sig.	.000

The KMO and Bartlett's Test in Table No 25 indicates that the number of variable as well as the sample size taken for the study is adequate and factor analysis is appropriate for the data considered for the study. For the KMO test a value greater than .50 indicates that the pattern of correlation between variables are relatively compact and so factor analysis should yield distinct and reliable factors. Bartlett's test significance value .000 indicates that the null hypothesis is rejected and that original correlation matrix is not an identity matrix. Therefore, there are some relationships between the variables. This value indicates that the factor analysis is appropriate, as there are some significant correlations among the variables in input data.

TABLE NO. 26: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.808	28.081	28.081	2.752	27.521	27.521
2	2.144	21.443	49.523	2.200	22.002	49.523
3	1.303	13.026	62.549			
4	1.209	12.092	74.641			
5	.800	7.999	82.640			
6	.559	5.592	88.232			
7	.446	4.462	92.694			
8	.334	3.340	96.033			
9	.255	2.547	98.581			
10	.142	1.419	100.000			

Extraction Method: Principal Component Analysis.

It can be seen from Table No 26 that the first two factors represent relatively large amount of variance. SPSS considered two factors with relatively larger variance

TABLE NO. 27: ROTATED COMPONENT MATRIX^a

	Component	
	1	2
Views regarding tourist information service		.601
Views regarding telecommunication services	.486	
Views regarding Local sightseeing/Natural beauty		.500
Views regarding tourist spot maintenance		.263
Views regarding Entertainment		.583
Views regarding accommodation facilities	.921	
Views regarding public transport	.878	
Views regarding quality of food	.621	
Views regarding Bar services		.836
Views regarding Parking Services		.597

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Table No 27 points out that Rotation maximizes the loading of each variable on one of the extracted factors whilst minimizes the loading on all other factors. The questions that load highly on a factor relate highly with each other. The content of questions that load on to each factor shows that there exist common themes which can help to identify a construct. It can be seen in Table No 28.

TABLE NO. 28

Infrastructure Facilities in the state Component 1	Tourism Promotional Facilities Component 2
Views regarding telecommunication services	Views regarding tourist information service
Views regarding accommodation facilities	Views regarding Local sightseeing/Natural beauty
Views regarding public transport	Views regarding tourist spot maintenance
Views regarding quality of food	Views regarding Entertainment
	Views regarding Bar services
	Views regarding Parking Services

It is evident from Table No 29 that most of the physical attributes like accommodation, public transport, tourist information centre, tourist spot maintenance was reported in good condition but need further improvement. Parking facilities at various places need to be increased. Natural beauty, telecommunication and entertainment services were reported as expected by the tourists.

TABLE NO. 29: TOURISTS OPINION REGARDING PHYSICAL ATTRIBUTES OF TOURISTS DESTINATION

Item Statistics	Mean	Std. Deviation	N	Responses
Views regarding telecommunication services	4.54	.609	150	Excellent
Views regarding accommodation facilities	3.95	.771	150	good
Views regarding public transport	3.59	.707	150	good
Views regarding quality of food	4.41	.696	150	excellent
Views regarding Bar services	4.13	.688	150	excellent
Views regarding Parking Services	2.83	1.138	150	To be increased
Views regarding tourist information service	3.69	.811	150	good
Views regarding Local sightseeing/Natural beauty	4.74	.524	150	excellent
Views regarding tourist spot maintenance	3.57	.985	150	good
Views regarding Entertainment	4.20	.803	150	excellent

V. CONCLUSION

Behavior is not predictable in nature which is varied from individual to individual. The marketing strategies need to be drastically modified with the rapid changing pattern of the socio-cultural and socio-economic background of the consumer. The change in the demand and expectation pattern of today's tourist as consumer is compelling the marketers to regularly update and innovate tourism product and service offerings for which in-depth research is significant. Preferences of tourists change with changing age, profession, lifestyle, life cycle phases and social groups. This change is also reflected in the selection and buying pattern of the tourist when they choose their preferable spot for traveling. The preference is also dependent on the purpose of their visit and the compatibility factor that they have with their companion. The internal influential factors are often backed by the external physical attributes and facilities like accommodation, quality of food availability, climate, social and political condition, infrastructural facility, accessibility, quality of available local service, hospitality, shopping entertainment facility, culture lifestyle etc. The perfect mix of internal influential factors with the external supporting attributes can have a great impact to create a better offer. The concerned State Government and other beneficiaries with their respective expertise and attractive policy initiatives can bridge the gap between tourist's expectation and satisfaction. State Government by promoting ultimate blend in their service offer can make it happen creating more demand for their tourism products.

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PERFORMANCE APPRAISAL SYSTEM (PAS) - A REVIEW

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ABSTRACT

In any organization the performance appraisal system is important for its employees. The PAS is need because of every employee has have different level of attitude to do job. If refers to the task of rating or assessing the performance of employees. This done by both for managers, supervisor and employees at various level. In this paper the process of PAS and concept of PAS like informational, interpersonal, Rater, employee attitude. The methods of evaluation based on post-oriented. i.e. ranking method, checklist method, critical method, graphic method and essay method. The future oriented like MBO method, Assessment centre, BARS, 360 and 720 degree method.

KEYWORDS

process, concepts informational, interpersonal, rater and employee attitude.

INTRODUCTION

Performance appraisal is a concept that started in the early of 20th century. It is a human resource management (HRM) practice that has attracted considerable attention from practitioners, teachers, students, and scholars. It is the process of obtaining, analysing and recording information about an employee to evaluate and improve their performance. The role of the performance appraisal as a tool for looking forward to what need to be done by the employee in order to achieve the purpose of the job to meet new challenges.

Ideal of the performance appraisal is that the desired outcome effectively enable to employee to meet their own performance targets to the organization meet their own performance targets through motivated self learning concept. The development of performance appraisal system has four stages. It is called TEAM approach performance appraisal is reviewing past performance and goal setting for future performance and employee development. The TEAM as

T -Technical

E -Expended

A -Appraisal

M -Maintenance

Since formal performance analysis is multidimensional process and consequently, its design may differ significantly among employers. The appropriate system of performance appraisal depends on the nature and characteristics of the organization and also the HRM practices adopted by the employer.

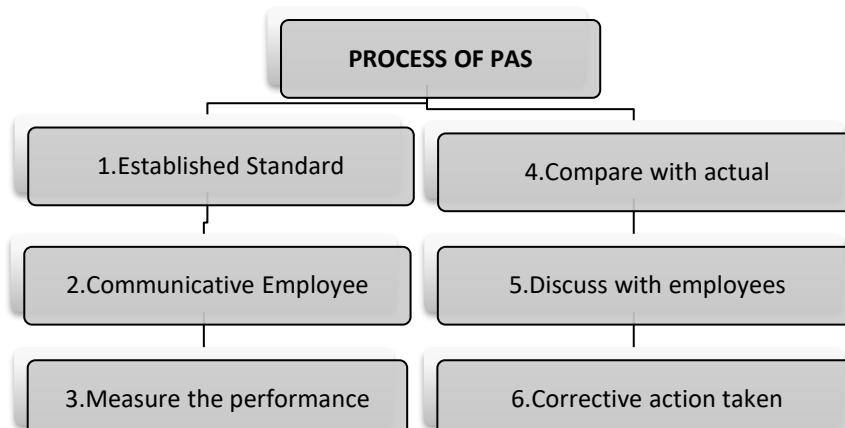
OBJECTIVES OF PAS

The performance appraisal aims at both judgmental and developmental efforts. Under developmental efforts employees are helped to identify their weakness and take steps to overcome them. It is purely self development of employees. By focusing, performance appraisal goes to the inherent of personal management and reflects organizations interest in the process of employees. The objectives of performance appraisal system are

- To improve the job performance of employees.
- To know their potentials.
- To know the areas where employees need training.
- To develop fair relationship between superior and subordinates.
- To provide systematic judgment of back up salary increase.
- To reduce grievance of the personal.
- To provide promotion is based on mentioned seniority.
- To test the effectiveness of recruitment process.
- To know the pressure of employees.
- To know the strengths and weaknesses of employers.

PROCESS OF PAS

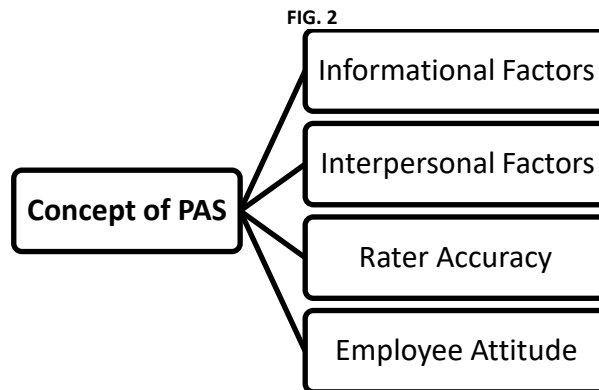
The process of performance appraisal system helps the organization identify six major phases. They are performance standards, communication, measurements compare, and discussion and take corrective action. The PAS involved the identification of common goals between appraisers and appraise. If such a process is conducted effectively, it will increase productivity and quality output. The performance evaluation processes are,

FIG. 1

In order to develop an effective PAS the individuals who are involved as raters should undergo training. They should be trained on the process of managing motivating and evaluating employee performance.

CONCEPT OF PAS

The concept of PAS assumed that linking performance with reward increases the levels of performance. Apart from performance monitoring the performance appraisals also help in determining how each employee fits into the organizational development and efficiency performing all the assigned tasks and responsibilities. It also helps in determining the training needs of the employers in planning future job schedules. The concept of performance appraisal system having following factor.



➤ **Informational Factors**

The communication between the appraiser and appraise will influence the process. It should be done in regular intervals. That will result in a variety of job outcomes like satisfaction, problems and commitment of organization environment. During the discussion the performance review may include the need for improvement. In this stage feedback is also play a vital role in performance appraisal system.

➤ **Interpersonal Factors**

This factor relates to the fair treatment of assessor and assesses. It is an important factor to determine the best quality outcomes the quality of these interactions during the process also contribute to good perceptions in the whole organizations. During this stage these should be an environment of trust in the evaluations. If any absence in this level it may make dissatisfaction with performance appraisal system and then whole process of appraisal as ineffective.

➤ **Rater accuracy**

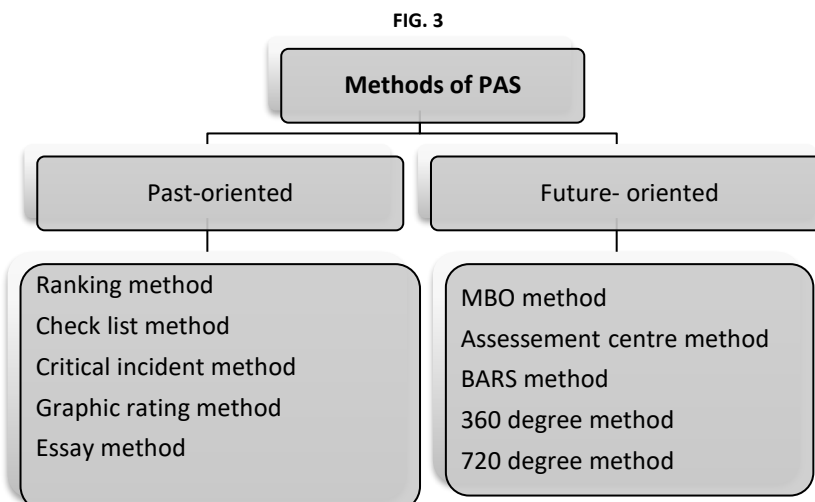
Rating another person's performance is not an easy take, particularly in complex jobs. In this stage providing practical training in rating techniques, this includes feedback. The performance rating is based on rater evaluations which are subjective to human judgments. Personal factors may also likely influence the rating. The poor PAS will not have the desired effect. There should be a proper concept of appraisal system to remove subjectivity and personal bias in the rating. The rater is hence evaluated on account of a number of work situations. It should be done by way of Multi Rater System (MRS).

➤ **Employee attitude**

In PAS employee attitudes towards the system is strongly linked to satisfaction with the system. Perfected judgments of fairness of the system are an important aspect that contributes to its effectiveness. Employee reaction to the critical aspect of acceptance and effectiveness of the system. Any dissatisfaction and unfairness may lead to the failure of the system.

METHODS OF PAS

The performance appraisal is evaluated in terms of quality, quantity, time, cost and also analysis the value that the employee adds to the goals of the organization. These are different methods of performance appraisal used based on the type of organization, size of the organization and also the period when it is used. There are two types of periods used in performance appraisals. They are past-oriented methods and future-oriented methods.



➤ **Ranking Method**

This is one of the simplest method. Which is used when it becomes necessary to compare the performance of two or more employees. It is a process of placing employees in a ranked in a descending order on their overall job performance. But it's possible only for very small in a quantitative nature. The employees are ranked from the best to last on the basis of overall performance. This method having only less objectives because it is for school levels. In organization the employee strengths and weakness cannot be easily determined in this method.

➤ **Checklist Method**

Under this method a checklist of questionnaire is prepared in forms of YES or NO type question prepared. Here the rater only does the reporting or checking and human resources department does the actual evaluation. The rater concerned has to tick appropriate answers relevant to the appraises. The HR department than

calculates the total scores which show the appraisal result of an employee. Checklist method provides constant examples of job evaluation. It is a lengthy procedure of evaluating employees. This method is a time consuming and expensive methods because different list must be prepared for different job nature.

➤ **Critical Incident method**

In this method, only critical incidents and behavior of employee associated with these incidents are taken for evaluation. Identification of the critical incidents during work place can be an individual process or a mutual between user and evaluator. Rating will be done based on the extend of correctness of the subordinate's behavior. Finally, which define good and poor employees. This method requires every supervisor to record all significant incidents in each employee behavior which indicate effective actions are not. The recording is made in a specially designed notebook for this purpose. This method is having drawback of that critical or unusual do not take place in the workplace often and also difficult to convince people to share their action in the critical incidents through a survey.

➤ **Graphic Rating Method**

Graphic rating is scale that lists a number of traits and a range of performance for each. The employee is then rated by identifying the score that best describes his level of performance for each trait. In this method the selection of factors to be measured is the most important one. There may be two types of factors one is employee characteristics and another is his contribution. The above two factors are ranked as excellent, Very Good, Good, Average and Poor. This method is simple to use. But the major drawback is that the rating may be given subjective. In some times each characteristics is equally important in evaluation of the employee performance as "Very Good".

➤ **Essay Method**

his method is a descriptive nature. Under this method the superior prepares a written statement about the employee being evaluated. The description is expected to be as factual and concrete as possible. The statement usually contained on describing specific strengths and weakness of his job performance. It is also suggesting course of action to remedy for identified problems areas. The statement may be written and edited by the appraiser only. The success of the methods depends mainly on the capacity of the appraiser to write effectively about the appraise. Sometimes the appraiser may write a biased essay and also find out the efficient appraiser is also very difficult.

➤ **MBO Method**

The Management by Objective (MBO) was developed by Peter Drucker in 1954. It is also known as *work planning and review of goal setting approach to performance appraisal*. The MBO methods of appraisal are result-oriented. It is seeking to measure employee performance by examining the entered to which predetermined work objectives have been meet. Generally, the objectives are established jointly by employer and employee or superior and subordinate. The objectives are determined as nature of goals, evaluation process role of employee, nature of control and role of the assessor. Once an objective is agreed by the employee is usually expected to identify the skills need to achieve the objectives. The employees are difficult to understand and accept the goals and also difference of opinion regarding goals from employee to employee and supervisor to supervisor.

➤ **Assessment Center Method**

This Method Was First Developed in USA and U.K in 1943. In Assessment Center is a group of employees drawn from different work units. These employees work together on an as assignment similar to the one they would be handling when promoted evaluates observe and rank the performance of all the participants. It is more focused on observation of observation of communication skills, interpersonal skills, ability to plan and organization. Assess by observing their behaviors across a series of selected exercise or work samples. In this method required large staff, expensive and difficult to manage.

➤ **BARS**

Behaviorally Anchored Rating Scale (BARS) were introduced by Smith and Kendall in 1963. This method comes under the combination of critical incident and graphic rating approaches. In this method employee's actual job behavior is judged against the desired behavior. This method more reliable and valid as it is job specific and identifies observable and measurable behavior. The rate's bias is reduced. Systematic clustering of critical incident helps in making the dimensions independent of one another. The ratings are likely to be more acceptable due to employee participation. This method is having large time consuming and the development of BARS for every job is expensive. The behaviors used are more activity oriented than the result oriented.

➤ **360 degree**

It is a popular appraised technique that involves evaluation input from multiple levels within the firm as well as external sources. Under 360 degree performance of employee evaluated by management, colleagues, self, subordinates and customers. The timely feedback is given and performance is evaluated again based on the targets that are set. It provides people with information about the effect of their action on other work place. This 360 degree tool has been formed to be extremely usefully and effective. In particularly to measure interpersonal skill, customer satisfaction and team work. But this methods having negative side as, receiving feedback from multiple sources can be time consuming, very costly and very difficult to install in multi functional areas. The maintaining confidential is also difficult in the 360 degree method

➤ **720 degree**

The 720 degree appraisal is the latest method has been introduced in the most difficult part the performance appraisal process. The appraisal is done and targets are set and the feedback is given and organization gives tips to achieve the goals. It is a pre and post round of feedback. This appraisal having seven stages like, Pre-feedback, Self, Peers, Customer, Sub-ordinates, Managers and Post-feedback. The pre and post feedback play an important place in the 720 degree performance appraisal. This method helps in creating a systematic work environment and will to bring out the best of every employee. It's to ensure that employees reach organizational objectives and standards. This method helps in better analysis and improved feedback from different dimensions and also to develop a better team work. This method is way to understand the expectation of the employees and solve grievances in their activities. In 720 degree method having lot of paper works involved. The rater inexperience and ineffectiveness also there in and also in sufficient information.

CONCLUSION

Every organization, irrespective of its size, has one appraisal system for its employees. This implies the performance appraisal has become an indispensable activity in any organization. Organization should face realities that performance appraisal is incomplete unless the appraisal is told what his strength are and weakness, his performance cannot improve in the subsequent future. Which defects the objective of periodic appraisal.

An appraisal system should have a clear sense of direction, honest and meaningful feedback. Proper feedback should be done to concerned employee so that they will aware about their potentials. The performance discrepancy can be managed through concerted efforts at training and development, career and succession management. It is also vital for organization to have a proper and periodic reviews of all personal policies, compensation, job analysis, job evaluation, and grievance process etc., it means human resources development would be better of it performance appraisal is genuinely conducted. The aim of every appraisal system must be allow for continuous communication between employer and employee should be molded for the total improvement of the organization as whole.

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AN ECONOMIC ANALYSIS OF MAIZE MARKETING IN KARNATAKA: A CASE STUDY OF DAVANGERE DISTRICT

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ABSTRACT

Maize occupies a pride place among the world. It is commonly called as "queen of coarse cereals". In India maize used 36% of food production, 2% of seeds, 12% livestock's, 40% poultry feed and 10% starch industries etc. maize meals is also used as a replacement for wheat flour to make corn bread and other backed products and it's the main ingredient for tortillas and many other dishes of Mexican food, corn syrup is used as a sweetener instead of sugar in 1000s products including soda, candy cookies and bread. In my study relationship between market performance of maize and the study of the market concentration and the role of mediators will be greater relevance to the policy makers to assess the market predominance and remove the bottleneck if any in the system of marketing of maize, to improve the income of the farmers. My study based on two objectives that is to document the problems faced in Production and marketing of Maize, to get an insight into the cost in the production of maize and returns from the same. Maize is high profitable crop comparatively cost. Therefore, many of the farmers are cultivating maize crop.

KEYWORDS

APMC market, cost, returns, world maize market.

INTRODUCTION

Maize occupies a pride place among the world. It is commonly called as "queen of coarse cereals". Maize (*Zea Mays* L.) has been cultivated for thousands of years during archeological excavations in Mexico. Grains of Maize and parts of Maize ears were found in caves and rock shelters, which are thought to be about 4500 years old or even earlier origin pollen grains of Zea, Trip Scum and Euchleana are said to have been found at a depth of more than 50 meters under Mexico city (Weather Wax and Randolph 1955). At the time of the discovery of the new world was already cultivated in many parts of the United States of America.

Maize is primarily used as feed for livestock, suggesting the dependence of livestock, food grains for human consumption; it is being used for manufacturing industrial product like starch, syrup, alcohol, acetic and lactic acids, glucoses, paper, plastic, textile, adhesive, synthetic rubber etc. In addition it's also used as an important feed and fodder for animals.

In India maize used 36% of food production, 2% of seeds, 12% live stocks, 40% poultry feed and 10% starch industries etc. maize meals is also used as a replacement for wheat flour to make corn bread and other backed products and it's the main ingredient for tortillas and many other dishes of Mexican food, corn syrup is used as a sweetener instead of sugar in 1000s products including soda, candy cookies and bread.

During year 2000 these amounts had shifted to 40% of poultry, 36% food, 10% starch, 12% livestock, 2% seeds and corn which is used to 500 different uses of corn include filler for plastics, packing materials, insulating materials, adhesives, chemicals, explosive, paint, paste, abrasive, dyes, insecticides, pharmaceuticals, organic acid, solvents, rayon, soaps, antifreeze and so on.

In the year 2012 maize production automatically came down for the reasons are uncertainty of rain, less subsidy, interference of mediator, lack of support price etc. Thus farmer cannot interest to sell their product directly in APMC market, they are depending on mediators. In my study relationship between market performance of maize and the study of the market concentration and the role of mediators will be greater relevance to the policy makers to assess the market predominance and remove the bottleneck if any in the system of marketing of maize, to improve the income of the farmers.

WORLD MAIZE MARKET SITUATION AND OUTLOOK 2014-2015

TABLE NO. 1: WORLD CORN PRODUCTION BY COUNTRY 2015 (IN THOUSAND MILLION TONS)

Country	Production (in world market in 000 mt)	Percentage share in world market
U.S.A	361091	36
China	215646	21
Brazil	85000	8
European union	75793	8
Ukraine	28450	3
Argentina	27000	3
Mexico	25480	3
India	23670	2
Canada	11487	1
Russia	11325	1
Other	144052	14

Source: www. AIMS. Com

From the table 1.7, it clearly indicates that Andhra Pradesh ranks first in area under production of Maize that is 0.97 hectares of land, production of Maize 4.81 million /hectare and the productivity is 4959 million /hectare. Punjab ranks least area under production of Maize that is 0.13 hectares of land, production of Maize 0.23 million /hectare and the productivity is 1769 million hectare.

TABLE NO 2: DAVANGERE MAIZE MARKET SITUATION AND OUTLOOK 2010 TO 2016

Sl.No	Year	Arrivals/dispatches (100kg/quantal)	Minimum price (in Rs)	Maximum price (in Rs)
1	2010-2011	1559656	710	1095
2	2011-2012	988319	880	1300
3	2012-2013	1289690	980	1500
4	2013-2014	1288550	980	1555
5	2014-2015	1204242	860	1400
6	2015-2016	1463544	1010	1580

Source: APMC Market Davangere

From the table 1.12, it is clearly indicating that 2010 -2011 highest Maize arrivals and Dispatches that is 1559656 hundred kg per quantal and 710 Rs minimum price per quantal and 1095 Rs maximum price per quantal. in the year 2014 -2015 lowest Maize arrivals and Dispatches 1204242 hundred kg per quantal and 860 Rs minimum price per quantal and 1400 Rs maximum price per quantal.

STATEMENT OF THE PROBLEM

The present study is covers the economics of marketing of Maize and identify the problems faced by the maize cultivator in its cultivation and marketing it envisages to suggest possible corrective measure to bring about the desired important in marketing of maize crop.

OBJECTIVES OF THE STUDY

1. To document the problems faced in Production and marketing of Maize.
2. To get an insight into the cost in the production of maize and returns from the same.

HYPOTHESIS

H_0 : marketing mechanism used and types of farmers are independent

H_1 : marketing mechanism used and types of farmers are not independent

H_0 : Growing maize because of the low production cost and the type of farmer are independent H_1 : Growing maize because of the low production cost and the type of farmer are not independent.

METHODOLOGY

The maize crop plays a vital role in Davangere district, for this purpose of study has been conducted to know the production and marketing of maize crop in Davangere district. Hence the study area is of Davangere district, which includes two taluks namely Davanagere & Channagiri. In Dvanagere taluk three villages were selected namely Lingadahalli, Siddanur & Iguru. In Channagiri Taluks three villages were selected namely Herekogalur, Giriypura & Mallapura. Both primary and secondary data are collected through questionnaire and the secondary data are collected through internet, DSO, Davanagere, KSO, Bengaluru, Visiting University Libraries, articles etc. The sample size is of 301 farmers. The statistical tools used on this study are percentage, ratio method, Standard Deviation, ANNOVA, X^2 test etc. The study as taken for the year 2012 to 2016.

REVIEW OF LITERATURE

Ramanna and Chandrashekar (2000) in his thesis "Cost and Returns of hybrid maize production in Bangalore district" indicated that labours was a major component of the cost of production especially on farms with high cost and low net returns so the average cost of cultivation and returns is very high.

State of Indian agriculture report on (2012-2013) explained India maize accounts for only about 2.4 percent of the world geographical area 4 percent of its water resources but has to support 17 percent of the world's human population and 15 percent of the livestock. Agriculture is an important sector of Indian economy, accounting for 14 percent of the nation's GDP about 11 percent of its exports about half of the population still relies on agriculture as its principle source of income and it is a sources of raw material for a large number of industries. The rate of area, production and productivity of maize crop relatively changed compared to 10 th 11 th plan.10 th plan maize crop covered 3.77 percent area, produced 4.02 percent and yield -0.15 percent but its change 11 th plan (2007 to 20132).the area 2.16 percent production 8.90 and yield 6.47 percent of it.in the year 2012-2013 requirement of maize is 12.1 quilting of hybrid seed but it available 12.5 percent maize is the major coarse cereals accounting for a little more than half of the production of coarse cereals.the total production of maize has increased from 15.10 MT in 2006-07 to 21.76 MT in 2011-12.so the government fixed the MSPs of various agricultural crops on the recommendation of the commission of agricultural cost and prices (CACP)the views of concerned state government and control ministries /department as well as other factors considered relevant for fixing MSP.

Ranganath et.al (2013) in their article "structure and competitiveness of the maize market in Davangere" they said that India is the 6th largest maize producer in the world. It is contributing to 2.3% of the global production. among the major producing states Andhra Pradesh tops list with the contribution of 19% to the total Indian maize production other producers are Karnataka (17%), Behar (10%)and Madhya Pradesh (5%). Davangere is the major maize producing district.it contribute 30% of the state production (0.95MTs).Davangere is the major maize market in the country.it's also delivery centre approved by NCDEX.here they used to collect the primary data for collecting 30 traders from Davangere market and they used for analyzing market structure at traders levels to manures their concentration of market power and competitiveness of the market in the study area. The Lorenz co-efficient of inequality was found to be 0.206 which revealed that their existed a higher degree of competitiveness for maize in Davangere as market concentration was less. The maize traders from Davangere established linkage with the poultry feed manufacturers of the district among the three poultry feed units in the study area. Feeds India private limited stood first for price and procurement reasons and the feeds were preferred for payment reasons

Jimjel Zalkuwi et.al (2014) in their journal "analysis of cost and returns of maize production in Numan local government area of Adamawa state Nigeria" studied that maize is one of the most important cereal crops in Nigerian agriculture. The crop occupies a crucial place than other cereal crops since it is used as a food, feeds, fodder and other industrial raw material. The study analyzed the socio-economic characteristic of maize farmers and cost and returns per hectre. Multi stage technique was employed to select 97 maize producing farmers for the study, data for the study were collected using structured questionnaires. The result of the analysis showed that the mean age for respondents was 46 years while more than half of them were literates. The major source of finance for the farmers was personal savings while the average land area cultivated was 2.6 hactres. The average gross margin analysis was estimated to be 7,228.71 per hectare indicating that maize production is profitable in the study area. Other economic indicates that the farmers got higher return/ also the operating ratio was 0.815 all pointing towards how profitable the venture in the study area.

TABLE NO. 3: CROSS TABULATION OF THE MARKETING MECHANISM USED AND THE TYPE OF FARMER

Count		Type of farmer			Total
		Small farmer	Medium farmer	Large farmer	
Marketing Mechanism	Direct market	12	14	10	36
	APMCs	60	109	51	220
	Middlemen	6	5	11	22
	Retailer	8	15	0	23
Total		86	143	72	301

Source: Primary Data

From the table 4.60 shows that among the small farmers, almost 70% used the APMCs, 14% used direct market, 9.3% used the retailer and only 7% took help from middlemen. Among medium farmers, 76.2% used the APMCs, 10.5% used the retailer, 9.8% used direct market and only 3.5% took help from middlemen. Among large farmers, 70.8% used the APMCs, 15.3% took help from middlemen, 13.9% used direct market and no one used the retailer. On the whole, majority of the farmers utilized the APMCs as the marketing mechanism.

TABLE NO. 4: CHI-SQUARE TESTS OF THE MARKETING MECHANISM USED AND THE TYPE OF FARMER

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.888 ^a	6	.007
Likelihood Ratio	22.397	6	.001
Linear-by-Linear Association	.734	1	.392
N of Valid Cases	301		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.26.

A chi-square test of independence was performed to examine the relation between the marketing mechanism used and types of farmers. The relation between these variables was significant, χ^2 (6, N = 301) = 17.888, $p < 0.05$. We reject the null hypothesis that the marketing mechanism used and type of farmer are independent and conclude that marketing mechanism used is directly associated with the type of farmer.

TABLE NO. 5: CROSS TABULATION OF THE PROBLEMS RELATING TO MARKETING AND TYPES OF FARMERS

			Types of farmers			Total
			Small farmer	Medium farmer	Large farmer	
Problems relating to marketing ^a	Marketing_Problem_Middlemen	Count	37	41	22	100
	Marketing_Problem_Storage	Count	57	45	34	136
	Marketing_Problem_Grading	Count	26	41	21	88
Total		Count	76	77	49	202

Source: Primary Data

From the table 4.65 shows the major marketing problems faced by farmers. Among the small farmers, most (75%) had storage difficulties, 48.7% faced problems from middlemen and 34.2% had difficulties in grading. Among the medium farmers most (58.4%) had storage difficulties and equal percentages (53.2% each) faced problems from middlemen and from grading. Among the large farmers, most (69.4%) had storage difficulties, 44.9% faced problems from middlemen and 42.9% had difficulties in grading. Overall, during marketing, most of the respondents suffered from problems relating to storage. Some suffered from more than one problem.

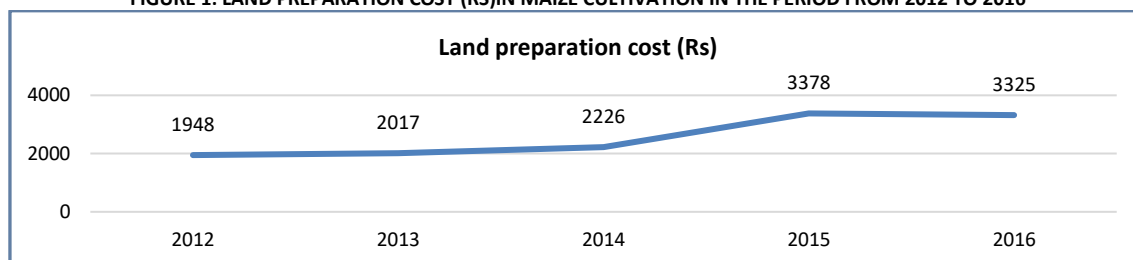
TABLE NO. 6: VARIATION IN COSTS FOR VARIOUS ACTIVITIES IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016

Year	Land preparation cost (Rs)	Cost of seeds (Rs)	Cost of sowing (Rs)	Fertilizers cost (Rs)	Inter cultivation harvesting and transportation (Rs)	Wages (Rs)	Total cost per acre (Rs)
2012	1948	1469	1295	3750	2302	1226	12508
2013	2017	1331	1436	3821	2457	1308	12474
2014	2226	1604	1365	3579	2515	1534	12484
2015	3378	1927	1471	3789	2557	2479	13686
2016	3325	2239	2125	4212	3217	2500	13791

Source: Primary Data

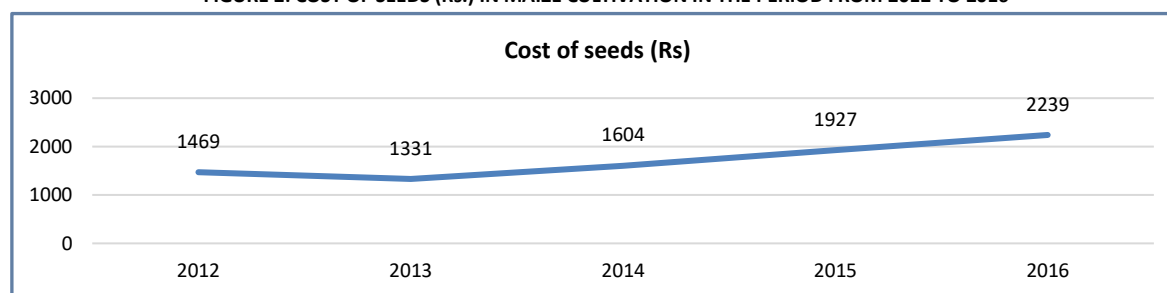
From the table 4.70 shows the variation in costs for various activities in maize cultivation in the period from 2012 to 2016, for land preparation, seeds, sowing, fertilizers, inter cultivation harvesting and transportation, wages and the total cost per acre.

FIGURE 1: LAND PREPARATION COST (RS) IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016



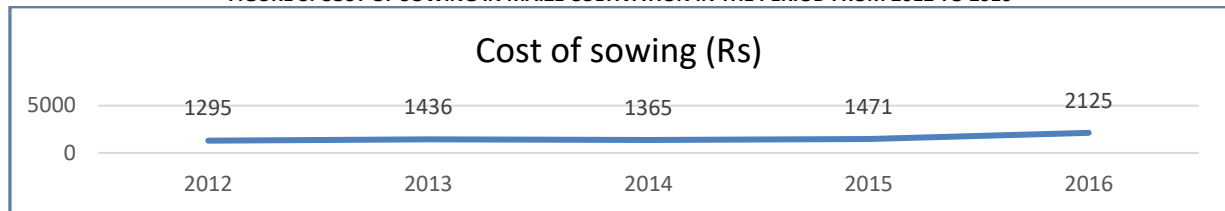
This figure depicts that between 2012 and 2014, there was only a slight increase in costs of land preparation. However, costs rose quite a lot in 2014-15, but decreased very little/ remained almost constant in 2015-16.

FIGURE 2: COST OF SEEDS (RS.) IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016



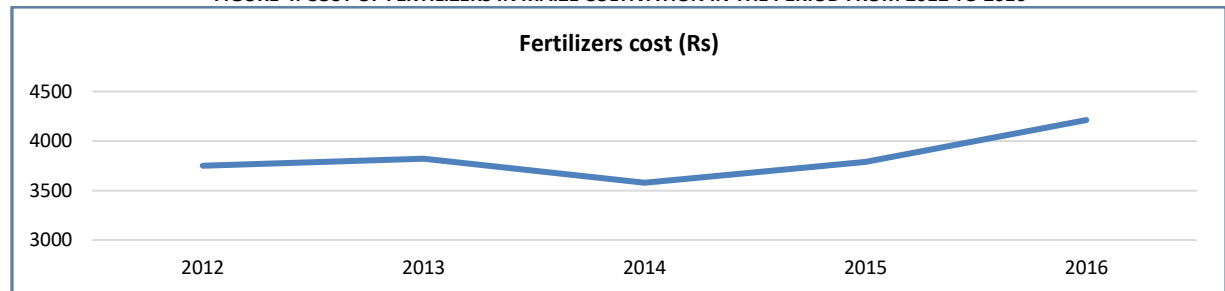
This figure depicts that between 2012 and 2016, there has been a gradual rise in the cost of seeds, though it had decreased slightly in 2013.

FIGURE 3: COST OF SOWING IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016



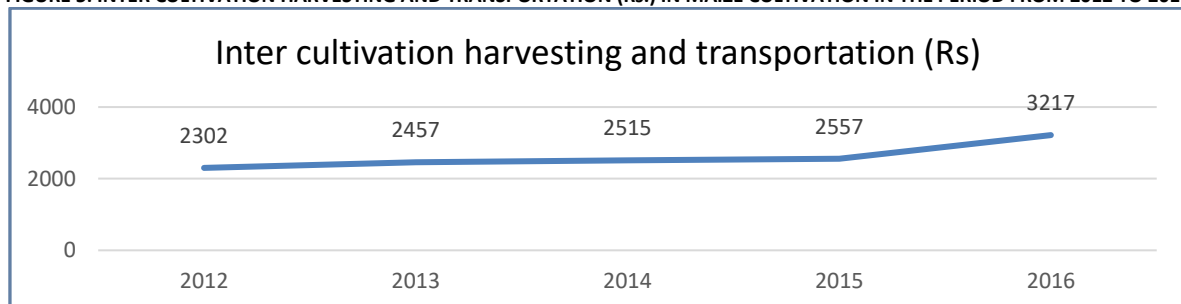
The curve indicates that costs of sowing maize was almost constant from 2012 to 2015, but then costs suddenly went upwards in 2015-16.

FIGURE 4: COST OF FERTILIZERS IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016



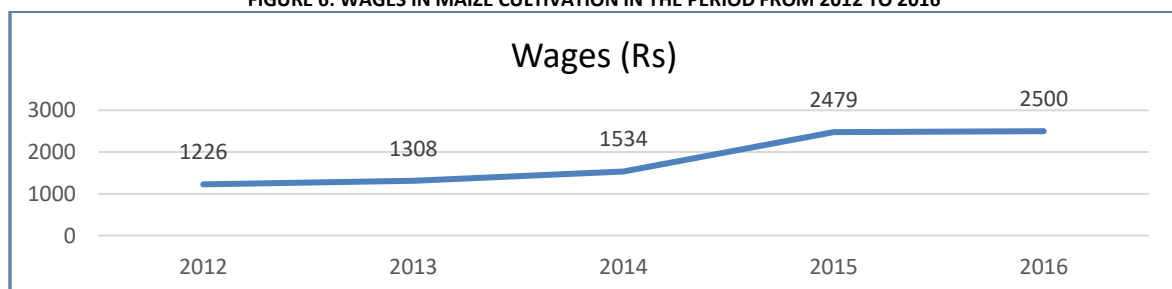
This figure depicts that though the cost of fertilizers for maize briefly came down in 2014, it again increased a lot in 2014-16.

FIGURE 5: INTER CULTIVATION HARVESTING AND TRANSPORTATION (Rs.) IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016



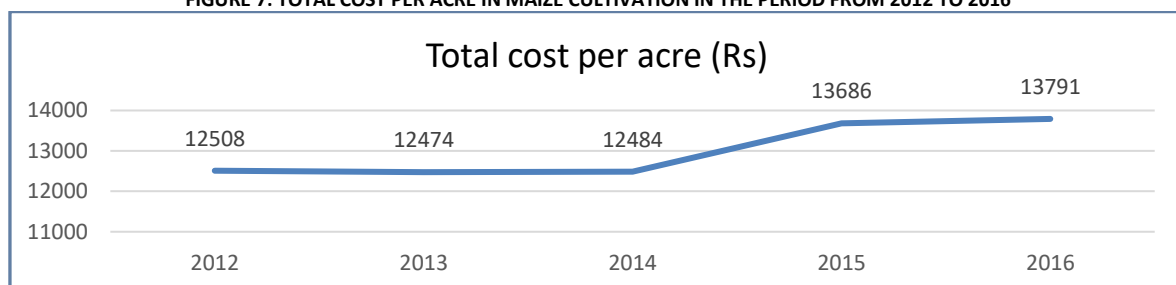
From the figure depicts that costs of inter-cultivation harvesting and transportation in maize cultivation was almost constant, though there has been a gradual rise from 2012-16.

FIGURE 6: WAGES IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016



The upward curve in the above figure depicts that wages paid have been rising, the greatest increase being during 2014-15, after which it has remained constant in 2015-16.

FIGURE 7: TOTAL COST PER ACRE IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016



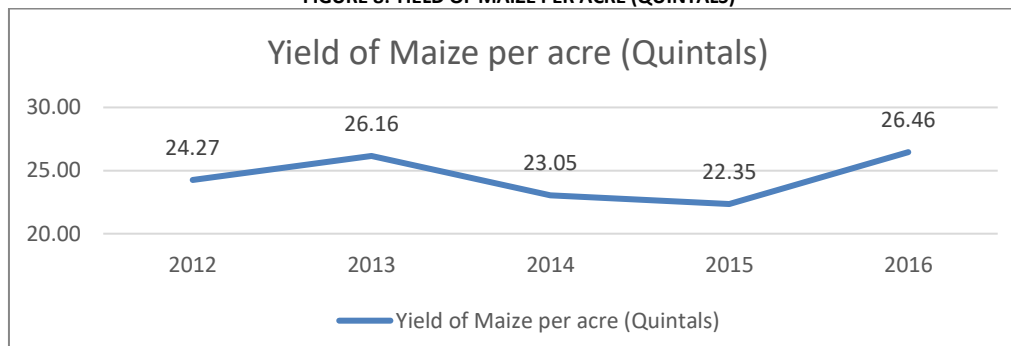
The curve in the above figure indicates that the total cost per acre in maize cultivation was constant during 2012-14, after which there was a sudden hike in costs in 2014-15, after which it has remained fairly constant in 2015-16.

TABLE NO. 7: VARIATION IN YIELD, REVENUE AND PROFIT IN MAIZE CULTIVATION IN THE PERIOD FROM 2012 TO 2016

Year	Yield of Maize per acre (Quintals)	Total revenue (Rs)	Net profit (Rs)
2012	24.27	23415	13701
2013	26.16	24589	13498
2014	23.05	26166	13701
2015	22.35	24617	13309
2016	26.46	25271	14296

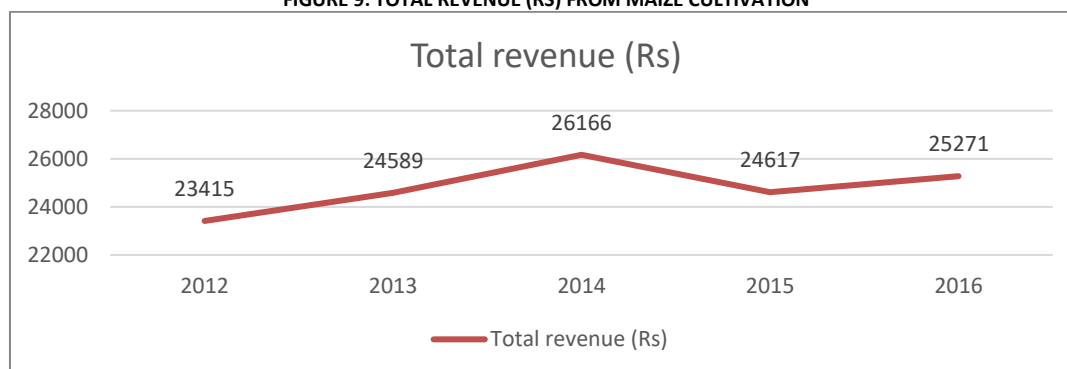
Source: Primary Data

FIGURE 8: YIELD OF MAIZE PER ACRE (QUINTALS)



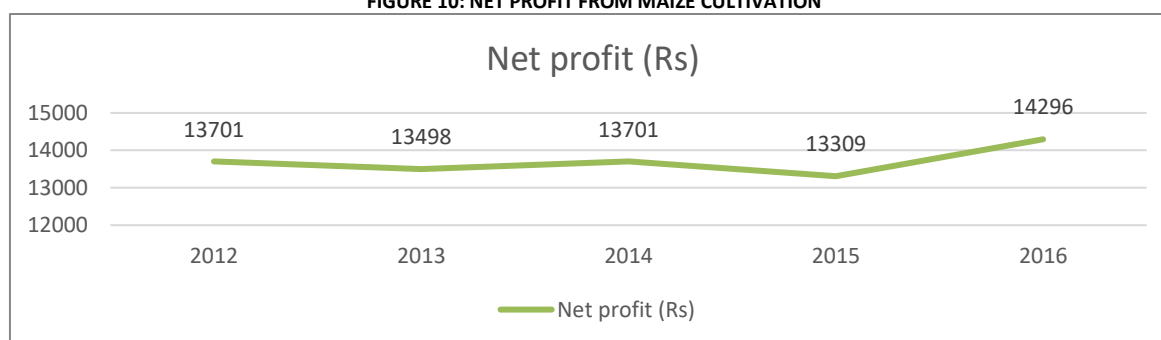
The above curve depicts that the yield of maize per acre has kept changing. Yield increased in 2013, but decreased in 2013-14, and went down further the next year. However, there has been an upward curve in 2015-16, implying a good yield, actually the highest in the period of 2012-16.

FIGURE 9: TOTAL REVENUE (RS) FROM MAIZE CULTIVATION



From the curve depicts that the total revenue from the cultivation of maize has been almost constant, though it was highest in 2014 and fell the next year.

FIGURE 10: NET PROFIT FROM MAIZE CULTIVATION



The net profit from maize cultivation was constant during 2012-14, but it declined slightly in 2014-15. The highest profit was earned in 2016.

SUGGESTIONS

- APMCs provide modern storage facilities to the Maize farmers which they produced.
- Middle men and commission agent's problems should be remove and existence of direct link between farmers and the department.
- Good seeds and fertilizers are available to the farmers at proper time is made by the government.
- Government should give subsidy for purchasing of modern agricultural implements.
- Awareness programmes regarding fraud seed and fertilizers should be announced by the government.
- Marketing facilities should be made easily by the government.
- Broadcasting of marketing information through mass Media's regularly.

CONCLUSION

Through Maize is one of the food crops of India the farmers are facing to many problems regarding labour, cost of cultivating, harvesting, pest and insects, credit problems, water problems, fair price problems etc. still Maize cultivation is a mass cultivation in food grains. If government provide hand in hands helps with the Maize farmers regarding his problems in cultivation of Maize crop no doubt the bumper Maize crop production can be achieved. Since increase in production of Maize is must for meeting domestic and export requirement and for increasing the income of the farmers and also helps in increasing rural unemployment. Because in rural areas the Maize cultivation is popularly high profitable crop. Finally, I concluded that maize is high profitable crop and less returns.

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A STUDY OF CROSS-LEVEL FACTORS IN MOTIVATING TEAM CREATIVITY: IN TAIWAN'S UNIVERSITIES**YEH, YU-MEI****ASST. PROFESSOR****DEPARTMENT OF MARKETING & DISTRIBUTION MANAGEMENT****HSING WU UNIVERSITY****TAIWAN****LI, FENG-CHIA****ASST. PROFESSOR****DEPARTMENT OF DISTRIBUTION MANAGEMENT****NATIONAL CHIN-YI UNIVERSITY OF TECHNOLOGY****TAIWAN****LIN, HUNG-YUAN****ASSOCIATE PROFESSOR****DEPARTMENT OF INFORMATION MANAGEMENT****SHIH HSIN UNIVERSITY****TAIWAN****ABSTRACT**

Team creativity is the result of collective interaction and cooperation. It is not only enhancing team learning effect, but also facilitates future team work achievements. Strengthening the team creativity of technical and vocational universities' student teams from designing teaching courses is currently a critical research topic. In this study, we used creative marketing tasks to foster team creativity in educational contexts. We focused on how cooperation among team members during the implementation of team cognitive processes, including team creative efficacy, team work efficacy, and climate context, generates team creativity. We administered questionnaires to 338 students enrolled in 85 creative marketing task teams. We used HLM analysis to discover that relationships among team innovative climate, team work efficacy, and team creativity were more positive when team innovative climate was high than when team work efficacy or team creativity was high. We also discussed the implications of these results for research and practice.

KEYWORDS

team creative efficacy, team work efficacy, team innovative climate, team creativity.

INTRODUCTION

Innovation emerges when the creativity of a team in adding value continually increases. Following trends in innovation development, a new direction in creativity research emerged, through which the creativity that occurs in collaborations and team or group dynamics is explored (Bechtoldt, Choi, & Nijstad, 2012; Sawyer, 2012) to understand how creativity is embedded in teams and how creative products are inspired through networks of cooperation. Although previous studies have explained the importance of teamwork to creativity, research on how creative products are produced through team mechanisms and the relationship between the emergence of team creativity (TC) and the creative practice of individual team members remains lacking (Sawyer, 2012).

Creativity is associated with team mechanisms because the creativity that occurs in rapidly changing environments typically transpires through numerous complex and intractable problems or challenges. When the complexity of the challenges involved in problems or tasks increases, the diverse knowledge, efforts, and skills of multiple people are required to identify solutions (Brown, Ganesan, & Challagalla, 2001). Therefore, a high level of creativity is associated with complex collaborative results (Sawyer, 2012). If creative achievements are desired, the dynamic energy exhibited during the process of collective creativity is necessary. However, based on previous empirical studies, research on the team level as the basis for creativity is lacking (Nilniyom, 2007). Most studies on TC have adopted the social psychology perspective (Bechtoldt et al., 2012), focusing on individual creativity and groups' ability to apply individual creative resources. Few studies have addressed the factors that promote the creativity of teams comprising ordinary members (Shin & Zhou, 2007). In addition, no studies have comprehensively analyzed the interaction and collaboration processes that occur within teams (Sawyer, 2012). This indicates that additional studies on TC should involve the use of these processes as a foundation for investigation (Shin & Zhou, 2007), thereby studying and elucidating the complex relationships among task characteristics (such as problem solving and teamwork), environmental factors, creativity, and other functions associated with creativity (Fabricatore & López, 2013). Therefore, to bridge these research gaps, we explored the collective beliefs of team members toward team interaction and cooperation, elucidating how TC can be promoted through interactions with contextual environments.

TC is the result of collective interaction and cooperation; it is generally applied in learning processes and professional fields (Nilniyom, 2007). If people can recognize and effectively use collective dynamics to display TC before entering the workplace, this would improve learning effectiveness and facilitate the attainment of future work achievements. Therefore, increasing the TC of student groups is a critical research topic. However, scant studies have addressed TC among student groups (Sawyer, 2012; Shin & Zhou, 2007). In the present study, this study used students from science and technology universities, which focus on vocational education, as the research subjects for exploring TC to understand how university students in Taiwan promote TC through the process of collective interaction and cooperation.

This study explored TC based on the process of collective interaction and cooperation. Collective beliefs and contexts of teams are indispensable dimensions. The assessments on the beliefs of creativity should be superior to those on general beliefs to yield beneficial and essential results. Team creative efficacy (TCE) is related to the ability of team members to work together and form common beliefs and expectations regarding creative achievements. When environmental contexts, involving limiting factors such as social integration, dysfunctional conflicts and policies, team commitments, and reduced team climates, affect a team, the team's confidence and expectations toward its collective creativity are extremely critical for promoting the team's creative achievements (Shin & Zhou, 2007). In addition, because TC and collective effort are closely related, all team members must learn and engage in team cooperation and possess a positive team spirit if team effectiveness is to be optimized (Mohammed & Dumville, 2001). Therefore, we argue that teamwork efficacy (TWE) must be included in the discussion on the process of promoting TC.

Few studies have addressed the contextual processes of TC, such as team interaction, external communication, and social integration (Shin, Kim, Lee, & Bian, 2012). The support, vision, task orientation, and communication included in an environmental context are often associated with creativity and innovation (Anderson & West, 1998; Hülsheger, Salgado, & Anderson, 2009). This is because a team that follows a well-designed contextual process can still display TC despite the

weak creative skills of the team members. By contrast, although the team members possess strong creative talent, if the team's contextual process is ineffective, the team will struggle to attain collective creative achievements (Bissola & Imperatori, 2011). The contextual process is associated with the support of innovation, vision, task orientation, and external communication, which are emphasized in a team innovative climate (TIC; Anderson & West, 1998; Hülsheger et al., 2009). This indicates that, in addition to exploring the collective efficacy and context of the TIC must also be included when investigating TC to increasingly perfect the research framework of this study.

THEORY DEVELOPMENT AND HYPOTHESES

The Relationship Between Team Creative Efficacy (TCE) and Team Work Efficacy (TWE). TCE refers to the collective beliefs of team members in their ability to produce creative ideas. In other words, it is the team's belief in its novel and useful creativity when performing specific tasks (Shin & Zhou, 2007). TWE is a concept that integrates the common mentality of team members and the team process. It comprises four combinations of the following elements: (a) the team's commitment to completing a task; (b) team members' commitment to assisting each other to maximize team performance; (c) the active participation, communication, and interaction of all team members; and (d) the ability of the team to effectively utilize time, resources, and the professional knowledge of its members to complete a variety of team tasks (Hirschfeld et al., 2006).

In addition to motivating people to excel in their work, team efficacy motivates team members to produce diverse new ideas and effective methods, thereby inspiring creativity within teams (Hirschfeld & Bernerth, 2008). Simultaneously, team efficacy increases the motivation to achieve a mutual understanding among members, and encourages members to improve the communication and assimilation of complex affairs, thus stimulating constructive efforts among team members. During the process of learning and formulating solutions together, team members create, transmit, and integrate diverse information and creative ideas (Hirschfeld & Bernerth, 2008). This process enhances their understanding of each other, improves the commitment and interactions among members, and prompts them to devote cooperative efforts to achieving task goals (Hirschfeld et al., 2006). This shows that team efficacy can stimulate members' beliefs in their collective creativity and collaboration, and these two types of beliefs are also complementary concepts. Therefore, this study proposes **Hypothesis 1. TCE is positively related to TWE in student internship teams.**

In the context of team objectives, TC is team members' production of novel and suitable ideas, solutions, or processes (Amabile, 1996). Regardless of whether team members work together to produce new and useful ideas for products, services, processes, and procedures (Shin & Zhou, 2007); use novel and feasible ideas to solve problems and easily develop new methods or procedures; or produce creative solutions to problems, these scenarios all involve TC (Zhou & George, 2001). If team members believe that creative efforts are meaningful or trust that their own creativity can lead to success, they may display creative behavior in specific contexts (Drazin, Glynn, & Kazanjian, 1999). At the individual level of TCE, the motivations of team members are closely linked to the creativity process (Shin & Zhou, 2007). This is because the generation of creativity in team members requires effective interaction among them, suggesting that members must be highly motivated to exchange their ideas and perspectives. Thus, this study proposes **Hypothesis 2. TCE is positively related to TC in student internship teams.**

The Relationship Between TWE and TC. One of the reasons that teams are able to achieve distinct benefits is that members of such teams possess the mental foundation for teamwork (Mohammed & Dumville, 2001). The effective promotion of establishing relationships among team members, strengthening team knowledge, and understanding the concept of cooperation during the team process can improve team performance (Smith-Jentsch et al., 2001). The core mental concept of teamwork is the integration of the common mentality and team processes of team members. Focusing on mutual commitment, active participation, communication, and interaction among team members and being able to effectively use time, resources, and the professional knowledge of members can maximize team performance. In addition, these factors can improve aspects of collaboration when team tasks are executed and facilitate the integration of creativity among team members to attain various team tasks (Hirschfeld et al., 2006). The creative actions involved in the interactions between individuals and teams are beneficial for inducing creativity (Drazin et al., 1999). Therefore, this study proposes **Hypothesis 3. TWE is positively related to TC in student internship teams.**

The Moderating Role of Team Innovative Climate (TIC). According to the interactionist theory of team innovation, TIC is a variable in the team process (West & Anderson, 1996). Hülsheger et al. (2009) adopted the definition of team climate presented by Anderson and West and tested 15 team-level variables proposed for creativity or innovation over the previous 30 years. They determined that the support of innovation, vision, task orientation, and external communication were most strongly associated with creativity and innovation.

Bissola and Imperatori (2001) examined six beliefs toward creativity and suggested that a positive climate is one of the most crucial factors in the support of innovation. Despite that team members possess low creative skills, a positive climate design can stimulate individual and overall creative potential. By contrast, creative talent cannot provide a high degree of collective creativity. Even if the members of a team are highly creative, if their team exhibits destructive social dynamics, such as communication problems, or lacks group coordination, creative outcomes are unlikely. When dysfunctional conflicts occur within a team, members are less likely to establish relationships with others, experiment, and develop ideas (Shin et al., 2012). Although low TCE is not conducive to TC, the introduction of a TIC can improve the positive effects of TCE on TC. Therefore, this study proposes **Hypothesis 4. TIC moderates the positive relationship between TCE and TC, such that the positive relationship is enhanced when TIC is high in the student internship teams.**

Past studies have indicated that the crucial influence of supportive climates and team communication (Hülsheger et al., 2009) on TC is frequently manifested when crises occur within a team or during team cooperation. Heterogeneous member relationships provide teams with diverse information and knowledge and promote the effective flow and exchange of information and knowledge during team processes (Hülsheger et al., 2009). In addition, TC requires the use of the team convergence, which includes the effective processing of critical creative thinking in each member and the disposal of useless ideas (Shin et al., 2012), the provision and positioning of tasks (Tierney & Farmer, 2011), the promotion of interaction and communication that facilitate creative development, and the provision of encouragement and resources. These all facilitate the formation of ideas, thus enabling the realization of TC (Shin et al., 2012). TIC can not only improve conflicts and interaction and communication problems encountered during the process of team cooperation, but also increases the effectiveness of teamwork, thereby improving TC. Hence, this study proposes **Hypothesis 5. TIC moderates the positive relationship between TWE and TC, such that the positive relationship is enhanced when TIC is high in the student internship teams.**

METHODOLOGY

Sample and Procedures. This study examined 85 teams comprising a total of 338 students from universities of science and technology in Taiwan. These universities focus on cultivating the professional functions required of talented personnel in service industries (such as retail and wholesale, franchising, information services, and tourism and leisure). The research subjects of this study were creative marketing task teams that are led by the teachers of these universities; the members of the teams are third-year university students. This study randomly selected 10 universities of science and technology and then faculties (of business administration, information management and communication, and tourism and hospitality) within these universities, from which five teachers who guided student projects were also randomly selected. This study discussed the research purposes and design of the students' creative marketing projects with these teachers in advance. Figure 1 shows that each team was required to devise a procedural design for creative marketing tasks. Subsequently, this study personally distributed questionnaires and explained the research process to the teachers. Before the semester ended and after the creative marketing task was completed, the teachers distributed the questionnaires to the members of the student teams. The teachers and external collaborative industry supervisors assessed the creativity of each team, the results of which this study personally retrieved to reduce evaluation apprehension among the subjects and avoid social desirability bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Each team comprised three to five members. A total of 346 questionnaires from 85 teams were recovered among which eight were invalid questionnaires, yielding 338 valid questionnaires, with a valid recovery rate of 34%.

Measurement. To avoid ambiguity and uncertainty in the respondents' answers, this study used a 6-point Likert-type scale for all of our measurements, with 1 representing "strongly disagree" (or extremely low) and 6 representing "strongly agree" (or extremely high). This study designed two questionnaires, one for the teachers and the collaborative industry supervisors (the external experts) and one for the students. All of the students were required to complete TCE, TWE, and TIC scales, and the teachers and the external experts completed a TC scale. The raw data on the variables of this study were obtained from a variety of sources to

reduce common method variance (Podsakoff et al., 2003). This study employed the adapted translation-back translation procedure for all of the scales, and three scholars subsequently reviewed the translations and revisions to ensure that the items are suitable for our subjects and ensure the content validity of the scales.

TC: This study adopted three items developed by Zhou and George (2001) and applied by Sung and Choi (2012), and added three items that we developed. This study summed the averages of the scores for the six assessment items for each team, which were provided by the team teachers and the collaborative industry supervisors, to measure TC. High scores indicated a high level of TC. The coefficient alpha was .847, and the sample included items such as "This team used novel and feasible ideas to solve team problems", "This team easily developed new methods or procedures and work-related tasks", "When faced with a problem, this team produced creative solutions", etc.

TCE: This study adopted seven items from the team mental efficacy scale developed by Hirschfeld and Bernerth (2008) and three items for the TCE scale revised by Shin and Zhou (2007). To ensure that the questionnaires would enable the students to assess themselves, academic experts revised the two scales and removed six items; thus, a total of four items on TCE scale were used. The sample included questions such as "Does my team have strong confidence in its ability to creatively solve problems and complete tasks?" This study referenced studies (Hirschfeld & Bernerth, 2008; Shin & Zhou, 2007) in which multiple methods have been used for assessing team efficacy, and the sum of individual-level perception scores have been used as team-level perception scores. First, each member's scores on the four items were averaged as the TCE score for each member, which was then summed to produce the overall TCE score. The coefficient alpha was .858.

TWE: The 4-item scale developed by Hirschfeld et al. (2006) was employed in this study. Three experts revised the scale to facilitate students' self-assessment. This study calculated the average of the four items for each member to measure TWE, where high scores represented high TWE. The sample included questions such as "In my team, am I able to work together with the other members to complete tasks?" The coefficient alpha of this scale was .877.

TIC: This study applied the 20-item scale developed by Hülshager et al. (2009), which was revised by three academic experts to facilitate students' self-assessment. For this scale, three items were removed, yielding a total of 17 items. This study calculated the average of the 17 items for each member to measure TIC, where high scores represented high TIC. The sample included items such as "The members of my team can develop new and novel methods to resolve problems." The coefficient alpha was .964.

Background Variables: Teams of university students were the subjects of this study. Such teams differ from professional teams in external organizations. Previous studies have performed team-level analysis, determining that team size and characteristics influence team efficacy and TC (Bechtoldt et al., 2012; Tierney & Farmer, 2011). This study used a limited design involving the analysis of university characteristics (universities of science and technology), student year (third-year students), team size (3-5 members per team), team task content (creative marketing planning and implementation), and team grouping (members drew lots to form groups) to address the interactions among the four variables. The background variables were faculty and team sex composition (all men, all women, or a mix of both).

Analyses. This study performed confirmatory factor analyses (CFAs) to investigate the discriminant validity of the factor structures of TCE, TWE, TIC, and TC. Overall model fit was assessed using the comparative fit index (CFI), the incremental fit index (TLI), and the root mean square error of approximation (RMSEA; Arbuckle, 2003). In addition, because this study measured four variables at the team level, this study conducted an analysis of the level of agreement among team members for each construct. When interrater agreement (r_{wg}) was greater than .70, this study analyzed the sum of the individual data (James, Demaree, & Wolf, 1993). To test intergroup variability, this study compared median r_{wg} scores and intraclass correlation coefficients (ICC[1] and ICC[2]). ICC[1] values near or exceeding .12 indicated a desirable level, and ICC[2] values near or exceeding .60 confirmed the validity of hierarchical constructs (James et al., 1993).

RESULTS

To assess discriminant validity, this study first conducted CFA on the items comprising the contextual variables TCE, TWE, TIC, and TC. This study also calculated full model fit ($N_1=338$ students; $N_2=36$ teachers; $N_3=36$ supervisors). The results indicated good fit for the two-factor model, in which all items were loaded on their intended constructs ($\chi^2=156.407$, $df=129$, $p<.01$; CFI=.970; TLI=.964, RMSEA=.050). The two-factor model exhibited more satisfactory fit than did the one-factor model ($\chi^2=570.356$, $df=91$, $p<.01$; CFI=.844; TLI=.872, RMSEA=.108). These results supported the discriminant validity of the TCE, TWE, TIC, and TC scales. Table 1 presents the means, standard deviations, and correlations of the four variables at the team level. Perceived TCE ($r=.67$, $p<.01$) and TWE ($r=.59$, $p<.01$) were positively correlated with TC, and TIC was positively correlated with creativity ($r=.79$, $p<.01$).

Aggregation for Team-Level Analysis. Students were nested within a team and worked with the same team leader in team units; therefore, this study performed hierarchical linear modeling (HLM) analyses by using HLM 7.0 software to test all the hypotheses (Raudenbush, Bryk, Cheong, & Congdon, 2004). The results of the hierarchical analyses indicated significant within-group agreement among TCE, TWE, and TIC. The r_{wg} values (James et al., 1993) for the team-level variables TCE ($r_{wg}=.858$), TWE ($r_{wg}=.877$), and TIC ($r_{wg}=.78$) indicated high interrater agreement. A one-way analysis of variance (ANOVA) performed for each of these variables indicated that the between-group mean square was significantly higher than the within-group mean square. The ICC[1] value was .171 for TCE, .152 for TWE, and .115 for TIC. The test statistics (F-ratios) associated with the ICC[1] values of these variables were statistically significant. The ICC[2] value was .84 for TCE, .76 for TWE, and .96 for TIC. These values supported aggregating TCE, TWE, and TIC to the team level.

Hierarchical Linear Modeling Results. Null model. Before examining any cross-level or team-level effects, confirming that significant between-group variance in the dependent variable occurred was necessary. This study examined a null model with no Level-1 or Level-2 predictors for creativity ($\gamma_{00}=4.40$, $t=91.92$, $p<.001$). The significant effect justified the examination of team-level effects for creativity. In addition, ICC[1] values indicated that between-team variance accounted for 11.5% of the variance in creative performance ($\chi^2=125.52$, $p<.005$). This study then evaluated a series of hierarchical linear models to test the team-level hypotheses.

Two predictors—TCE and TWE. Hypothesis 1 predicted that students' perceived TCE is positively related to TWE. This study developed a Level-1 model for the dependent variable, with no Level-2 predictors. Consistent with Hypothesis 1, the results displayed in Table 2 (Model 1) revealed that perceived TCE was positively related to TWE ($\gamma=.84$, $p<.001$), indicating that TWE increased when students perceived an increase in TCE. Hypothesis 2 stated that students' perceived TCE is positively related to TC. This study developed a Level-1 model for the dependent variable with no Level-2 predictors. Consistent with Hypothesis 2, the results displayed in Table 2 (Model 2) revealed that perceived TCE was positively related to TC ($\gamma=.78$, $p<.001$), indicating that TC increased when students perceived an increase in TCE. Hypothesis 3 predicted that students' perceived TWE is positively related to TC. This study developed a Level-1 model for dependent variable with no Level-2 predictors. Consistent with Hypothesis 3, the results displayed in Table 2 (Model 3) revealed that perceived TWE was positively related to TC ($\gamma=.17$, $p<.01$), indicating that TC increased when students perceived an increase in TWE. **In Innovative climate of a team.** This study developed a set of intercepts-as-outcomes models to test the main effects of the four innovative climates. Students' perceived TCE and TWE were considered as Level-1 predictors and the intercept coefficients obtained from Level 1 were regressed onto the four innovative climates. Table 2 shows that our data yielded main effects for each of the innovative climates: support of innovation (Model 4: $\gamma=.28$, $p<.05$), vision (Model 4: $\gamma=.11$, $p<.05$), task orientation (Model 4: $\gamma=.22$, $p<.05$), and external communication (Model 4: $\gamma=.16$, $p<.05$) were significantly and positively correlated with TC. TIC accounted for 13.7% of between-team variance in creative performance.

Moderating interaction effects. This study examined a set of slopes-as-outcomes models to evaluate team-level interactions. Hypothesis 4 predicted that TIC enhances the positive relationship between TCE and TC. Perceived TCE was a significant Level-1 predictor, and the four team-level climate variables were significant Level-2 predictors; therefore, this study tested the interactions between TIC and TCE, and TIC and TC. The results displayed in Table 2 (Model 4) revealed that TIC initiated by team leaders and members moderated the effects of perceived TCE on TC. Consistent with Hypothesis 4, the Level-2 predictor for the effects of TIC on the slope of TCE was significant for TC (Model 4: $\gamma=.15$, $p<.05$). TIC accounted for 10.8% of between-team variance in the effects of perceived TCE on TC. Figure 2 illustrates this moderating effect, and indicates that when the TIC initiated by team leaders and members was high (one standard deviation above the mean), perceived TCE was more positively correlated with TC, whereas when the TIC was low (one standard deviation below the mean), creative efficacy was positively correlated with students' creativity, thus supporting Hypothesis 4. Hypothesis 5 predicted that TIC initiated by team leaders and members enhances the positive relationship between students' perceived TWE and TC. The results displayed in Table 2 (Model 5) are consistent with Hypothesis 5: the coefficient for TIC as a Level-2 predictor of the slope of perceived TWE was significant when TC was the dependent variable (Model 5: $\gamma=.13$, $p<.05$). TIC accounted for 9.6% of the between-team variance in the effects of perceived TWE on TC. Figure 3 shows this moderating effect, in which high and low levels are depicted as one standard

deviation above and below the mean, respectively. The positive relationship between perceived TWE and TC became stronger when the TIC initiated by team leaders and members was high (Fig. 4), which supports Hypothesis 5.

DISCUSSION

TCE, TWE, and TC: The results of this study revealed that at the team level, TCE improved TWE, and both TCE and TWE improved TC. This is because TCE and TWE involve a sense of collective competence, which enables the ideas and knowledge that team members possess to converge through team cooperation. In addition, members are able to view their opinions and ideas as opportunities and are encouraged to integrate diverse perspectives and opinions within the team. This consequently promotes the integration and use of new information (Brown et al., 2001; Drazin et al., 1999) and facilitates the management of risks encountered when creating innovations (Drazin et al., 1999). Therefore, once team members believe in their own creativity, a belief in cooperative effort inspires them to generate problem-solving methods. The results of this study indicate that TCE is more effective than TWE in promoting TC. This study argued that this is because TCE involves the collective belief in creativity and creative behavior. By contrast, TWE emphasizes general collective beliefs toward the team process and relationships. Although both of these elements concern the team cognitive process, the dimensions of the cognitive process on which they focus differ. TWE focuses on the team's belief in cooperative effort and relationships (Smith-Jentsch et al., 2001), whereas TCE centers on the team's belief in its ability to engage in creative behavior (Drazin et al., 1999). As creative efficacy increases, the construction of meaning for creative behavior is improved. In team creativity, the team is open, flexible and can adapt to continuously changing. Team members must use novel and feasible ideas to solve team problems. And the team can easily develop new methods or procedures and work-related tasks. Team members understand that diverse information, knowledge, and opinions from within their teams are required to create new ideas. By contrast, if team members doubt their own or their teammates' ability, their confidence is lowered and their ability to construct meaning for creative behavior is relatively weak. Consequently, they struggle to identify and integrate various ideas or engage in creative behavior (Shin et al., 2012). Therefore, although TCE and TWE can both induce TC, TCE is more effective than TWE is.

The Moderating Effects Among TCE, TWE, and TC: According to the results, high TIC was associated with a strong positive effect of TCE and TWE on TC. However, TCE and TWE were still able to promote TC when TIC was low. Among the four dimensions of TIC, the support of innovation exerted the strongest moderating effect, followed by task orientation. The extent of the moderating effects of vision and external communication was equal. **The support of innovation in TIC** refers to a type of tentative expectation in the work environment, where attempts to introduce new and improved methods have received approval and support (West, 1990, p. 315). The support of innovation can stimulate members with creative potential or weak abilities and the team's overall potential for creativity and cooperation (Bissola & Imperatori, 2011; Hsu & Fan, 2010), which strengthens TC. **Task orientation in TIC** is a type of climate for excellence, in which members possess shared concerns about the "excellence of quality of task performance" (West, 1990, p. 313). Task orientation includes the secondary construct of task reflexivity and facilitates the exploration of conflicting opinions and alternative solutions in the process of reflecting on team goals, tactics, procedures, and assessments of members' work. Thus, task orientation can improve the quality of decisions and ideas, thereby enhancing team effectiveness and outcomes (Hülshager et al., 2009). This type of reflexivity function has a mutual supervision and feedback mechanism that can be used to evaluate creative performance, improve TCE and TWE, and motivate team members to work together to achieve team goals, thereby stimulating TC. **The vision of TIC** is a concept related to valuable outcomes that represents high goals and increased motivation (West, 1990, p. 310), clear goals, and commitment toward goals (West & Anderson, 1996). When the extent of a vision is high, team goals become clear, and team members perceive that goals are rich in value and visions can be achieved; therefore, they will strive to realize these goals (Hülshager et al., 2009; West, 1990, p. 310; West & Anderson, 1996). Consequently, vision can drive the cooperative efforts of team members and their involvement in creativity, and encourage high collective efficacy, thus facilitating TC. **Regarding the external communication of TIC**, communication is a crucial source of creativity and innovation that can encourage the sharing of information and ideas (Hülshager et al., 2009). According to the social network perspective, people's interpersonal relationships developed outside of their teams or organizations are essential. Interaction with people in other functional areas can increase the acquisition of new knowledge and concepts, thus enabling the development of new ideas or the adoption of new methods for completing tasks (Perry-Smith & Shalley, 2003). Therefore, external communication improves creative efficacy and cooperation efficacy, through which TC is stimulated. Hence, this study argues that TIC supports the production of novel or improved collective work beliefs, work attitudes, collaborations, and methods for completing tasks, thereby strengthening TC.

IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH

The implications of this study for research and practice are discussed. In three research implications, first, this study identified a distinctive team mechanism for promoting TC. This mechanism is one component of the team process and comprises the belief in collective efficacy and climate context. Within this model, improving TC requires strong team building and processes. This team building must integrate two essential characteristics: a strong team belief in creative efficacy and cooperation efficacy, and an innovative context in a team climate comprising support for innovation, task orientation, vision, and external communication. When these two characteristics interact, the resulting effects would motivate or enhance the ability of members to produce creative products. Team leaders should create supportive and open environments, where team members could engage in discussion to generate ideas, quickly experiment, reflect, adjust their ideas, and ultimately integrate various opinions to make decisions. Concurrently, leaders should establish goals and values to be shared by the team and task-oriented rules for facilitating participation. This instills members with the willingness and ability to innovate and generate collective creative achievements, thereby strengthening TC. This study bridges the research gaps in the study conducted by Sawyer (2012), who mentioned that creativity is generated through clear team mechanisms. Second, this study verified the degree to which TCE, TWE, and TIC promoted TC; specifically, TCE was clearly more effective in promoting TC than TWE and TIC were. After TCE, TWE, and TIC interacted, the degree to which they promoted TC was higher than the degree to which the interaction between TWE and TIC did. In the TC model, TCE was considerably more crucial than TWE was. TIC increased the degree to which TCE and TWE enhanced TC. Therefore, this study also reinforced the findings of Shin and Zhou (2007), who addressed the factors that promote the creativity of teams comprising ordinary members. Third, this study identified and demonstrated a variety of collective cooperation processes and creativity combinations at the individual level. Regarding the interpretation of TC, this study suggests that at the team level, team mental processes and team interaction processes, including creative mental processes and creative collaborative processes, should be considered simultaneously. This is consistent with the expectations of previous studies that the assessment of the team process must feature an architecture that contains multiple levels and dimensions in order to propose guidance for the maintenance of superior collective creative performance in teams (Bissola & Imperatori, 2011). In contrast to previous TC studies, this study considered mental processes at the team level instead of the individual level for discussion; this approach is consistent with the new creativity research trend in which the perspective of collective cooperation processes is adopted (Sawyer, 2012).

This study provides two practical implications. First, this study provided a conceptual framework of instructional design, learning culture, and cooperative functions that can enable students to exercise TC in the learning services industry. Application of the business internship learning model continues to be a growing trend in industry-academy cooperation environments. To induce TC in students, instead of focusing on students' skill development, academic performance, and internship feedback, school teachers and corporate internship mentors should use a learning design that involves team grouping, teaching, and an internship structure. By cultivating students' confidence in their creativity and cognitive beliefs regarding their ability to reach a common understanding, and constructing open and purposeful learning climates, visions, and blueprints, students can learn and implement the efficacy and functions related to collective creativity and cooperation in their schools and internship organizations. The results of this study can serve as a crucial reference for schools in creating teaching and learning designs and for enterprises in constructing internship programs. For example, our results can be applied to the promotion of TC, learning outcomes, the design of tasks for improving TC, and innovative teaching. Collective cooperation and climate designs can be based on the characteristics of learning teams to satisfy learning needs, improve learning effectiveness, and enhance students' adaptability and skills for leading the development and implementation of collective creativity when they enter the workforce in the future. These measures can facilitate individual and team work performance. Second, the field of education services is currently focused on the individual level of creativity, such as skills, cognitive psychology, and social psychology. In addition, the majority of studies on TC have investigated business organizations. By contrast, the subjects of this study were student teams, who are associated with the professional and technical education service industry.

Hence, this study supports previous studies in which the discussion of various industries, fields, and cultural contexts has been recommended to improve TC frameworks (Sung & Choi, 2012).

This study had the following limitations and related recommendations for future studies. First, the research subjects were project production teams formed in the undergraduate departments of universities of science and technology that specialize in technical and vocational education services. The purpose of this study was to gain an empirical understanding of the TC performance of university students in the technical and vocational education system. Therefore, the results of this study apply only to current technical and vocational educational services and cannot be extended to other business organizations, nonprofit institutions, or public sector organizations. Thus, future studies can address other emerging and traditional industries, such as the digital convergence industry, the franchising industry, and cultural and creative industries, to conduct a differentiated comparison of creativity at multiple levels and provide an understanding of the operational frameworks and design requirements of creativity for practitioners and teams in various industries. Second, this study selected four variables (TCE, TWE, TIC, and TC) based on the team-level collective cooperation process and the creativity and innovation topics that have been of interest to enterprises and vocational education services, examining the interactions among these variables. However, this study did not include other possible mediating, moderating, or control variables for TC, which was the second limitation of this study. Therefore, future studies can include other process variables, such as school or business environment context variables, variables related to the teaching profession, external or internal motivation variables, and control variables (such as time pressure or creative task features), to improve the comprehensiveness of the TC framework. Third, this study relied on questionnaires in this study to understand the facts at only a specific time. Although this study integrated self-assessments from the members of the student teams with assessments from observers to prevent common method variance, this study did not supplement this method with a qualitative research design, which was the third limitation of this study. Therefore, future studies can adopt a control design involving longitudinal studies and experimental research. By investigating performance variations and changes in the mentality of students regarding TC during various learning phases, the inner thoughts of students toward the modes of operation used in collective collaboration and creation can be understood.

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FIG. 1: THE PROPOSED CREATIVE TASK FRAMEWORK

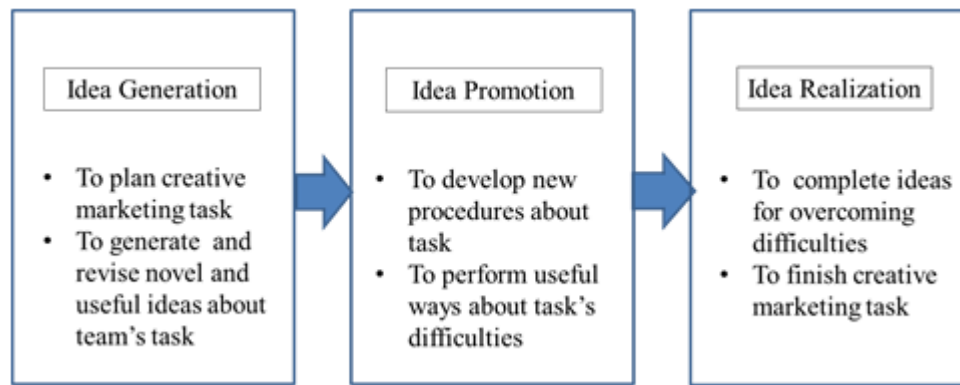


TABLE 1: MEANS, STANDARD DEVIATIONS, AND CORRELATIONS AT TEAM LEVEL

Team-level variables	Mean	SD	1	2	3	4
1. TCE	4.30	.64	--			
2. TWE	4.45	.72	.75**	--		
3. TIC	4.42	.62	.84**	.78**	--	
4. TC	4.40	.75	.67**	.59**	.79**	--

Note. N₁=338 students, N₂=36 teachers, N₃=36 supervisors, N₄=85 teams.

* $p < .05$; ** $p < .01$

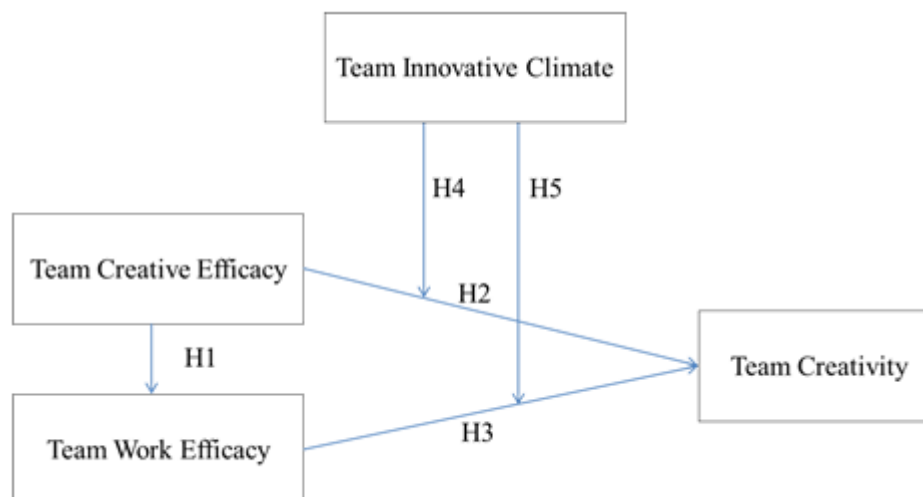
TABLE 2: HLM RESULTS FOR THE MODERATING EFFECTS OF TCE, TWE AND TIC ON CREATIVITY

Variable	TC				
	Model 1	Model 2	Model 3	Model 4	Model 5
Level 1					
Intercept	.84(.18)***	4.40(.03)***	.73(.53)**	4.24(1.82)*	.90(1.25)*
TCE	.84(.04)***	.78(.05)***		.77(.12)***	
TWE			.17(.03)**		.52(.42)***
Level 2					
TIC					
Climate1- Support of innovation				.28(.13)*	.11(.04)*
Climate2- Vision				.11(.04)*	.07(.02)*
Climate3- Task orientation				.22(.09)*	.09(.03)*
Climate4- External communication				.16(.07)*	.07(.02)*
Interactive effects					
TCE x climate				.15(.06)*	
TWE x climate					.13(.04)*
Total R ²	.30	.37		.33	.29

Note. N(individuals)=338. N(teams)=85. The first value in a cell is the parameter estimate, and the value in parentheses is the standard error.

* $p < .05$; ** $p < .01$; *** $p < .001$

FIG. 2: THE PROPOSED TEAM-LEVEL OF CREATIVITY MODEL



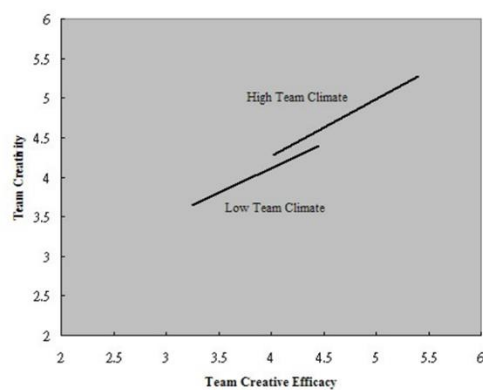


Fig. 3. The moderating effect of team innovative climate

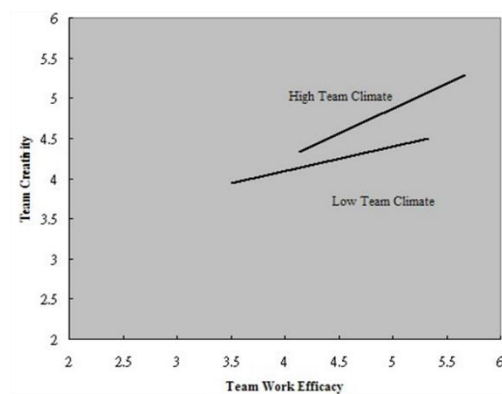


Fig. 4. The moderating effect of team innovative climate

TREND AND MAGNITUDE OF NPA IN CO-OPERATIVE BANK

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ABSTRACT

Now a day's Nonperforming assets becomes very much crucial for every banks. It will influence profitability and financial performance of any bank. High Percentage of Nonperforming assets reflects low recovery of amount due and low percentage of NPA which indicates high recovery of Nonperforming assets. Cooperative banks have pivotal position in the economic development of rural areas. But the performance of Banks always depends up on the profit generating thorough different activities. But their performance depends up on recovery of Nonperforming assets

KEYWORDS

NPA, co-operative banks.

CONCEPT OF NON-PERFORMING ASSETS

An asset becomes non- performing assets when it ceases to generate income for the bank. Such an asset is known as non performing assets. This is due to several reasons. A borrower fails to repay the principal along with interest to the bank it is called as non performing assets. Growth of non-performing assets on the balance sheet of banks erodes the solvency, profitability and financial health of banks.

CLASSIFICATION OF BANK ADVANCES

1. STANDARD ASSETS

Standard assets are those which do not disclose any problems and which do not carry more than normal risk attached to the business. Such assets are not Non Performing Assets, these are Performing Asset. Here it is also very important that in this case the arrears of interest and principal amount of loan do not exceed 90 days at the end of financial year.

2. SUB- STANDARD ASSETS

These assets are those which have been classified as NPA for a period not exceeding 12 months. In such a case, the current net worth of the borrower/guarantor or the current market value of the security charged is not enough to ensure recovery of the dues to the bank in full.

3. DOUBTFUL ASSETS

Doubtful assets are those which have remained NPA for a period exceeding 12 months. In the case of term loans, those where installments of principal have remained overdue for a period exceeding 18 months should be treated as doubtful.

4. LOSS ASSETS

Loss assets are those where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amounts have not been written off wholly or partially. Such assets are considered uncollectable and of such little values that their continuance as bank assets is not warranted although there may be some salvage or recovery values.

PROVISION FOR LOSS

Asset Classification	Period for which asset remain a bad loan	Provisions Requirements
1. Standard Assets	None as borrowers pays his dues regularly on time.	<ul style="list-style-type: none"> On direct advances to agriculture and SME:0.25% On advances to commercial real estate sector:1.00% On other loans and advances other than above:0.40%
2. Sub-Standard Assets	An assets which has remained NPA for a period less than or equal to 12 months.	<ul style="list-style-type: none"> Secured:15% on outstanding amount Unsecured:5% on outstanding amount. In some cases it is 20%
3. Doubtful Assets	An asset would be classified as doubtful if it has remained in the sub-standard category for period of 12 months.	<ul style="list-style-type: none">
a. Up to 1 year		<ul style="list-style-type: none"> Secured:25% of the Doubtful amount Unsecured:100% of the Doubtful amount
b. 1-3 years		<ul style="list-style-type: none"> Secured:40% of the outstanding amount Unsecured:100% of outstanding amount
c. More than 3 years		<ul style="list-style-type: none"> Secured:100% of the outstanding amount Unsecured:100% of the outstanding amount
4. Loss assets	Loss assets are one where loss has been identifying by the bank or internal or external auditors of the RBI inspection but amount has not been written off fully. Considered uncollectible and ideally such loans should be written off.	

REVIEW OF LITERATURE

Shruthi J Pandey, Vishaka G Tilak and Bipin Deokar (2013): In their study On "Non Performing Asset of Indian banks, Phases and Dimension "emphasized on the evolution of trends of NPA in pre and post liberalization. After introduction of liberalization the rate of Net NPA and Gross NPA has declined. It is due to improvement in the credit appraisal process and implementation of new legal initiatives.

Dr.K Gangadharan and Sajith Kumar S (2015): As per their research entitled on "Non Performing Asset and Indian banks emerging challenges and forward" focused on study of NPA in nationalized banks in India. Nationalized banks transactions are in large volume.

Dr. Chandan Tiwari (2015): In his study he emphasized on the "Management of NPA in Commercial banks and Co-operative banks in Pune" This study has observed that an efficiency of management of NPA is more in commercial banks compared to Co-operative banks.

STATEMENT OF PROBLEM

The Non-Performing Assets have become a major cause of worry for the banks. The successes of banks depend on how it manages and control NPAs. The study mainly focused on movement of NPA in selected cooperative bank.

NEED OF THE STUDY

The study is mainly concentrated on the analysis of NPA because of the presence of NPA will adversely effect on the performance of Co-operative banks and reduces the profitability of Co-operative banks. The findings of study will suggest effective measures for managing NPA.

OBJECTIVES OF THE STUDY

1. To identify the movement of Non- Performing Asset in Co-operative Banks
2. To study the consistency level of manage Non-Performing Assets in banks for last five year.

SCOPE OF STUDY

The purpose of study is to understand the current position of Non-Performing Assets and also compare the performance of Non-Performing assets in the selected Co-operative banks to know the efficiency and quality of loan assets. It shows the pictures of NPA and its effects of selected banks from 2010-2015. This study is conducted in three banks are Primary Agricultural Credit Co-operative Service Society Kikkada, Primary Agricultural Credit Co-operative Service Society Dharmasthala and Primary Agricultural Credit Co-operative Service Society Nidle, Belthangady Taluk, Dakshina Kannada, Karnataka.

RESEARCH METHODOLOGY

Research Methodology adopted for carrying out study the movement, trend and causes of Non-Performing Assets. It seeks to evaluate and compare the trend of Non-Performing Assets and efficiency of selected banks.

SOURCES OF DATA

For this study I used Primary and Secondary data

A) PRIMARY DATA

The Data which have been collected through direct Interview with the Members and officials of the Co-operative Bank.

B) SECONDARY DATA

Secondary Data has been collected from Annual Report, Audit Report, Income Statement of Bank and RBI Reports, Books, Journals, newspapers and Websites.

TOOLS FOR ANALYSIS

In light of above mentioned objective the present study period ranges from 2010-11 to 2014-2015 to comparative analysis the tendency of Non- Performing Assets of selected banks. The collected information is analyzed by utilizing different statistical techniques such as:

- Percentage method
- Ratio analysis
- Mean Standard Deviation and its Co-efficient of Variations

SAMPLE SIZE

PACS Ltd., Dharmasthala-5 years Balance Sheet
PACS Ltd, Nidle-5 years Balance Sheet
PACS Ltd, Kikkada-5 years Balance Sheet

LIMITATION OF STUDY

- The study is restricted to Primary Agricultural Credit Co-operative Society Ltd., Kikkada, Primary Agricultural Credit Co-operative Society Ltd., Nidle, Primary Agricultural Credit Co-operative Society Ltd., Dharmasthala only.
- In the wide conclusion is difficult to drawn based on performance from 2010-11 to 2014-15.
- This study could not have examined cause responsible for the Non-Performing Assets in these banks.
- This study not evaluated the adverse effect of Non-Performing assets to other banking factors like profit, relationship with customers etc.

PERFORMANCE ANALYSIS

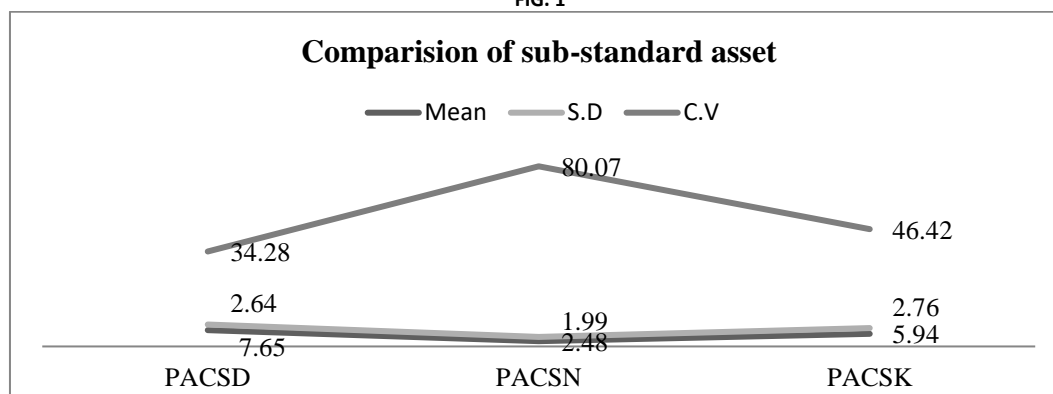
1. COMPARISON OF SUBSTANDARD ASSETS

TABLE 1

Year	PACS D		PACS N		PACS K	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2010-11	6438681	4.95	1527073	2.96	8448701	9.42
2011-12	9844885	5.68	189780	0.28	3606509	3.22
2012-13	14931677	8.15	4634102	5.21	6237685	4.91
2013-14	14332810	7.78	3197253	3.17	5286900	3.86
2014-15	21725478	11.70	853324	0.80	14142542	8.29
TOTAL	67273531	38.26	10401532	12.42	37722337	29.7
Mean	13454704	7.65	2080306	2.48	7544467	5.94
S.D	5779567	2.64	1813497	1.99	4082402	2.76
C.V	42.96	34.48	87.17	80.07	54.11	46.42

Source: Audit Report

FIG. 1



The above table and chart shows that the consistency of sub-standard asset is very high in PACS Dharmasthala with compare to PACS Nidle and PACS Kekkada. It indicates PACS Dharmasthala can able to collect more outstanding compare to other two PACS.

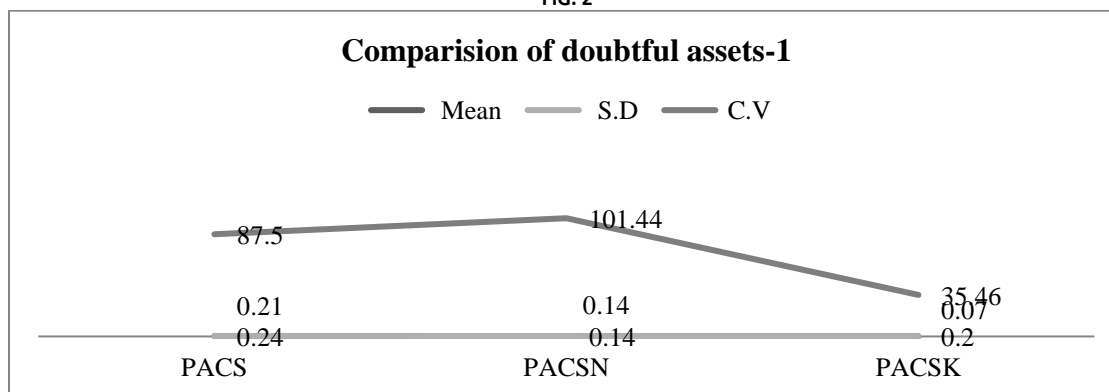
2. COMPARISON OF DOUBTFUL ASSET-1

TABLE 2

Year	PACS D		PACS N		PACS K	
	Amount	Percentae	Amount	Percentage	Amount	Percentage
201011	52970	0.41	0	0	220890	0.25
201112	235835	0.13	247680	0.36	268053	0.24
201213	0	0	106630	0.12	324930	0.26
201314	331432	0.18	39250	0.04	126000	0.09
201415	907140	0.49	178450	0.17	310585	0.18
TOTAL	2004114	1.21	572010	0.69	1250458	1.02
Mean	400822.8	0.24	114402	0.14	250092	0.20
S.D	341197.6	0.21	100823.10	0.14	80365.27	0.07
C.V	85.12	87.5	88.13	101.44	32.13	35.46

Source: Audit Report

FIG. 2



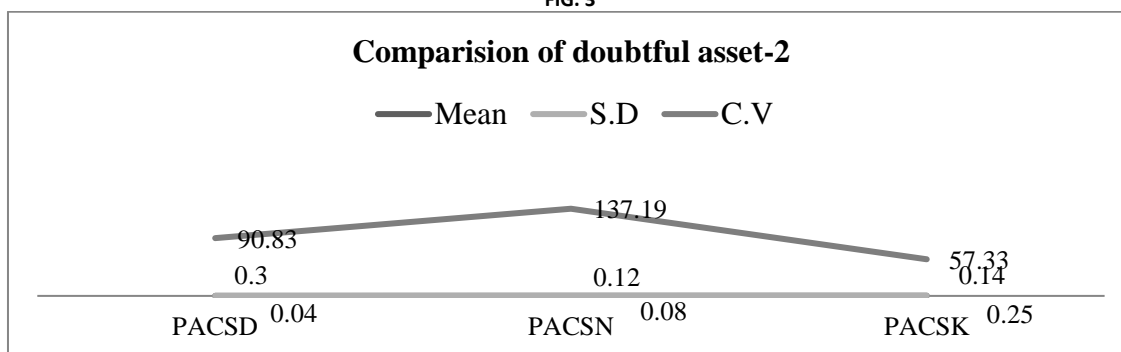
The above chart and table shows that the mean of doubtful assets-1 is more in PACS Dharmasthala and consistency of doubtful assets is less in this bank. The level of consistency of doubtful assets-1 is more in PACS Ltd., Kekkada. The consistency of doubtful assets-1 is very low in PACS Ltd., Nidle compare to PACSD and PACSK.

3. COMPARISON OF DOUBTFUL ASSET-2 OF THREE BANKS

TABLE 3

Year	PACS D		PACS N		PACS K	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2010-11	0	0	0	0	55200	0.06
2011-12	0	0	2200	0	197643	0.18
2012-13	138969	0.08	197400	0.22	509600	0.40
2013-14	91253	0.05	200830	0.20	529530	0.39
2014-15	115005	0.06	0	0	390830	0.23
TOTAL	345227	0.19	400430	0.42	1682803	1.26
Mean	69045	0.04	80086	0.08	336561	0.25
S.D	65248.19	0.036	108668.6	0.12	205296.7	0.14
C.V	94.50	90.83	135.69	137.19	60.99	57.33

FIG. 3



In the above table and chart shows the consistency of doubtful asset-2 among three banks. It clearly indicates that the consistency of doubtful assets-2 is more (57.33%) in PACS Ltd., Kakkada while compare PACS Ltd., Dharmasthala (90.83%) and PACS Ltd, Nidle (13719).

4. COMPARISON OF DOUBTFUL ASSET

TABLE 4

Year	PACS D		PACS N		PACS K	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2010-11	0	0	0	0	177325	0.20
2011-12	375970	0.22	0	0	55825	0.05
2012-13	124882	0.07	296022	0.33	140900	0.11
2013-14	47220	0.02	286372	0.29	212600	0.16
2014-15	0	0	15000	0.01	715575	0.42
TOTAL	548072	0.31	597394	0.63	1302225	0.94
Mean	109614	0.06	119479	0.13	260445	0.19
S.D	157402.4	0.09	156913.20	0.17	261008.5	0.14
C.V	143.59	149.75	131.33	134.82	100.21	75.16

Source: Audit report

The above mentioned table and chart shows that co-efficient of standard deviation of doubtful assets is-3 is low in PACS Kakkda (75.16%) while compare to PACS Nidle (133.82%) and PACS Dharmasthala (149.75%). It is high in PACS Dharmasthala and recovery level of doubtful assets-3 is poor.

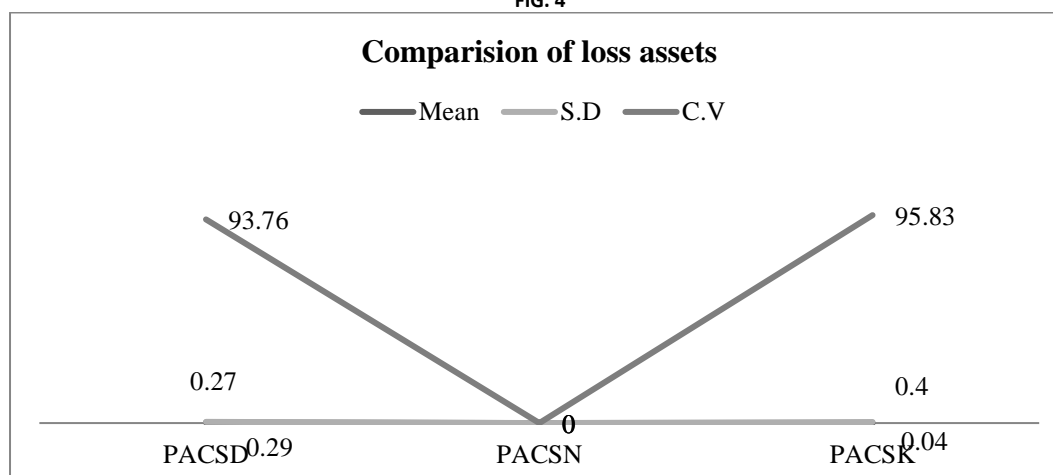
COMPARISON OF LOSS ASSETS

TABLE 5

Year	PACS D		PACS N		PACS K	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2010-11	758000	0.58	0	0	0	0
2011-12	758000	0.44	0	0	0	0
2012-13	0	0	0	0	116399	0.09
2013-14	0	0	0	0	86278	0.06
2014-15	773352	0.42	0	0	94593	0.06
TOTAL	2289352	1.44	0	0	297270	0.21
Mean	457870	0.29	0	0	59454	0.04
S.D	418023.6	0.27	0	0	55377.26	0.04
C.V	91.30	93.76	0	0	93.14	95.83

Source: audit Report

FIG. 4



The above table and chart shows that there are no loss assets found in 5 years audit report of PACS Ltd., Nidle. The consistency of loss asset is very high in PACS Ltd., Nidle and low in PACS Ltd., Kakkada.

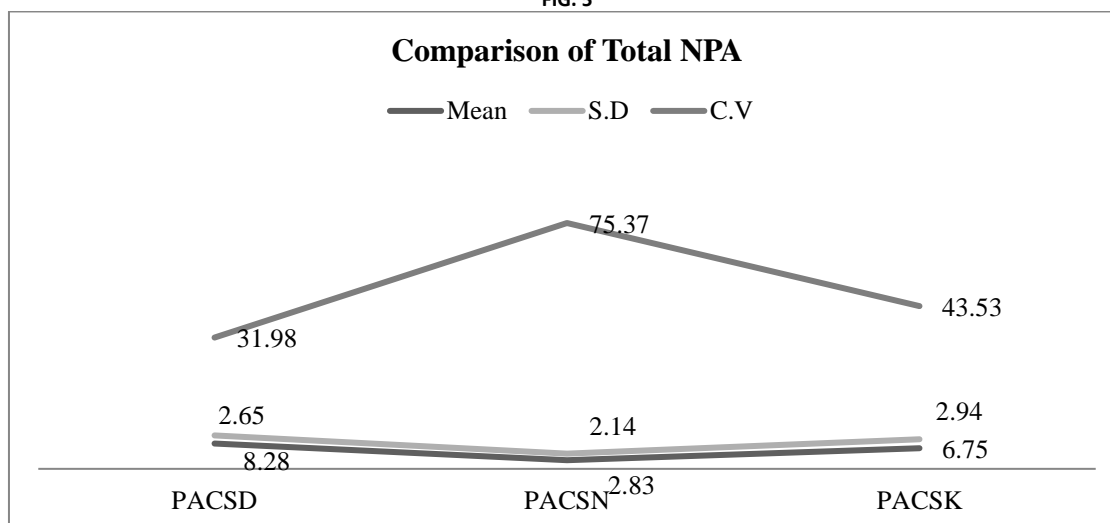
COMPARISON OF TOTAL NPA OF THREE BANKS

TABLE 6

Year	PACSD		PACSN		PACSK	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
201011	7726388	5.94	1527073	2.96	8902116	9.93
201112	11214690	6.47	439660	0.65	4128030	3.69
201213	15195528	8.30	5234154	5.88	7329514	5.77
201314	14805415	8.04	3723705	3.70	6241308	4.56
201415	23520975	12.67	1046774	0.98	15654125	9.8
TOTL	72462996	41.42	11971366	14.67	42255093	33.75
Mean	14492599.2	8.28	2394273	2.83	8451018.6	6.75
S.D	5887058.2	2.65	2013741	2.14	4385118.4	2.94
C.V	40.62	31.98	84.11	75.37	51.89	43.53

Source: Audit Report

FIG. 5



The above table and chart shows the position of total NPA of three banks. The co-efficient of variation of standard deviation is more (75.37%) in PACS Ltd., Nidle in comparison with PACS Ltd., Dharmasthala and PACS Ltd., Kokkada. It shows PACS Ltd., Dharmasthala has low C.V and its consistency in managing NPA is more.

FINDINGS

- The study found that the recovery percentage of standard asset is more in PACS Ltd. Nidle (97.04%) in comparison with PACS Ltd., Dharmasthala (94.06) and PACS Ltd., Kokkada (90.67)
- The study found that consistency level of sub-standard asset is very high in PACS Ltd Nidle (12.42%) compare to PACS Ltd Dharmasthala and PACS Ltd Nidle.
- The study reveals that the consistency level of doubtful asset -1 is high in PACS Ltd, Kokkada (35.46%)
- The study reveals that the recovery percentage of doubtful asset -2 is more in PACS Ltd, Kokkada (57.33%) compare to PACS Ltd, Nidle and PACS Ltd, Kokkada.
- The study reveals that the consistency level of doubtful asset -3 is more in PACS Ltd, Kokkada (75.16) compare to PACS Ltd, Nidle and PACS Ltd Kokkada.
- The study reveals that there are no loss assets found in 5 years Audit report of PACS Ltd Nidle, during study period. It also reveals that percentage of loss asset is very high in PACS Ltd., Dharmasthala (93.765%).
- The study reveals that total NPAs is more in PACS Ltd. Nidle, in comparison with PACS Ltd., Dharmasthala and PACS Ltd., Kokkada. The consistency of level of management of NPAs is more in PACS Ltd., Dharmasthala.

CONCLUSION

Management of non-performing asset is fundamental challenge for every bank. The improper management of non-performing assets will create a big problem for the banks in India. It not only effects to bank, it affects economy also. The non-performing assets of banks will directly effect on the profitability, liquidity and successive operations of the banks. The effective management of NPA shows financial health of the bank. In this study it identifies that PACS Ltd., Dharmasthala, PACS Ltd., Nidle and PACS Ltd., Kokkada should concentrate to take more efforts on the recovery of outstanding loans. Same time effective measure should take for reducing NPA in the bank.

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RECENT TRENDS OF CONSUMER BEHAVIOUR TOWARDS DURABLE PRODUCTS IN INDIA: A LITERATURE REVIEW

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ABSTRACT

Consumer is the nerve centre of the modern marketing. In the present era of globalisation, needs and wants of consumers keep on changing with time. The consumer behaviour plays an important role in the marketing of consumer durable. This behaviour is affected by various factors. An understanding of buying behaviour of consumers towards durable goods is essential as it reflects the influence of brands, price, quality, mode of payment, income etc. The introduction of different types of durable products has also brought out many significant changes in the tastes and preferences of ultimate consumers in recent years. Consumer durable product involves any type of product purchased by consumers that is manufactured for long term use. With India being the second fastest growing economy having a huge consumer class, consumer durables have emerged as one of the fastest growing industries in India. Hence the objectives of this present study is to review the related literature and have a better understanding of most significant factors which affect consumer buying behaviour towards durable products. The paper reveals that in recent days, consumers are very much rational for durable products. They evaluate price, quality, brand, company image, after sale service, technology etc., before purchasing durable products. They are not satisfied even after purchasing durable products. They are more conscious for after sale service. The company who provides better after sale service, consumers prefer those company's products the most.

KEYWORDS

consumer behaviour, consumer durable products, review literature, trends.

INTRODUCTION

There is a sustained growth in India for the consumer durables industry over the long term, powered by favourable consumer demographics as well as overall growth has been observed in services and industrial sectors, infrastructure development etc. Consumer durables market is growing very fast because of some factors like increase in income levels, living standards, easy access to consumer finance, and increase in consumer awareness, introduction of new models. The demand for consumer durables has increased significantly. A decrease in prices of consumer goods of different companies has been observed due to increasing competition and those are available at an affordable Price. (Laddha, 2015)

According to the report given by Consumer Electronics and Appliances Manufacturers Association (CEAMA) that 12-13 per cent growth had been registered for consumer durables and electronics sector in 2010. According to the report published by IBEF 2016, the total size of consumer durables and electronics sector is around US\$ 7.85 billion. The sales of Flat Panel Displays -- LCDs, PDPs rose phenomenally by 45 per cent in 2013, while the sales of air conditioner and home appliances surged by nearly 12 per cent and 23 per cent respectively.

A considerable change has been witnessed by the Indian consumer durables industry over the last few years. India is the second fastest growing economy having a huge consumer class. Consumer durables have emerged as one of the fastest growing industries in India. Indian urban consumer is young, energetic and good earner in the family that's why it automatically increases the demand of consumer durable earner. (Buvaneshwari & Babu, 2014)

Because of the continuous inflow of disposable income and the technology advancement, the need for the various consumer durable goods are increasing. Thus, it is leading to a strong competition among the different consumer durable brands available in the nation. Also the price gap between the same consumer goods of different companies is narrowing down. These goods are gradually becoming cheaper. The rural and urban market of consumer durables has been growing at a rate of around 15 % on an average. India is likely to emerge as the world's largest middle class consumer markets with an aggregated consumer spend of nearly US\$ 13 trillion by 2030. (Deloitte report titled 'India matters: Winning in growth markets', 2010).

CONSUMER BEHAVIOUR

Consumer behaviour is the study of when, why, how, and where people do or do not buy products. It attempts to understand the buyer decision making process, both individually and in groups. (Subramanian., 2015). Consumer behaviour is the study of how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants. (Thangasamy & Pati, 2014)

Consumer behaviour reflects the totality of consumer's decisions with respect to acquisition, consumption and disposition of goods, services, time and idea by human decision making units over time. It also includes whether, why, when, where, how, how much and how often and how long consumer will use or dispose of an offering. (G. & Rengarajan, 2013)

DURABLE PRODUCTS

Consumer durables involve any type of products purchased by consumers that are manufactured for long-term use. As opposed to many goods that are intended for consumption in the short term, consumer durable is intended to endure regular usage for several years or longer before replacement of the consumer product is required. Just about every household will contain at least a few items that may be properly considered to be of a consumer durable nature. (Kishore, Ratna.N. 2013)

The consumer durables products can be broadly classified into two segments: Consumer Electronics and Consumer Appliances. Consumer Appliances can be further categorised into Brown Goods and White Goods. (Consumer Durable Industry, 2012)

White Goods: White goods mainly include air conditioners, refrigerators, washing machines, audio equipments and speakers, microwave ovens, colour televisions etc.

Brown Goods: This kind of consumer durables mostly include kitchen appliances like chimneys, electric fans, grinders, iron, mixers and varied other cooking ranges.

Consumer Electronics: Some of the mostly used consumer electronic goods are DVD players, MP3 players, mobile telephones, telephones, VCD players etc.

REVIEW OF LITERATURE

For the purpose of research, various past studies have been reviewed. Several studies have been done on this particular topic with different angle and view point. Dr. S. Sarvana (2010) suggested that education plays an important role in shopping behaviour and higher income group respondents shop as and when they like. Family influences on consumer's behaviour have a greater extent while purchasing the branded products.

Aradhana Krishna (2003) concluded that buyers' purchase behaviours can be influenced not only by the current prices of a product but also by those prices expect in the future. Bhawaniprasad and Kumari (1987) have analysed that a very positive impact of advertising is found on the consumer durables market. In this research, importance of refrigerator among consumer durables is studied. Lilly J., (2010) made an attempt to study, "Customer Perception and Preference towards Branded Products with special Reference to Television sets". This study suggested that pricing, promotion deals and product availability, all have tremendous impact on the position of the brand in the consumer's preference. Kumar (2002) revealed that, the majority of consumers are highly enlightened and are concerned of quality of the products. SRI – IMRB (2000) evaluated a comparison of the education and income levels of different clusters, and it indicated that those who give higher priority to consumer electronic products are more educated and affluent. Freda (1995) observed that for consumer durable goods, the family members together decide on the products to be purchase, brand and shop.

OBJECTIVES

1. To review the related literature for better understanding of consumer behaviour towards durable products.
2. To find the most significant factors which affect consumer buying behaviour towards durable products.

RESEARCH METHODOLOGY

- (I) Scope of study:** The study aims at analysing consumer's buying behaviour relating to durable products only.
- (II) Period of Study:** The period for this study is from 2012 to 2016.
- (III) Data Collection:** The data utilised for the study is secondary in nature. Secondary data has been collected from research articles, books, journals, magazines, reports, newspapers and different websites.
- (IV) Tools and Techniques:** Descriptive research is used by the researcher.
- (V) Limitations:**
 1. The researcher has taken only recent trends of consumer buying behaviour towards durable products.
 2. The study is related to only consumer durable products only. It does not include non-durable products or any other products.
 3. The researcher has focused on limited reviews on consumer buying behaviour durable products because of time and resource constraints.

REVIEW ANALYSIS AND FINDINGS

The objectives of the present study have been achieved as follows:

1. For achieving the objective, the researcher has reviewed more than 50 relevant literatures for the present study. After studying various literatures this review shows that in recent days, consumers are very much rational for durable products. The detailed survey of literature provides the main issue about the determinants which affect the consumer buying behaviour for durable products like purchase preference, satisfaction, price, quality, brand etc. Consumer satisfaction is a matter of concern for the marketers because the behaviour of consumers' keeps changing with the changing environment.
2. In present day scenario, consumers are fully aware for durable products through different media. They evaluate price, quality, brand, company image, after sale service, technology etc., before purchasing durable products. They are not satisfied even after purchasing durable products. They are more conscious for after sale service. The company who provides better after sale service, consumers prefer those company's products the most.
3. After reviewing a number of research papers, the researcher has found the most significant factors which affect the consumers buying behaviour towards durable products which are as follows:
 - **Price & Brand name:** Among all the factors, price and brand name is considered the most significant factor by consumers while purchasing consumer durable products. In present day, consumers prefer the branded products even on high prices. Consumers have the more attraction toward brand name. Brand name of product or company is a status symbol which creates positive image of the product and loyalty in customer mind as well as in the society.
 - **Necessity:** It is also one of the most significant factor for recent consumers. Necessity is a motivating factor in consumer buying behaviour for durable products.
 - **Changing life style & higher disposable income:** Changing life style & higher disposable income has brought about a sea change in the recent consumer behaviour pattern. This is fact that today consumers look, think, prefer and buys the product according to his/her life style. So, this is also one of the most significant factor for recent trends in consumer buying behaviour towards durable products.
 - **Quality:** In recent days, consumers prefer quality products even though available on high prices. They want to purchase good quality products for long time use of durable products. The majority of consumers are highly enlightened and are concerned of quality of products.
 - **Advertisements:** Advertisement has major influence on purchase decision of the durable products. The consumers are induced significantly by advertisements when the target is on quality and price.
 - **Women Awareness:** Women are taking the lead roles as of today than the yester years. This is due to the outcome of education, employment, awareness etc. Women play a major role in purchase decision & they prefer to prepare item list before purchasing. Women are not only cost conscious but also a quality conscious customer. The sales promotional activities sometimes may help women consumers to purchase more but it cannot remain same.
 - **After Sale Service:** Consumers are fully aware for durable products through different media. They evaluate price, quality, brand, company image, after sale service, technology etc., before purchasing durable products. They are not satisfied even after purchasing durable products. They are more conscious for after sale service. The company who provides better after sale service, consumers prefer those company's products the most.
 - **Technology:** Today consumers are more serious regarding new technology of durable products. They always want to purchase latest technology based products so, that they can take the advantages of latest technology.
 - **Previous Experience:** It is also an important factor that affects consumer buying behaviour for durable products. If consumer is highly satisfied with the working of that product and quality of services provided by the company, then the consumer will prefer to purchase that product to some other products from the same brand and company.
 - **Role of Family:** There is an enormous and important role of family when it comes to decision making regarding the purchase of consumer durable products. It is the common perception amongst the member of the family that the durable goods are going to last for a long period of time, so the decision has to be careful and conscious and it can only be made by the family together.

CONCLUSION

The study concludes that the recent trends of consumer buying behaviour towards durable products are kept on changing. The paper reveals that in recent days, consumers are very much rational for durable products. They evaluate price, quality, brand, company image, after sale service, technology etc., before purchasing durable products. They are not satisfied even after purchasing durable products. They are more conscious for after sale service. The company who provides better after sale service, consumers prefer those company's products the most. The most significant factors are price & brand name, necessity, changing life style & higher disposable income, quality, advertisements, women awareness, after sale service, technology, previous experience and role of family affect the consumer behaviour towards durable products.

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IMPACT OF CAREER DEVELOPMENT ON QUALITY OF WORK LIFE IN IT SECTOR

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ABSTRACT

Quality of Work life has definitely gained relevance globally. Companies are branded and warded based on these factors. Its high time most companies offer what is promises while onboarding employees, this could help retain employees, build brands and save cost in training and replacing employees. Productivity levels we believe takes over two years to be achieved as learning anything for that matter be it culture, work related technicalities evolves and at times time consuming. Hence focus on Quality of work life is essential.

KEYWORDS

Career Development, Quality of Work Life, I T Sector

I. INTRODUCTION

In today's dynamic world we constantly seek better quality in our work life, a concept fairly new and have found relevance across industries at all levels in an organization. Amidst different industries in our country the most sought out one is the \$160 billion Information Technology sector. In the last decade and a half this sector has transformed the way we look at quality in our work life.

Quality of work is a set of principles, which holds that people are the most important resource in the organization as they are capable of making valuable contribution to the organization. QWL consists of opportunities for achieve involvement in group working that are mutual benefit to the organization.

Thus, QWL is a comprehensive construct that includes an individual's job related well-being and recording work experience of the employees.

With Industry icons like Shri Azim Premji, Founder-Wipro and Shri. Vishal Sikka, CEO, Infosys clarifying that strategizing ahead is all the more challenging as implementing them in the next decade to come, work life seem to take a back seat which could affect the individual and organization at large. The industry in simple words could see a paradigm shift in the way they approach future with changes in US government and law, Demonetization and issues with online frauds the industry is all set for new challenges ahead.

Employees seek better career growth and development to ensure that they fair through the rough tide ahead.

Career development is defined as "evolving sequence of an employees work experiences over the time" and more of "moving sequence" on their life"

Career Development is the lifelong process of managing learning, work, leisure, and transitions in order to move toward a personally determined and evolving preferred future.

Most companies fail to understand this and believe that important factor such as career development is one's personal problem and has nothing to do with one's professional pressures.

II. CHALLENGES

Companies while onboarding employees at all levels in their organizational arrangement share a few career development aspects such as given below:

1. Established career path
2. The opportunities for growth
3. The confidence they provide to employees of unbiased career development.

But, do they actually deliver what they promised is the fact that need to be analyzed.

According a recent survey today's flat organizational structures mean employees spend more time at each job level – roughly three more years than in 2010. This slow progress has resulted in more than 70 percent of employees being dissatisfied with future career opportunities, leading to potentially massive turnover costs. This survey that covers nearly 12,000 employees globally has stated that employee turnover is mainly due to lack of career opportunities. It is believed that it could cost a company \$25,000 as a result of coercing existing employees and slowing down productivity rate due to employee turnover. On the contrary, if the company could provide employee with career opportunities, employee turnover could reduce by 33% saving millions.

Thackray (1981) found boredom and monotony after produces adverse effect on QWL. **Sekaran and Wagner (1980)** worked on sense of competence for white collar employees of USA and India. Results indicate that experienced meaningfulness of job was the single most important contributor to a sense of competence for employees in both countries because sense of competence has been highly correlated with QWL.

Sharma (1978) studied 12 organizations in different parts of the country to examine labour force commitment. With a sample of 1,971 industrial workers, he came to the following conclusion: much of the tension and strife that pervade the industrial relations scene today can be explained by the alienation of the Indian industrial worker. Correlational analysis showed that, the workers' attitude and orientation towards both the company and the job are not influenced by their socio-cultural background. Instead, these are significantly associated with the following sets of factors: (a) preference for industrial work; (b) personnel policies and practices; (c) work technology; and (d) union involvement. He suggests that it is futile to blame factors such as socio-cultural background or rural/ agricultural origin of the workers as the cause of low commitment. He suggests improvement in two areas, (a) work technology; and (b) organizational culture

III. PROBLEM STATEMENT & ANALYSIS

Career Development is important as it implies recognition, reward and demonstrates employee's commitment to an organization. In its absence it causes a lot of difficulties to employee and organization development as a result of higher attrition rate.

This study has attempted to study how career development affects the quality of work life.

TABLE 1: SIGNIFICANCE OF MEAN DIFFERENCE BETWEEN MALE AND FEMALE RESPONDENTS ON THE FACTOR OF QUALITY OF WORK LIFE: CAREER DEVELOPMENT

DEVELOPMENT						
Group	N	Mean	S.D.	M.D.	S.E.	't'-Value
Male	145	9.91	1.53	0.31	0.24	1.24 (NS)
Female	55	9.60	1.63		0.25	

NS – Not Significant

The obtained 't'-value of 1.24 which is insignificant shown in the above Table-56. It indicates that there is no significant mean difference in Career Development between male and female respondents. Therefore, the proposed Hypothesis stated that "there will be a significant difference between male and female respondents on the factor of Quality of Work Life namely Career Development" is rejected.

TABLE 2: ANOVA FOR DIFFERENT EDUCATION GROUP OF RESPONDENTS ON THE FACTOR OF QUALITY OF WORK LIFE: CAREER DEVELOPMENT

Source of Variation	S.S	d.f.	M.S.	'F'-Value
Between Group	3.08	2	1.54	0.62 (NS)
Within Group	487.13	197	2.47	
Total	490.22	199		

NS – Not Significant

The obtained 'F'-value of 0.62 which is insignificant shown in the above ANOVA Table indicates that there is no significant mean difference in the Career Development among the different education group of respondents namely Under-Graduates, Post-Graduates and Others.

Therefore, the proposed Hypothesis stated that, 'there will be significant difference among the different education group of respondents on the factor of Quality of Work Life namely Career Development' is rejected.

Further, study of Igbaria and Greenhaus (1992) revealed that, higher educated employees had a direct effect on turnover intervention. The higher educated employees had lower job and career satisfaction.

TABLE 3: ANOVA FOR DIFFERENT POSITION GROUP OF RESPONDENTS ON THE FACTOR OF QUALITY OF WORK LIFE: CAREER DEVELOPMENT

Source of Variation	S.S	d.f.	M.S.	'F'-Value
Between Group	30.47	4	7.61	3.23**
Within Group	459.74	195	2.35	
Total	490.22	199		

** Significant at 0.01 level

TABLE 4: MEAN AND S.D. FOR DIFFERENT POSITION GROUP OF RESPONDENTS ON THE FACTOR OF QUALITY OF WORK LIFE: CAREER DEVELOPMENT

Position group	N	Mean (X)	S.D
Senior	20	10.20	1.50
Middle	94	9.71	1.55
Junior	39	9.33	1.62
Trainee	44	10.40	1.45
Supporting Staff	3	9.0	0

The obtained 'F'-value of 3.23 shown in the above ANOVA Table is significant at 0.01 level. The value indicates that there is a significant mean difference among the different position group of respondents namely Senior, Middle, Junior, Trainee and Supporting Staff on the factor of Career Development in Quality of Work Life.

Further, the mean Table-76(a) indicates that the Trainee group of respondents have scored the higher mean value of 10.40 and the lowest mean score is obtained by Supporting Staff (Mean = 9.0).

Therefore, the proposed Hypothesis stated that, 'there will be a significant difference among the different position group of respondents on the factor of Quality of Work Life namely Career Development' is accepted.

Sandra Slaughter et al (2007) stud revealed that human capital as a primary determinant of compensation and a moderator of IT Compensation- organizational tenure profiles.

TABLE 5: CORRELATION CO-EFFICIENT FOR THE FACTORS OF QUALITY OF WORK LIFE

	Job requirement	Job satisfaction	Individual Growth	Work Environment	Career Development
Job requirement	--	0.489 ^{xx}	0.484 ^{xx}	0.354 ^{xx}	0.383 ^{xx}
Job satisfaction		--	0.610 ^{xx}	0.622 ^{xx}	0.592 ^{xx}
Individual Growth			--	0.692 ^{xx}	0.512 ^{xx}
Work Environment				--	0.574 ^{xx}
Career Development					--

** Significant at 0.01 level

The above Table-77 shows the correlation co-efficient for the factor of Quality of Work Life. The factor of Job requirement is correlated with Job satisfaction ($r = 0.489$) which is significant at 0.01 level. Also, the factor job requirement is correlated with Individual Growth, Work Environment and Career Development and 'r' values are found to be 0.48, 0.35 and 0.38. All the values are significant at 0.01 level.

The 'r'-value of 0.610 is highly correlated with job satisfaction and individual growth. It is followed by the factor of job satisfaction is highly correlated with Work Environment ('r' = 0.62) and Career Development ('r' = 0.59).

The factor of Individual Growth is highly correlated with Work Environment ($r = 0.69$) and Career Development ($r = 0.512$) which is significant at 0.01 level.

Finally, the factor of Work Environment is correlated with Career Development ($r = 0.574$) at 0.01 level.

Overall, the proposed Hypothesis (No.6) stated that, 'there is a significant relationship among the factors of Quality of Work Life' is accepted.

IV. CONSEQUENCES

During 2015 a company surveyed nearly 1000 HR professionals and 1000 employees across Britain. It results were that 60% of the HRs responded saying their company provides career opportunities to which only 36% of the employees agreed. 41% of the employees said they would quit their job if they don't find their company offering career opportunities.

According to a commonly cited study by Princeton University, higher income increases happiness, but only up to about US\$75,000 (\$99,000) - after that, higher pay doesn't make us that much happier.

"We also know money matters for workplace satisfaction," writes Glassdoor's Patrick Wong.

"Our research shows higher pay is statistically linked to higher job satisfaction, but the impact is small. To most workers, pay matters much less than other factors like culture and values, career opportunities, and the quality of senior leadership."

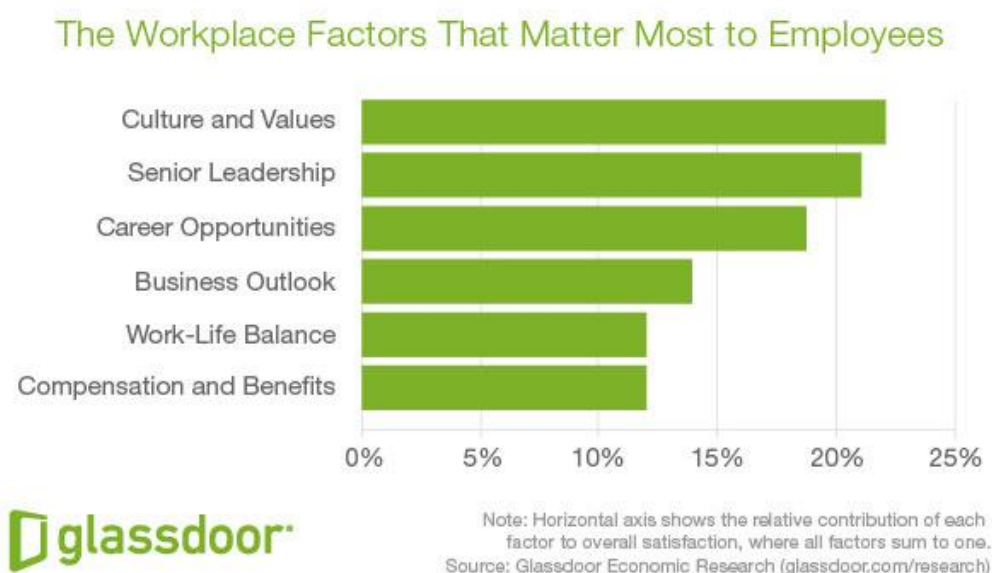
1. The U.S. Bureau of Labor statistics found that companies with fewer than 100 employees gave only 12 minutes of manager training every six months. Organizations with 100 – 500 employees provided just 6 minutes.
2. A research by Middlesex University for Work Based Learning found that from a 4,300 workers sample, 74% felt that they weren't achieving their full potential at work due to lack of development opportunities.
3. The same research by Middlesex University's Institute for Work Based Learning showed that 56% of HR Managers considered training and development to be an essential business enabler. Here's a clear disjunctive between manager beliefs and practice. HR Managers consider it important, but they aren't doing enough to increase employee training opportunities.
4. As many as 1 in 3 people leave their organization within the first year, either voluntarily or involuntarily. An incredible 22% of staff turnover happens within the first 6 weeks of employment.
Also, according to Gallup's 2014 research only 13 percent of all employees are "highly engaged," and 26 percent are "actively disengaged." Employees are more disengaged at work.
5. PwC estimates that the cost of losing an employee in the first year can be up to three times the person's salary. That's a loss of £42bn (\$63.3bn) in the UK alone.
6. 70 % in a 2015 survey said that job-related training and development opportunities directly influence in their decision to stay with a company. One must understand that the cost of retaining present employees is much less than the cost of replacing them.
7. A 24X7 learning survey revealed that only 12% of learners say they apply the skills from the training they receive to their job. This suggests that learner needs aren't being mapped effectively before developing a program.
8. According to a 2015 ATD research study, only 38% of managers believe that their learning programs meet their learner's needs. In other words, 62% of HR managers believe that they are not doing a good job meeting the learner's needs.
9. One out of every three employees say that uninspiring content is a barrier to their learning. This means we need to try to develop training programs that entertain and inform. Not only is fun training more enjoyable for the learner; it's more effective, translating into less money spent on retraining.
10. Ineffective Training Costs Money: Given the statistics above, what is the total loss to a business from ineffective training? It's staggering: \$13.5m per year, per 1,000 employees

V. THE SOLUTION

Career Development Benefits a company in the following ways:

1. Helps retain the best talent. Retention is considered as one of the most difficult function in human resources. Career Development ensures that retention is done through equipping employees with knowledge and by showing the clear path ahead for them. This would motivate employees to stay back in the organization.
2. Enhances Employee engagement and productivity. Today's employees seek meaning and direction in their work - not just jobs and tasks, but meaningful careers and career goals. Employers who have provided career development processes, resources, and tools to employees feel that employees have felt engaged and supported by the organization.
3. Succession Planning is a part of the process and hence the organization strengthens its capabilities through career development.
4. With aging workforce and baby boomers career development enhances the transition phase that takes place without any problems.
5. Needless to say that the company's brand building exercise is also taken care off. With more satisfied employees on board the organization's brands take an upbeat.
6. Career development is not always money. A Survey by Glassdoor of 221,000 professionals has resulted in employees stating that they are more inclined towards culture, leadership, career opportunities, business outlook, work – life balance and finally compensation.

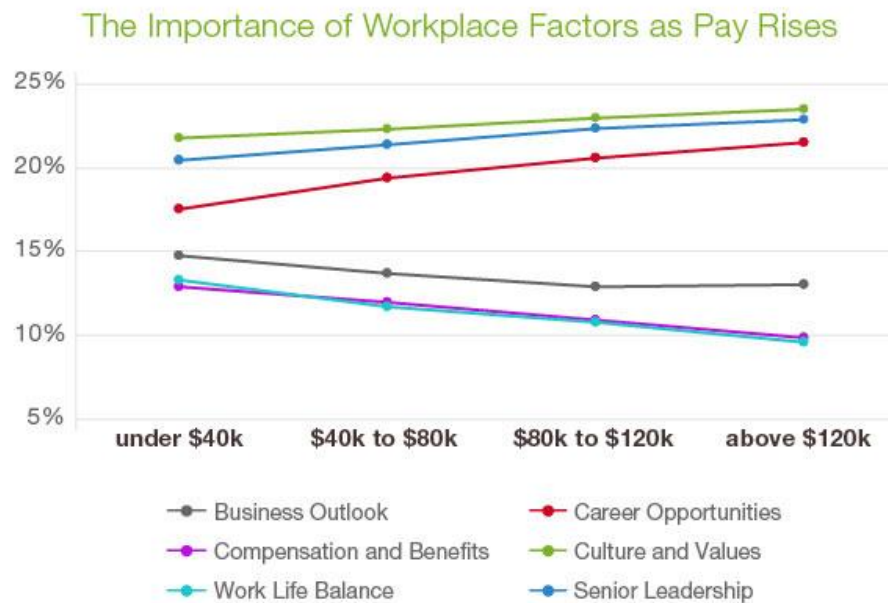
FIG. 1



Source: Glassdoor

7. Another statistics in relation to their pay have shown the above mentioned trend as the pay of the employee increases. It is also noted that after a certain level of hike in salary it doesn't matter to the employee further.

FIG. 2



Note: Note: Vertical axis shows the relative contribution of each factor to overall satisfaction, where all factors sum to one.
Source: Glassdoor Economic Research (glassdoor.com/research)

Source: Glassdoor

VI. CONCLUSION

To Conclude Quality of Work life has definitely gained relevance globally. Companies are branded and warded based on these factors. Its high time most companies offer what is promises while onboarding employees, this could help retain employees, build brands and save cost in training and replacing employees. Productivity levels we believe takes over two years to be achieved as learning anything for that matter be it culture, work related technicalities evolves and at times time consuming. Hence focus on Quality of work life is essential.

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THE COW - ECONOMIC AND FINANCIAL ASPECTS AND PROSPECTS

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ABSTRACT

It is well known that the cows give back more to nature, as compared to their intake. They consume agricultural by-products generally wastes and provide milk, ghee, bullock power, urine and dung which are used for production of food and energy. Even after their death, cows or cattle hide fetches a good value, while the bone-meal makes excellent quality organic manure. But, in recent years, the cows have been considered as a burden after their milk is dried. As the cows contribute in many ways to boost an economy; it is need of the hour to analyze its economic and financial benefits for the revival of an economy. Otaram Devasi, the minister of Rajasthan Government recently stated that the Cow's importance is diminishing as it loses its economic value after it fails to produce milk. Now-a-days, the cows have been considered only as a mean to earn money and abandoned or killed after their milk is dried. It has become a necessity to highlight the benefits of cows to aware people thinking cattle unproductive. The cow's dung if used for producing biogas and the left over slurry turns into superior quality farm-yard manure, then the income can be increased. The income can be enhanced further by better feeding and breeding practices. If income other than milk products and by-products is increased, the farmers would not mind maintaining their cows even without milk production. This study describes the benefits of cows and analyzes the economic and financial aspects particularly in relation with agriculture, health, medicine, environment, and energy in securing the wealth of nation. The study throws light upon various aspects by which an economy can be revived in terms of foreign exchange after utilizing Cows from economic and financial aspects and prospects. On basis of analyzing various reports, articles, and research studies; the findings disclose the steps may be taken by Government for fully utilizing the economic and financial benefits of cows. The major question which is addressed is how cows can be proved not only a part of ensuring sustainable economic development, but also a mean to recover India from international financial debt.

KEYWORDS

cow, cattle, livestock, financial aspects, prospects, economic aspects.

INTRODUCTION

It is well known that Desi Cow which is Indian Breeds of Cows called as Gaumatha, Kamadhenu, Lakshmi; has more power than the other breeds of Cow. It can withstand the climatic conditions of this country, either hot, rain or cold. It normally delivers around 15 to 20 calf's in its life span. It can walk for more kilo-meters and work hard accepting the climatic conditions around the world. A cow in its lifespan feeds thousands of people, and one cow is sufficient to do farming in 10 acres of land. Due to such great features, the Cow is considered as a Goddess in Hindu religion. The whole world preferably Indian society takes the cow as mother. The reason is that the birth-giving mother gives milk to its child only for one or two years, but the mother cow gives milk throughout its life, which is like nectar. Cow nurtures us with her milk and products. But due to inadequate cash income from Cows and in absence of awareness of its utility and economic-cum-financial benefits, people (including farmers) are not willing to take proper care of them. The cows should not be left for killing after their milk is dried. The cows contribute in many ways to boost an economy; it is need of the hour to analyze its economic and financial benefits for the revival of an economy. Otaram Devasi, the minister of Rajasthan Government recently stated that the Cow's importance is diminishing as it loses its economic value after it fails to produce milk³. Subramanian Swamy (2009) explained that India has 150 million cows, each of them giving an average of less than 200 litres of milk per year. If they could be fed and looked after, they can give 11,000 litres, as Israeli cows do. That would provide milk for the whole world. The milk we produce today is the cheapest in the world. With enhanced production we could become the world's largest exporter of milk and it could be India's biggest foreign exchange earner. It is well known that Cow provides four products for human use:

- i. Godugdha (cow milk): The National Bureau of Animal Genetic Research has recently demonstrated the superior milk quality of Indian cattle breeds. After scanning 22 cattle breeds, scientists concluded that in five high milk-yielding native breeds – Red Sindhi, Sahiwal, Tharparkar, Rathi and Gir – the status of A2 allele of the beta casein gene was 100 per cent. In other Indian breeds it was around 94 per cent, compared to only 60 per cent in exotic breeds like Jersey and HF. The A2 allele is responsible for making available more Omega-6 fatty acids in milk. Pasuthai (2013) explained that the pure Indian breed desi cow produces A2 milk, which contains less Betacosmophorine-7 (BCM-7), as opposed to the hybrid cows which generally produce A1 milk. As per Ayurveda, it has fat, carbohydrates, minerals and Vitamin B, and even a capacity for body resistance to radiation and for regenerating brain cells. The Desi Cow milk (A1 and A2) has amino acids which make its protein easily digestible. It is good for kidney. It is a rich source of Vitamins like B2, B3 and A which help increasing immunity. The Cow Milk helps in reducing acidity and also reduces chances of peptic ulcer. It helps in reducing chances of colon, breast and skin cancer. It prevents the formation of serum cholesterol. It is one of the best natural anti-oxidants. As a source of food for people, milk and milk by-products play a valuable role as a supplier of protein.
- ii. Goghrita (ghee): As per Ayurvedic tradition, Cow Ghee helps in the growth and development of Children's brain. Its regular consumption increases good (HDL) cholesterol (and not bad LDL cholesterol). It stimulates digestion and aids absorption of fat soluble vitamins. It is an excellent all round anti-ageing vegetarian food & external applicant on the skin. It is also useful in curing various disorders of human body. In yajna, it improves the air's oxygen level.
- iii. Gomutra (urine): It has anti-cancer, anti-bacterial, anti-fungal and antioxidant properties. Its immune-modulator properties are useful for immune deficiency diseases. A global patent has been granted for cow urine, neem and garlic as a pest repellent and for fungicidal and growth promoting properties for different crops (WHO 2004/ 087618A1).
- iv. Gomaya (dung): The cow's dung is the waste product of cows or cattles, buffaloes, and yaks. The dung is the undigested residue of plant matter which has passed through the animal's gut. It is caked and used as fuel. It is used to purify the environment and also used to check radiation effects. CSIR has filed for a US patent for amrit pani, a mixture of cow dung, cow urine and jiggery, for soil health improvement properties.

³ This information is taken from, "Rajasthan minister on a mission to revive 'Cow economy', a news published in Times of India dated 7th October, 2015 may also be retrieved from <http://timesofindia.indiatimes.com/city/jaipur/Rajasthan-minister-on-a-mission-to-revive-Cow-economy/articleshow/49253768.cms>

According to the reports of Foreign Agricultural Service (FAS) of United States Department of Agriculture and Rob Cook (2016), India has the largest cattle inventory in the world followed by Brazil & China. However, Statista, Inc. (2016), portal of statistics by the Food and Agriculture Organization of the United Nations (FAO) compared the top producers of Cow milk worldwide and listed India at second number followed by United States i.e. 60.6 million metric tons followed by 91.27 million metric tons of US. In Hindu religious scripts, the Cow has been referred to as 'Kamdhenu' because it gives back more to nature than it takes. It is well known that the Cow's dung is the main source of manure for agricultural production which means the fertilizers' cost of Indian economy can be reduced drastically. Cattle hide also fetches good value which means the transportation cost of Indian economy can be reduced. The Cow's dung can be utilized for generating biogas and power. The Cow's urine can be utilized for improving health particularly by its use in medicines etc. But the people today are not able to harness or visualize the real economic and financial benefits of Cows. Since the farmers have not followed strict norms of breeding and feeding Cows and due to absence of good quality feed, the productivity of Cows has come down. Due to lack of awareness of other benefits of Cows apart from milk production, the Cows abandoned and Cow slaughter has become now a political issue. The state governments are imposing ban on Cow slaughter without finding alternate solutions to manage the unproductive Cows. It is required to persuade people (particularly farmers) to save Cows because they are economical in real sense. Article 48 of the Constitution says: 'The State shall endeavour to organise agriculture and animal husbandry on modern and scientific lines and shall, in particular, take steps for preserving and improving the breeds, and prohibiting the slaughter of cows and calves and other milch and draught cattle'.

FINANCIAL POSITION OF INDIA

Since independence, the Indian economy has seen various changes in different sectors of economic growth. Team Firstbiz (2014) states that the Gross Domestic Product of India has grown from Rs. 2.7 lakh crore (year 1947) to Rs. 57 lakh crores (Year 2014) and the nation's foreign exchange reserves have grown to over \$ 300 billions from a mere \$ 2 billion at the time of independence. It is also detailed that the food grain production has become more than doubled, to a record 264 million tones in the fiscal year 2014; however, it is insufficient to feed the fast growing population therefore the country needs to produce more. India's imports have shot up at a faster pace than exports over the decades resulting in a widening gap in the trade balance. India's current account deficit widened to a record 4.8 percent of the GDP in the fiscal year 2013. The country's external debt has surged to \$440 billion in 2014. The external debt, which comprises of government and non-government borrowings, has risen mainly because of increase in the non-government debt. At end March, 2014, total government debt stood at \$82 billion and that of non-government debt at \$359 billion. As per latest report of Ministry of Finance (2016), India's external debt stock stood at US\$ 485.6 billion at end-March 2016 as against US\$ 475.0 billion at end-March 2015.

The financial position of India clarifies the picture after initiatives undertaken like implementing five-year plans, giving financial assistance to farmers, encouraging small industries etc. Henry Hill (2014) states that at the time of independence, India's freedom fighters, politicians and constitution drafters had one goal for the country – to be self-sufficient and remain self-reliant. But today, India is one of the biggest importers of petrol in the world and India is also one of the biggest consumers of petrol. Although India is coal producer, but the amount generated is not sufficient to meet the requirements and it imports coal to meet energy needs Indonesia and other South East Asian countries. Further, India imports food and agricultural produce and has become one of America's biggest markets. In other words, India can become truly independent if it has lack of dependence over other countries economically and environmentally. This case study highlights the amount, the nation is suffering due to dependence over other countries and how the amount can be saved by utilizing cows' live stock as a resource. Before this study, various experts have studied and performed research on issues relevant with this study, a few of them are reviewed as under:

Nguyen Viet Khoi and Tran Van Dung (2014) studied the dairy industry of Viet Nam and suggested solutions to improve the income distribution in dairy value chain. He suggested lowering the dependence of dairy farmers on processors by forming a direct relationship between farmers and final consumers. Frank J. Korom (2000) described the status of cow in Hindu religious texts, ritual uses of the cow and her products. K. Dhama, R.S. Chauhan and Lokesh Singhal (2005) described that the five major substances (urine, milk, ghee, curd and dung) obtained from Cow, possess medicinal properties and are used singly or in combination with some other herbs to cure diseases, even those not curable by allopathic treatments. He explained the benefits of Cow urine as a remedy and the medicines from it are useful to cure several diseases, under 'panchagavya therapy' or 'cowpathy'. Australian Dairy Farmers and Australian Dairy Industry Council Inc (2014) described husbandry principles and practices to keep cows in peak condition including nurturing, feeding, milking, monitoring, handling, adopting and assuring. It clarified the importance of milking and handling cows in a calm, stress-free environment and given focus areas to consider for attaining high performance of cows. Virendra Kumar Jain (2017), a cow urine therapist found that the cow's urine contains various useful elements: Urea, Uric acid, Minerals, Bioactive substance and hormones (including Urokinase, Epithelium growth factor, Colony stimulating factor, Growth hormone, Erythropoietine, Gonadotropins, Kallikrin, Tripsyn inhibitor, and Allantoin), Anti-cancer substance, Nitrogen, Sulphur, Ammonia, Copper, Iron, Phosphate, Sodium, Potassium, Magnesium, Carbolic Acid, Calcium, Salts, Vitamins (A, B, C, D, E), Lactose Sugar, Enzymes, Water, Hippuric Acid, Creatinine, and Swarna Kshar. He explained that the cow urine contains various elements which are present in human body and equally required by the body. The cow urine balances the elements and re-establishes the equilibrium for a healthy body. On basis of various research studies at Cow Urine Treatment and Research Center, Indore; Virendra Kumar Jain reached at the conclusion that it is capable of helping in diabetes, blood pressure, asthma, psoriasis, eczema, heart attack, blockage in arteries, fits, cancer, AIDS, piles, prostrate, arthritis, migraine, thyroid, ulcer, acidity, constipation, gynecological problems, ear and nose problems, abortion and several other diseases.

On the basis of above review of literature, it has been clarified that no study has evaluated the amount which may be saved by increasing the live-stock of cows and utilizing it as per economic and financial aspects and prospects for the nation.

RESEARCH METHODOLOGY

The main objective of the case study is to describe the benefits of cows and analyze the economic and financial aspects particularly in relation with agriculture, health, medicine, environment, and energy in securing the wealth of nation. Further, it also aims to find out the initiatives may be taken by Government for fully utilizing the economic and financial benefits of cows and how cows can be proved not only a part of ensuring sustainable economic development, but also a mean to recover India from international financial debt. The scope of the case study is restricted to the study of Cows and economic & social framework of India has been considered while analyzing data and deriving conclusions. However, the findings can also be applied also to other countries on the basis of similarities of their environment with Indian economy. The data has been collected from the secondary sources of various Government departments as per the requirement of research.

FINDINGS

1. ECONOMY IN EXPENDITURES OVER FERTILIZERS BY USING COW'S MANURE

Wikipedia (2016) states that the total cultivable area in India is 1,945,355 km² (56.78% of its total land area), which is shrinking due to population pressures and rapid urbanization. Trading Economics (2017) reports that India has been importing fertilizers ranging from 2668.48 USD Million to 12011.24 USD Million during the decade 2006-2015 as detailed in the following chart:

CHART 1

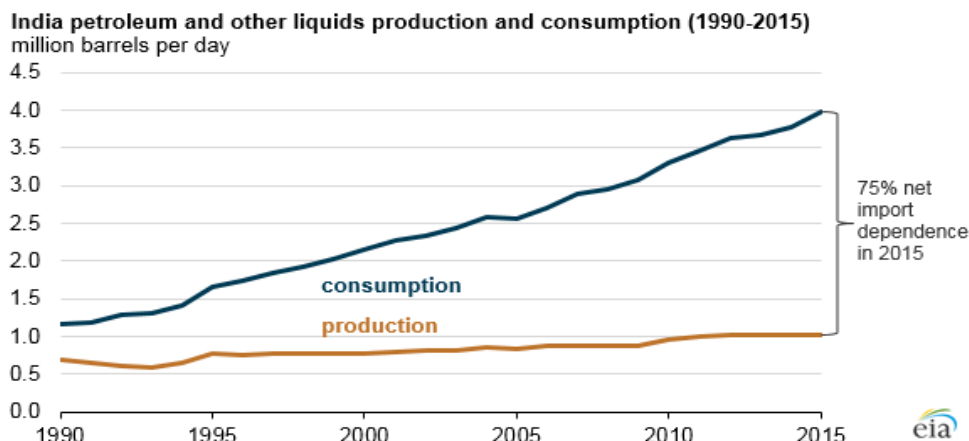


From economic and financial perspective, the cow's dung is one of the best forms of natural fertilizer which saves the crop from pest, insect and fungi. Even in earlier times when chemical fertilizers had not been introduced, the cow's dung had been used for soil enrichment as an age old agricultural practice. By promoting use of cow's dung as manure, a significant amount being spent on imports of fertilizers can be saved.

2. ECONOMY IN EXPENDITURES OVER PETROLEUM PRODUCTS

Due to lack of natural petroleum resources, the nation depends upon imported crude oil to meet its requirements. The domestic crude oil production has been insufficient and India's dependence on oil has increased to 81% in 2015-16 from 78.5% in the previous year. In Economic Times, Sanjeev Choudhary (2016) reported that Prime Minister Narendra Modi had emphasized to reduce the import by setting a target of bringing this down to 67% by 2022. The gap between India's oil demand and supply has been widening due to increase in demand. Based on EIA estimates, imports supplied 75% of the country's total liquids demand, as India's total liquid fuels consumption in 2015 reached more than 4 million barrels per day (b/d), compared with about 1 million b/d of total domestic liquids production. Demand for crude oil and petroleum products in India is projected to continue climbing, further increasing the country's oil import dependence as shown in the following diagram:

CHART 2



Source: U.S. Energy Information Administration, International Energy Statistics and Short-Term Energy Outlook

The processed crude oil, production and net imports of petroleum products have been analyzed in the following table:

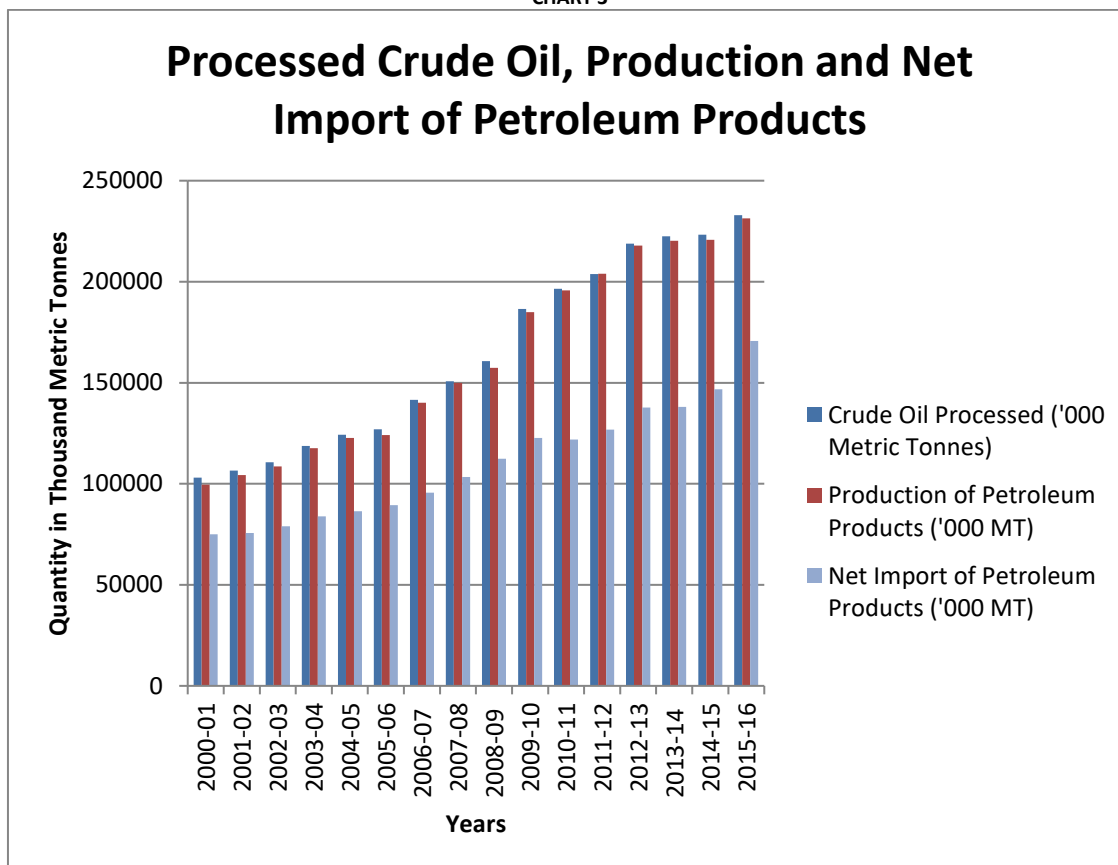
TABLE 1: PROCESSED CRUDE OIL, PRODUCTION AND NET IMPORT OF PETROLEUM PRODUCTS

Year	Crude Oil Processed ('000 Metric Tonnes)	Production of Petroleum Products ('000 MT)	Import of Petroleum Products ('000 MT)	Import of Petroleum Products ('Rs. Crores)	Export of Petroleum Products ('000 MT)	Export of Petroleum Products ('Rs. Crores)	Net Import of Petroleum Products ('000 MT)
2000-01	103110	99578	83364	78025	8365	7672	74999
2001-02	106540	104343	85715	67646	10085	8285	75630
2002-03	110580	108674	89217	85042	10289	10868	78928
2003-04	118680	117640	98435	93251	14620	16781	83815
2004-05	124302.275	122749	104689	131890	18211	29928	86478
2005-06	126986.164	124080	112850	199672	23460	49973.5	89390
2006-07	141463	140070	129162	260189	33624	81094.3	95538
2007-08	150805.667	149893	144134	333698	40779	110789	103355
2008-09	160710.461	157436.4	151361	409460	38944.4	122475.3	112416.6
2009-10	186562.325	185000	173924	408964.1	51154.92	144687.4	122769.1
2010-11	196485.282	195785.6	180974.4	511274.6	59077.09	196860.7	121897.3
2011-12	203757.152	203993.6	187578.5	740311	60837.34	284644.2	126741.2
2012-13	218847.437	217821	201149.4	853504.3	63407.76	320089.6	137741.6
2013-14	222452.676	220311.8	205935.2	940771	67864.01	368279.1	138071.2
2014-15	223263.997	220740.1	210736	762060.3	63931.86	288579.8	146804.2
2015-16	232853.751	231275.3	231152.6	482164.2	60536.28	176772.9	170616.3

Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum and Gas, Government of India, New Delhi.

It depicts that India's net import of petroleum products has increased from 74999 thousand Million tones (FY 200-01) to 170616 thousand Million tones (FY 2015-16).

CHART 3



Marvin Harris (1978) explained that the cost of maintaining live-stock of cows for the farmers and Gaushalas is very less as the cows ate only the inedible remains of subsistence crops-rice straw, rice hulls, the tops of sugar cane, mustard-oil cake etc. The cows graze in the fields after harvest and eat the remains of crops left on the ground; they forage for grass and weeds on the roadsides. Further, it is must to reduce the dependence of nation over petroleum products for making India self-reliant. The petrol is consumed in transportation means which have been used to travel over short and long distances. Government can formulate policies to encourage people using eco-friendly transportation means including cow-based carts to travel over short distances. Instead of building metro rails and increasing buses-connectivity; Government should also focus upon utilizing live-stock of cows in transportation.

3. ECONOMY IN EXPENDITURES OVER LIQUID PETROLEUM GAS (LPG)

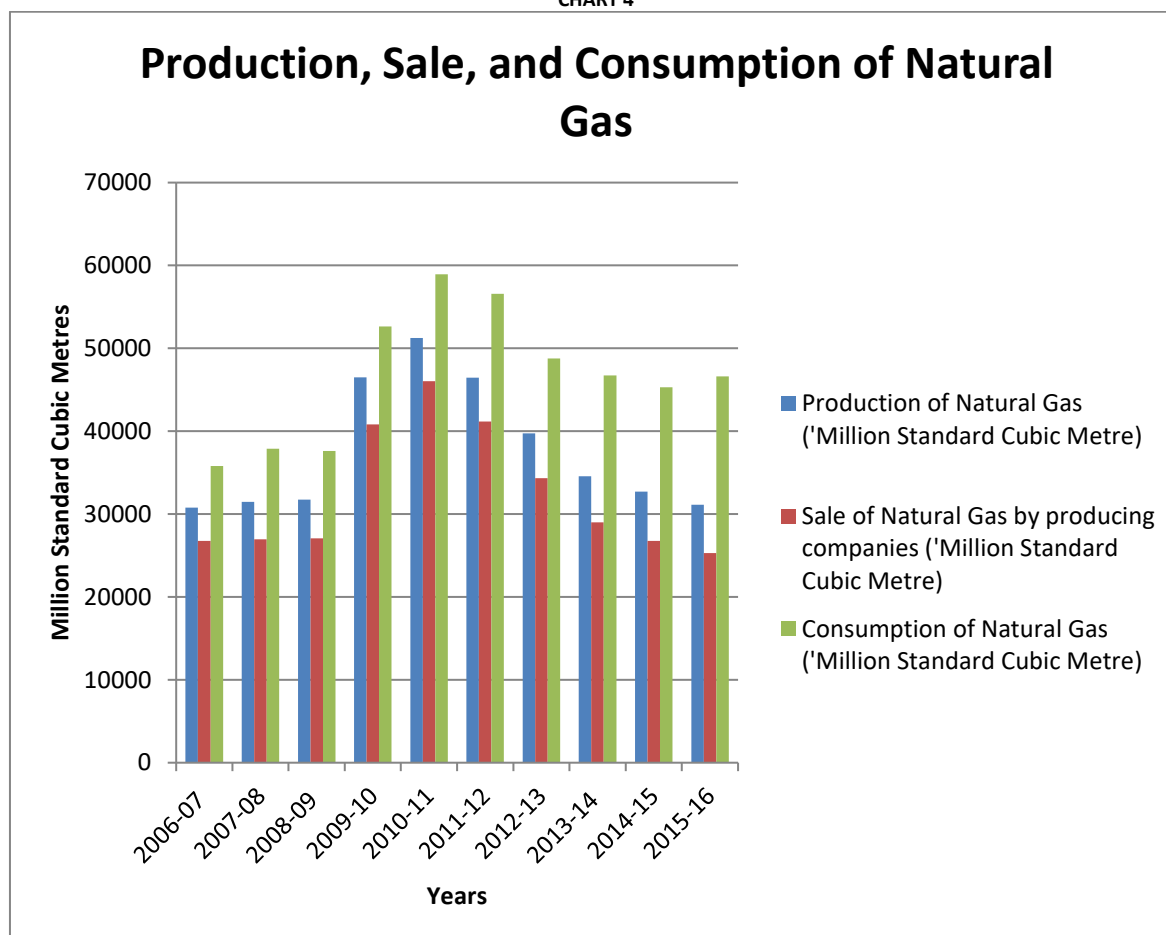
Due to increasing demand of energy, the government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others. According to India Brand Equity Foundation (2016), India is the fifth-largest Liquefied Natural Gas (LNG) importer after Japan, South Korea, the United Kingdom and Spain; which accounts for 5.5 percent of the total global trade. The LNG imports had increased by 24 per cent year-on-year in January 2016 to 1.98 Billion Cubic Metres (BCM). Domestic LNG demand is expected to grow at a CAGR of 16.89 per cent to 306.54 Million Metric Standard Cubic Meter per Day (MMSCMD) by 2021 from 64 MMSCMD in 2015. The following table depicts that India's consumption of Natural Gas has increased from 35796 Million Standard Cubic Metres (FY 2006-07) to 46616 Million Standard Cubic Metres (FY 2015-16).

TABLE 2: PRODUCTION, SALE, AND CONSUMPTION OF NATURAL GAS

Year	Production of Natural Gas ('Million Standard Cubic Metre)	Sale of Natural Gas by producing companies ('Million Standard Cubic Metre)	Consumption of Natural Gas ('Million Standard Cubic Metre)
2006-07	30791.44	26771.18	35796.18
2007-08	31478.57	26974	37904
2008-09	31751.02	27063	37607
2009-10	46485.88	40831.1	52653.1
2010-11	51229.29	46042	58934
2011-12	46453.33	41170.31	56582.31
2012-13	39752.94	34348.27	48792.27
2013-14	34574.06	28984.27	46712.27
2014-15	32693.22	26780.33	45316.33
2015-16	31138.48	25306.68	46615.68

Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum and Gas, Government of India, New Delhi.

CHART 4



As per the Ministry of petroleum, Government of India, India has 1,437 billion cubic metres (50.7×10¹² cu ft) of confirmed natural gas reserves as of April 2010. A huge mass of India's natural gas production comes from the western offshore regions, particularly the Mumbai High complex. The onshore fields in Assam, Andhra Pradesh, and Gujarat states are also major producers of natural gas. As per Energy Information Administration Report, India produced 996 billion cubic feet (2.82×10¹⁰ m³) of natural gas in 2004. India imports small amounts of natural gas. In 2004, India consumed about 1,089×10⁹ cu ft (3.08×10¹⁰ m³) of natural gas, the first year in which the country showed net natural gas imports. During 2004, India imported 93×10⁹ cu ft (2.6×10⁹ m³) of liquefied natural gas (LNG) from Qatar. As in the oil sector, India's state-owned companies account for the bulk of natural gas production. ONGC and Oil India Ltd. (OIL) are the leading companies with respect to production volume, while some foreign companies take part in upstream developments in joint-ventures and production sharing contracts. Wikipedia (2016) explained that Reliance Industries, a privately owned Indian company, will also have a bigger role in the natural gas sector as a result of a large natural gas find in 2002 in the Krishna Godavari basin. The Gas Authority of India Ltd. (GAIL) holds an effective control on natural gas transmission and allocation activities. In December 2006, the Minister of Petroleum and Natural Gas issued a new policy that allows foreign investors, private domestic companies, and Government oil companies to hold up to 100% equity stakes in pipeline projects. While GAIL's domination in natural gas transmission and allocation is not ensured by statute, it will continue to be the leading player in the sector because of its existing natural gas infrastructure.

According to Frances Moore Lappe in her best-seller, 'Diet for a Small Planet'; cattle are India's greatest natural resource. They eat only grass which grows everywhere and generates more power than all of India's generating plants. They also produce fuel, fertilizer, and nutrition in abundance. India runs on bullock power and 15 million bullock carts move approximately 15 billion tons of goods across the nation. Bullocks not only pull heavy loads, but also grind the sugarcane and turn the linseed oil presses. He also explained that converting from bullocks to machinery would cost an estimated \$30 billion plus maintenance and replacement costs. To replace dung with coal would cost India \$1.5 billion per year. Dung is also used for both heating and cooling. Packed on the outside walls of a house, in winter it keeps in the heat, and in summer produces a cooling effect. Also, unlike the stool of humans, it keeps flies away, and when burned, its smoke acts as a repellent for mosquitoes. Govardhan Eco Village (2013) explained that the cow's dung is used in producing biogas, a cheap alternative source of energy that can be used as a fuel for cooking or to even produce electricity. Researchers at Hewlett Packard Co.'s HP Labs have found ways to power their data servers using cow manure. Marvin Harris (1978) reported that 800 million tons of manure produced annually by the live-stock of cows in India. From 40 to 70 percent of all manure produced by Indian cattle is used as fuel for cooking; the rest is returned to the fields as fertilizer. Dried dung burns slowly, cleanly, and with low heat - characteristics that satisfy the household needs of Indian women. It is estimated that the dung used for cooking fuel provides the energy-equivalent of 43 million tons of coal. At current prices, it would benefit India with 1.5 billion dollars in foreign exchange if dung is replaced with coal. In case, initiatives are taken to increase the live-stock of cows and utilizing their dung for such various purposes, it will bring economy in expenditure over Liquid Petroleum Gas (LPG).

4. ECONOMY IN EXPENDITURES OVER ALLOPATHIC MEDICINES BY SUBSTITUTING PHARMA BASED MEDICINES WITH COW'S PRODUCT BASED MEDICINES

The cow provides five products known as panchgavya (urine, milk, ghee, curd and dung). All the five products possess medicinal properties, and are used singly or in combination with some other herbs against many diseases, even those not curable by allopathic treatments. This kind of alternative treatment, termed as 'panchgavya therapy' or 'cowpathy', has been reported to be beneficial even for dreaded diseases like cancer, AIDS and diabetes. Practitioners of Ayurvedic medicine from India routinely use cow urine as a remedy and the medicines made from it are used to cure several diseases. Virender Kumar Jain (2010) in his article explained that cow is a mobile medical dispensary. It is the treasure of medicines. Cow urine therapy is capable of curing many curable and incurable diseases.

IMPLICATIONS OF RESEARCH STUDY

This study highlights the economic and financial benefits of Cows for an economy. In Indian context, the encouragement to adopt Cows in societies can easily save a lot of expenditures being made in importing fertilizers, petroleum products, gas, and allopathic medicines. If the expenditure is being saved, India can move forward to be self-reliant by reducing its dependence over imports and the fiscal deficit can easily be reduced. After adopting it over a longer period, the India can

also be converted back into golden sparrow. The study discloses various facts relating to economic and financial aspects of Cows and how government can move forward on framing policies to derive maximum benefits to Indian economy.

SCOPE FOR FURTHER RESEARCH

The research study further gives opportunities to accurately measure the savings in rupees to Indian economy by encouraging economic and financial aspects of Cows. Further research can also be carried out to find out the ways of reducing dependence of India over imports in addition to using Cows as a major resource. This study provides a base for research various issues to facilitate Indian Government for being self-reliant and can be proved as a mean to be self-sufficient.

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FACTORS AFFECTING SELECTION OF B- SCHOOLS IN INDORE, INDIA**NIDHI JHAWAR****ASST. PROFESSOR****INSTITUTE OF BUSINESS MANAGEMENT AND RESEARCH****IPS ACADEMY****INDORE****BARKHA AGRAWAL****ASST. PROFESSOR****INSTITUTE OF BUSINESS MANAGEMENT AND RESEARCH****IPS ACADEMY****INDORE****ABSTRACT**

The Business schools are on the edge of hard-hitting time in India especially due to competitive environment and in order to face this competition the Business Schools need to offer high standards and value to the students. The management institutions have to foresee and respond to student's requirements, desires and their preference factors in selection of B- Schools. After taking into account the challenges faced by these management education institutions it is apparent that B-schools should pay attention more on marketing strategies applied by profit organizations. The fundamental function of education is to create proficient and capable corps of persons who can form an expert manpower resource for national development at a later stage. Though education provides behavioral changes in human beings but actually its advantages are multidimensional which in future offer broader national welfare. Now a days, at the time of selecting B-schools the students and their parents expect very high. As a result, it is the objective of this paper to investigate the institutional factors that are responsible for the choice of B- schools by the students in Indore city of Madhya Pradesh. The data was collected by designing a structured questionnaire. A sample of 250 students was collected from the Indore city. The factors were extracted by factor analysis technique. It was observed that the factors that influence the students' decision are co-curricular /extracurricular activities, placement opportunity, faculty, University result percentage, services and facilities, financial aids, locality and remark of alumni.

KEYWORDS

indore, student's choice decision, institutional factors, management institutions.

INTRODUCTION

Master of Business Administration a formal system of management in India started in 1950 at Andhra University. Indian Institute of Management & Social Welfare was started in 1954 & the name emphasis on welfare of the society. Now the numbers of institutions are offering this professional course on account of acceptance by the industry. IIM's & only few other institutes are able to attained the high standards of selection criteria for the management education entry. The total number of management institutes in India according to the AICTE report 2012 is 3556. The data is the spectator for the tremendous growth in the stream of management.

Distance education program is a new dimension in management education & an initiate by Indira Gandhi National Open University (IGNOU). At present several other universities are offering these kinds of modular programs introduced with novel element of flexibility in the rigid structure. India has one of largest number of management institutes next to USA. Growing acceptance & importance into the industry has given a potential growth in this field but at the same time a number of difficulty & challenges also arises. To maintain the quality standards in the competitive edge is becoming very difficult. Due to the increased number of institution in management an institute should have a competitive advantage which is the core need for survival. Quick response on students need, understand their choice factors & reaction on that is very important to stand apart from the competition. Keeping all the challenges in mind B-Schools are coming up with increasing marketing techniques. The basic objective of this education is create a individual with competencies who can become at effective human resource for industry as well as for nation's growth in later years. Students are failing in doing the research for the selection of B-School whether the selected B-School is making sense for the academic growth & practical upliftment.

LITERATURE REVIEW

According to Bhola and Nalawade (2013) for female students Live Projects, Case Studies, well furnished seminar hall are required attributes and guest lecture is striking attribute while for male students computer with internet connection, latest technological seminar hall are held under required attributes and communication program and campus with proper fast wi-fi facility are held in attractive attributes. Farhan Mehboob et.al, (2012) analyzed that Career is the most ideal factor for students in their decision making. It was again concluded by O'Shaughnessy, Lynn (2012) that students hardly examine the affordability of the college they are going. The factors preferred by Indian students in the selection of B-school was found by Reddy in (2011). He studied the decision making process of the students and determined six factors i.e. supporting academic activities, achievement standards, wholesome academic contributions, physical amenities, personal and location ease, approval/endorsement.

Joseph Sia Kee Ming, 2010 found that management education system is facing an escalating competition to attract students amongst universities and top class education institutions. Competitive force has compelled the education institutions to adopt more viable marketing techniques to fight and attract the students in their respective fields. Consequently, it has become important for B-schools to pay attention in their marketing strategy planning to institutional factors that affect the choice of student selection decision of B-schools. Daniel and Stoner (2011) considered five factors that affect the decision making of a person in going to a college:-career/financial, social prospects, academic, self- acknowledgement and regulations/obligations. It was observed by Kiobassa et al. (2011) that while aiming for higher education, the overall individual aspects are ranked more important than occupational aspects.

Di Meglio Francesca, (2010) recommended to have a discussion with the students of the college and get their feedbacks about its culture, find out the its placement statistics, and consult with faculty members to find the scenario of his/her career development in the college. It is also suggested to visit the campus to have a glance at the living arrangements. Romi Sainy and Sanjeevni Gangwani (2010) advised that placement opportunity and ranking was the most essential factor rated by both students (male and female). Hunjra, et. al., (2010) conducted a study majorly on finance students. It was suggested by him that mass students found it to be a fascinating cause. A career in finance is mostly considered by the students for their personal growth and benefit in spite of participating in the society. Jean, et. al., (2010) observed in his study that the students choice of the type of university, he/she wish to apply depends strongly on the social class background of the student.

Ismail, (2009) found that students are pleased with the choice of the college associated with their information fulfillment with respect to academic acknowledgement. Beggs, et.al, (2008) identified that the important reason in the choice of an institute and major subject by students is compatibility with their interests. Vrontis, et. al., (2007) indicated academic ability, personality and gender as factors affecting student behavior at the time of their choice for higher education

institution. Malgwi, et.al., (2005) analyzed that women are more conscious about the choice of institute and aptitude in the subject then a men. Hoyt and Brown (2003) observed that financial considerations and immediacy are the two essential factors that have an impact on the students choice for further studies. Joseph & Joseph, (2000) suggested that the educational institutions must focus on course/syllabus, career information, facilities and physical aspects while generating sustainable competitive benefits in marketing tactics.

As identified by LeBlance and Nguyen (1999), price perception can be studied in the form of price/quality relationship as very vital factors, whereas Ford et al. (1999) concluded academic status, cost/time matters and program issues as the parameters of choosing universities. It was also studied that program issues such as variety of study program, degree program flexibility, main flexibility in change, choice of options in degree are the major important factors in choice of higher education institutions for students. Ruth E. Kallio (1995), recognized the factors influencing the students decision as follows: residency position, quality of academic environmental distinctiveness, work-related issues, spouse concern, financial assistance and campus social atmosphere. Hossler and Gallagher, (1987; Chapman 1981) found that in the second stage of search phase students collect information about higher education institutions and prepare a set of choice of institutions to which students are actually going to apply.

The students' preliminary college values, their various activities of search and search activities conducted by universities and colleges for students affect the search phase. Hossler and Gallagher 1987; John 1990; Nora and Cabrera 1992 concluded the third stage which is the final deciding choice of college or university a student will attend. Academic and occupational endeavor, costs and financial help and courtship activities of college or university inclined the choice phase. Students usually commit three mistakes at the time of admission are overreaching, financial considerations and ignorance of graduation ratios. It is apparent that students and parents face high cost both financial and emotional while selecting B-schools. Students and parents can be saved in reducing this cost considerably by guiding them in decision- making process. Students can get help in this process from the advisors and counselors which are found at high education institutes websites. To help students effectively in this concern, it is necessary to know the factors that have an impact on the process of decision- making in choosing a B-School.

OBJECTIVES

The study is done with the objective of finding out the various criteria for the selection of B-School & identifies the most common & least common factor for the selection of B-School by the students.

METHODOLOGY

The data is collected from the first year students of MBA in Indore city as respondents. Convenience sampling method is used to collect the data. 250 questionnaires have been circulated to the students. The questionnaire was in two parts. The first part consists of some general questions related to demographic profile & background information. The second part of questionnaire included five point Likert-Scale on college selection criteria.

A pilot survey was also done to check the reliability of the questionnaire. 20 managements first year students were asked to fill the questionnaire. The test gave the reasonable results with the chronbach alpha value.721 and after that the rest process has been done. Factor analysis technique is used as an appropriate statistical tool & to identify the most important & least important factors in this study.

RESULTS

The analysis of the study has given the seven factors which affect the decision making process of the students for the B-School selection in Indore region after applying the factor analysis tool. Following table shows the factor names & loading of factors.

TABLE 1: FACTOR ANALYSIS

TABLE 1: FACTOR ANALYSIS				
Factor Description	Factor Loading	Eigen Values	Variance	Cumulative Variance
Extracurricular Activity, Faculty and Placement				
Extracurricular activities	.984	9.758	24.395	24.395
Quality of Teaching	.984			
Experience Faculty	.977			
Brand Image	.984			
Industrial Link	.984			
B-School Ranking	.984			
Placement Record	.930			
University Results & Affiliations				
Study Environment	.977	7.826	19.566	43.960
Accreditations	.749			
Facilities & Resources				
Online Fee Payment, Online results	.990	6.600	16.501	60.461
Financial Aids & Scholarships	.990			
Specialization	.990			
Admission Process	.837			
Fee Structure	.770			
Social Factors & Others				
Distance from Home	.975	4.602	11.504	71.965
Existing Students Record	.975			
Alumni	.975			
College Representative/Counseling Process	.837			
Advertisement	.633			
Infrastructure				
Campus Visit	.977	1.796	4.491	82.101
Residential Campus	.920			
Well Equipped Computer Lab	.827			
Physical & Digital Library	.695			
Educational Tours				
Tours in India	.826	1.557	3.893	85.994
Foreign Tours	.804			
Collaboration with Foreign Institutes	.786			
Forceful Situation				
Elders Suggestion	.783	1.072	2.681	88.675
Discipline among the Students	.614			
Friends & Relatives	.977			

FACTOR I. EXTRACURRICULAR ACTIVITY, FACULTY AND PLACEMENT

Personality development, practical approach & industrial exposure is becoming more important than the classroom teaching. Therefore, extracurricular activities, student teacher relationship & placement are most important criteria while selection on B-School. It is pleasure feeling amongst the students when they are able to make good relations with their faculties. Placement is equally essential criteria & main concern. They feel proud when they good selected & placed after the completion of this professional course with good package. Teaching quality is directly related with the experience of faculties, their communication skills & level of digital literacy. So institute must have spent for the faculty development program because they plan an significant role in creation of brand image of the B-School.

FACTOR II. UNIVERSITY RESULTS AND AFFILIATIONS

Regular lectures, online availability of tutorials, good study environment & academic performance of current students are considering factors while selecting the B-School. Designed curriculum & the output of students in terms of good results create the interest among the students for doing things differently. The affiliation with government bodies like UGC & AICTE is again a matter of concern during the selection process.

FACTOR III. FACILITIES & RESOURCES

The students seek for aids provided by the institute those aids may include online connect with institute for fee payment, online result declaration, scholarship & loan facilities. These are the third important parameters.

FACTOR IV SOCIAL FACTORS AND OTHERS

Location, distance from home, cost of living in the hostel, safety & availability of transportation are the factors parents consider for the admission of their ward. Strong alumni background also creates good brand image of the institute. They become the inspiration for the freshers.

FACTOR V. INFRASTRUCTURE

The next factor is the infrastructure while selecting the B-School. That includes residential campus, digital interface, library & availability of internet.

FACTOR VI. EDUCATIONAL TOURS

Facilities of educational tours & collaboration with foreign institute is the another parameter of attraction for the selection process. But it is not that important factor like other above factors.

FACTOR VII. FORCEFUL SITUATION

The least considered factor in selection process is forceful situation. Now the society is equally educated. There is a little impact of parent's force for the selection of B-School. But friends, relative & known who are already studying in the same institute which you have taken into consideration may influence the selection decision.

CONCLUSION

This paper focuses on considering the influence of various selected factors that have an impact on the choice of students for B-school selection in Indore. The study shows that the co-curricular /extracurricular activities, placement opportunity, faculty are the major factors that affect the B-school selection decision. It is thought, principles and people that make an institute. The selection of faculty must be done very cautiously and constant faculty development should be focused. As compared to other streams of teaching, management has completely diverse course of teaching. It should be clearly understood that a management teacher inevitably needs to have a blend of academic knowledge and industrial experience; hence it cannot be taught by everyone. Faculty can gain industrial exposure to develop themselves by contact with executives through training and consultancy. A management faculty should be multitalented so that he/she can properly teach, do counseling work, train and be a good researcher.

An excellent placement opportunity should be offered to the students by B-school to safeguard the future of the students. The placement facility of an organization works as a bond between academic contributions provided to the students and a realistic approach of the industry. Students must take genuine interest in learning procedure. An academic institution must be treated by students as a temple of wisdom and learning and not as a source of getting jobs. Placement facility promotes students in getting transferred from learning centre to job centre. We can also say that placement provide training opportunity. It is intended for future career planning of the students and searches the job for which he/she has potential and interest. At the time of admission only, the competence of the students should be checked to promote those students only who have the passion to learn and ability for using their talent to serve the society at large.

The students are also worried about the results given by the universities, services and financial help, locality and feedback by the alumni. In addition to staff, a well equipped and furnished library is yet another requirement for a leading institution. There should be a enormous collection of books, journals and magazines in the library. High technological methods for communication should be used in classroom teaching. Audio-video facility and computer lab should be full of resources. All these facilities like computer lab, library, etc should be easily available to the students and at all the time. Students should not be restricted from availing these facilities. The choice of location for B-schools by management should take into consideration the various facilities required like living expenses, transportation and safety measures.

The high-quality result of the institute is necessary to develop healthy environment in the institute which motivate the students to perform something momentous hence well learned faculty should be made available to the students by the institutions. In order to provide a learning platform to the students to enhance their skills, institutions should organize seminars/workshops. Financial factor is again one of the major factors which can be improved by providing reasonable fee structure, scholarship and loan facility. The decision of students also has an impact of word of mouth by other students and academicians, thus B-schools need to concentrate on it.

Some of the factors which have a least effect on student's decision making are foreign trip, foreign alliance, and other forceful circumstances like family culture and seniors, friends and relatives suggestions. Thus, this study summarizes that students mind undergoes multiple factors not a single one while making the choice of B-school. This study aims to discover not only the influencing factors but also to explore their connection. It is also suggested by the result of this research that personality development is again a preferable area in the institution search by the management students as they don't favor only classroom teaching in India.

IMPLICATIONS

This study has given an understanding about the factors which are most & least important for the selection of B-School. This study is an encouraging sign that more studies can be conducted in this areas & B-School can refer the studies for the upliftment & survival in the prevailing competition. The future studies can look into other aspects including personal factors, family background & casual relationship between selection & satisfaction after selecting a particular B-School.

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THE ROLE OF IT INDUSTRY IN INDIAN ECONOMY

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ABSTRACT

The Indian IT industry has received remarkable support and attention from the government, media, capitalists, and technocrats. During the last 2 decades, it has made astonishing achievements. The share of IT Industry in India's gross domestic product (GDP) has radically increased from 7.5 percent in 2011-12 to 9.3 percent in 2015-16. The industry provides over 3.77 million direct and more than 10 million indirect jobs to the India's workforce. On the other hand, currently the industry come up with a number of challenges, like, global slowdown in economic activities, low employability of IT graduates, protectionist measures adopted by some importing countries, emergence of other competitors, infrastructure constraints, rising costs of production, discontinuation of fiscal incentives and lack of a supportive policy framework. In view of these aspects, this paper attempts to measure the current state of the industry and identify its future concerns. This study is based on secondary data collected from different published sources, including NASSCOM and Department of Information Technology, Government of India. This paper studies the growth trends in the gross value added, employment, and export of the industry; discusses its key challenges and give a brief description of its future prospects. The policies and initiatives taken by the government for its development have also been examined.

KEYWORDS

Indian software industry, economic development, IT exports, employment, GDP.

1. INTRODUCTION

With the remarkable support and attention received from the government, the Indian IT industry has achieved exceptional growth during the last 2 decades. Its share in the India's gross domestic product (GDP) has significantly increased from 0.62 percent in 1994-95 to 5.8 percent in 2008-09 and further to 8.1 percent 2013-2014. In the financial year 2015-2016, the share of the industry in the total GDP of the country was estimated to be about 9.3 percent. As far as employment generation in the industry is concerned, the number of direct jobs created by the industry has significantly increased from 0.52 million in 2001-02 to 3.6 million in 2015-16. The IT industry provides Indirect employment to more than 11 million people of the country (GOI, 2012). The industry has comparative advantage in the production and exports of IT products and services mainly due to availability of a large English speaking talent pool relatively at much cheaper wages (Arora et.al: 2001; Singh: 2002; Arora and Athreya: 2002; GOI: 2009; NASSCOM:2010 & 2012). The liberalized policy 'fast technological advancement and reduction in prices of computer hardware and fast expansion of engineering education in the areas of computer science and technology, have been emerged the key factors behind its remarkable growth. However, currently the industry faces a number of challenges such as global slowdown in economic activities, low employability of IT graduates, protectionist measures adopted by some importing countries, infrastructure constraints, rising costs of production of services, discontinuation of fiscal incentives under STPs scheme and lack of a supportive policy framework.

2. OBJECTIVES

1. To study growth trends in the industry.
2. To study Revenue Trends of IT and ITES Industry.
3. To study Employment Status of IT and ITES Industry.
4. To addresses its key challenges along with its future prospects.

3. RESEARCH METHODOLOGY

PERIOD OF STUDY: The study based on Industry Data for the period from 2011 to 2016 (i.e for 5 years)

SOURCE OF INFORMATION: Secondary data from various Reports from Department of Electronics and Information Technology has been taken to collect the required data for this study.

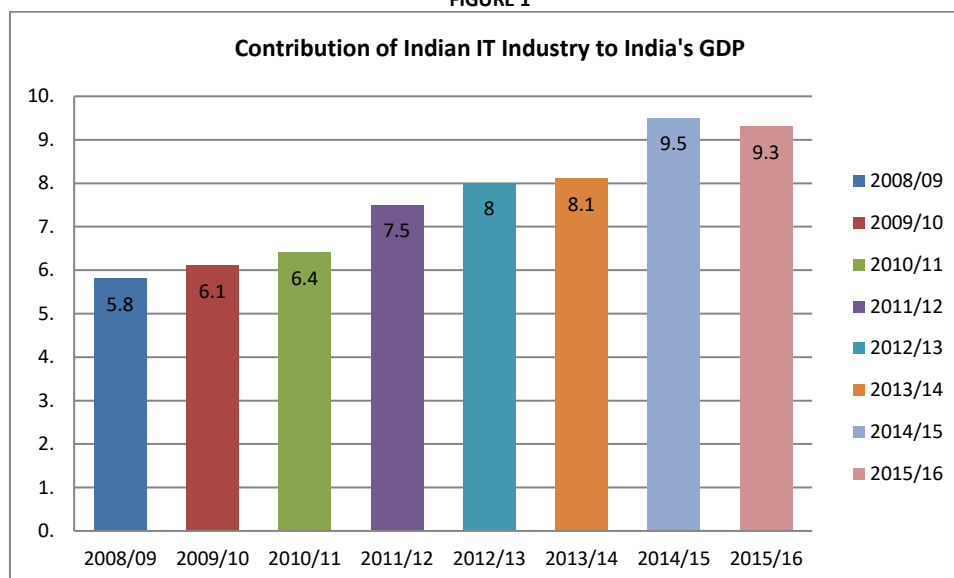
4. BRIEF HISTORY OF THE INDUSTRY

The emergence of the IT industry in India is a recent phenomenon, especially after mid 1990s, its origin can be dated back to 1974 when the mainframe manufacturer, Burroughs, asked its India sales agent, Tata Consultancy Services (TCS), to export programmers for installing system software for a U.S. client. During 1970s, domestic market for the IT products and services was almost absent and government policies toward private sector were not conducive. Indian economy was, then, state-controlled and private sector was subjected to various restrictions, including licensing. Import tariffs on computer hardware and software were quite high. Moreover, software companies were not given the industry status and as a result, software exporters were not eligible for bank finance (Dossani, 2005). Thanks to the Central Government headed by Rajiv Gandhi as Prime Minister during mid-1980s that the IT industry got policy thrust and it started evolving as a vibrant and fastest growing industry. The computer policy of 1984 explicitly acknowledged the importance of software development and underlined the need for institutional and policy support. The 1984 policy consisted of a package of reduced import tariffs on hardware and software (reduced to 60%), recognition of software exports as a "de-licensed industry", i.e., henceforth eligible for bank finance and freed from license-permit raj, permission for foreign firms to set up wholly-owned, export-dedicated units and a project to set up a chain of software technology parks that would offer infrastructure at below-market costs. In 1986, an explicit software policy was announced and software was identified as one of the key sectors on India's agenda for export promotion (Government of India, 1986). The Government of India enacted Information Technology Act 2000 to deal with different issues related to the industry. These efforts laid the foundation for the development of a world-class IT industry in India.

5. INDUSTRY GROWTH AND STRUCTURE

Indian IT industry has achieved phenomenal growth during the last 15 years. In 2010-11, the industry was estimated to generate aggregate revenues of USD 88.1 billion, with the IT software and services sector (excluding hardware) accounting for USD 76.2 billion of revenues (NASSCOM: 2012). Fig. 1 shows the trends in GDP of ICT sector at the current market prices. The ICT sector is divided into organized manufacturing and services. Further, services are also classified into two categories, namely computer related services and communication related services. It is observed that the overall GDP of the country has increased from 5.8% in 2008-09 to 9.3% in 2015-16.

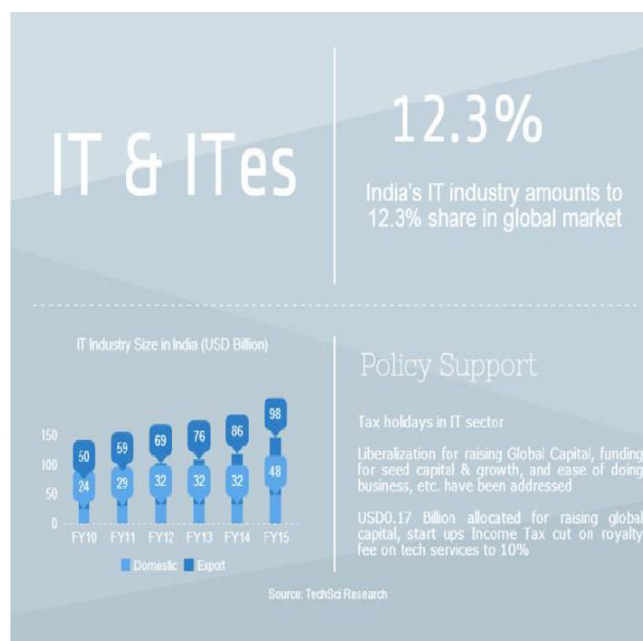
FIGURE 1



Source: Nasscom

Figure 2 also shows that the market shares of ICT sector (both service and manufacturing together) in the overall GDP of the country has gone up from 74 billion in 2009-10 to 146 billion in 2015-16. Within the ICT sector, it is the service sector that has recorded the phenomenal growth in its share in the total GDP, while share of ICT manufacturing sector does not evince any increase.

FIGURE 2



The structure of the IT industry is quite different from other industries. Unlike manufacturing units where bulk of raw material is required to produce the finished products, IT companies require knowledge as a major input and therefore mainly depend on skilled manpower. The success of the IT industry has been largely due to huge availability of skilled manpower relatively at cheaper cost. Since capital requirement for setting up an IT company is relatively low (mainly computer hardware, software and internet infrastructure), availability of trained manpower along with the enabling policy environment acted as driving factor for the emergence and growth of small IT companies.

The IT industry structure can be classified into four categories, namely, IT services, IT-BPOs (ITES), software products and hardware. IT services include a major part of the industry. These services comprise client, server, and web-based services. The major users of IT services are banks, government departments, finance & insurance services, retail & distribution, manufacturing etc. ITES is the most important category of the IT industry. Among others, it covers customer-interaction services, such as, call centres, back-office services, revenue accounting, data entry and conversion, HR services, transcriptions and translation services, remote education, data search, GIS, market research, network consultancy, etc. Software products are the major source of export of IT sector. India does not have any big role in the production of computer hardware. However, use of computer hardware in the domestic market is quite high. Due to increase in the number of IT companies, sales of desktops, laptops, servers, routers, etc have been on the rise in recent years. Recently many domestic and multinational companies have invested in the computer hardware market in India.

The industry has a pyramid structure with a few large domestic companies dominating the industry and a large number of small and medium sized companies. Small firms play a dominant role in the domestic market by supplying IT software and services. Most of the IT companies are operating in the high-end software services and are making efforts to enter in the software product segment. Government of India has established STPs and SEZs to boost the IT software and services exports. Now the software companies have moved up in the value chain, improving productivity, and exploring new markets.

TABLE 1: TOP 10 IT SOFTWARE AND SERVICE COMPANIES IN INDIA (2015)

Sr. No	Name of Company	Revenue (Rs. crores)	Net Profit	Market Capitalization
1	TCS	64672.93	18474.92	487919.14
2	Infosys Technologies	44341	10194	221528.83
3	Wipro	38757.2	7387.4	132380.73
4	HCL technologies	16497.37	5984.62	129933.28
5	Tech Mahindra	16295.1	2685.5	58621.88
6	Oracle Financial Services	3159.47	1148.36	29538.11
7	Mindtree	3031.6	451.2	11148.64
8	Mphasis	1328.97	223.08	8132.48
9	Rolta India	1142.89	459.39	1786.72
10	Cyient	1224.49	254.91	5725.92

Source: Official Website of NASSCOM

There are about 8000 IT software products and services companies have registered under the STPs, the market is dominated only by 15-20 big companies. Table 1 shows the ranking of top 10 companies according to their revenue. In terms of 2014-15 sales revenues, TCS occupies the first place among all the firms. It is followed by Infosys, Wipro, HCL Technologies and Tech Mahindra. Cyient has the lowest rank, followed by Rolta India, Mindtree and oracle financial services.

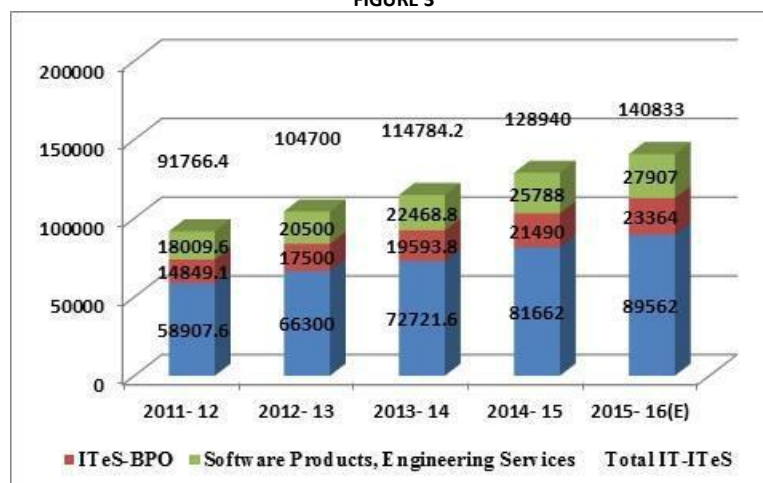
6. TRENDS IN OUTPUT AND EMPLOYMENT

The industry output is aggregate revenue (sales turnover) generated through selling of IT software and services, including IT-BPO. Trends are estimated only for the last 5 years. As table 2 shows that total revenue generated in the IT industry has enormously increased from Rs. 91766.4 crores in 2011-12 to Rs 140833 crores in 2015-16. Compound annual growth rate (CAGR) in the IT revenue is estimated to be 12.35 percent which is statistically significant at 1 percent level of significance. The annual growth rate in the revenue of IT industry is much higher than the overall GDP growth rate in the Indian economy during the same period. Figure 3 shows the revenue generated by IT industry through various segments.

TABLE 2: SEGMENT WISE DOMESTIC REVENUE TRENDS IN IT – ITES INDUSTRY (in INR Crores)

Year/Segment	2011-12	2012-13	2013-14	2014-15	2015-16(E)	CAGR % (2011- 16)
IT Services	58907.6	66300	72721.6	81662	89562	12.33
ITes- BPO	14849.1	17500	19593.8	21490	23364	12.97
Software product & Engineering services	18009.6	20500	22468.8	25788	27907	11.91
Total IT- ITes	91766.4	104700	114784.2	128940	140833	12.35

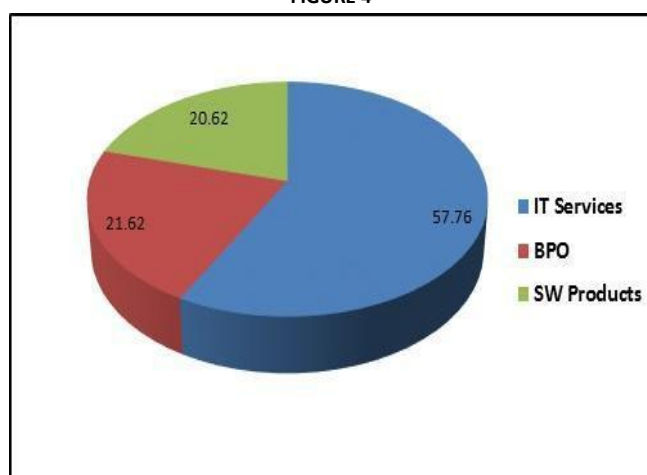
FIGURE 3



The given below figure 4 show that the maximum contribution in Revenue share is of IT Services i.e. 57.76% followed by BPO and SW Products with a share of 21.62% and 20.62% respectively.

IT-BPO REVENUE SHARE (YEAR 2015-16)

FIGURE 4



The various key driving factors in the growth of Indian IT industry are: strong competitive position of the industry with high market share; huge talent pool; well established delivery centres across the world; cost and tax advantages due to government policy initiatives such as STPs and SEZs; strong growth in export demand from new verticals and the non-traditional sectors such as public sector, health, media and utilities; increasing use of new and emerging technologies; and increasing IT adoption in various sectors of domestic economy. With Recent trends like, online retailing, cloud computing, e-commerce and e-governance have become the major driving forces behind the growth of the industry. Increasing internet penetration and affordability for personal computers has led to a rapid increase in the number of Internet users in the country to reach more than 121 million, out of which 17 million are online shoppers, according to the Internet and Mobile Association of India (IAMA). Thus, keeping in view the size of domestic market and low penetration of IT and ITES, it seems that the Indian IT industry would not only have more demands of its products and services in the global market but it also has huge potential demand in the expanded domestic economy.

If we look at the segment-wise employment in the industry, we find that exports of IT services constitute the highest share in the total employment generation in the industry. It is followed by IT-BPO export and domestic market. IT and ITES export has been the major source of employment in this industry and its share has increased from 1.15 million in 2011-12 to 1.844 million in 2015-16. The share of domestic market in total employment of the IT Software and Services Industry has also increased from 0.56 million in 2011-12 to 0.758 million in 2015-16. Table 4 shows that the total employment created by the industry has gone up from 2.77 million in 2011-12 to 3.68 (E) million in 2015-16.

IT-ITes exports constitute the major source of employment in this industry and its share has increased over the years. The details of direct employment by the sector for both, the Exports segment and domestic market segment, over the last five years are given below:

TABLE 3: EMPLOYMENT IN IT-ITES INDUSTRY (in millions)

Year/Segment	2011-12	2012-13	2013-14	2014-15	2015-16(E)
IT Services & Export	1.15	1.29	1.6	1.74	1.844
BPO Export	0.83	0.88	0.989	1.03	1.086
Domestic Market	0.56	0.60	0.699	0.745	0.758
Total employment	2.775	2.966	3.267	3.485	3.688

Source: Nasscom, E: Estimated

7. EXPORT TRENDS IN THE IT INDUSTRY

The most significant contribution of IT industry in the Indian economy is the foreign exchange earnings through export of IT software and services. The foreign exchange earnings of the IT sector are one of the key sources for reducing the trade deficit. The current account deficit (CAD) would have been much higher if the IT industry did not generate foreign exchange in the invisible head of the current account.

Table 4 shows that total export revenue of the IT industry has remarkably increased from US\$ 68.8 billion in 2011-12 to US\$ 107.8 billion in 2015-16. The table also reveals that

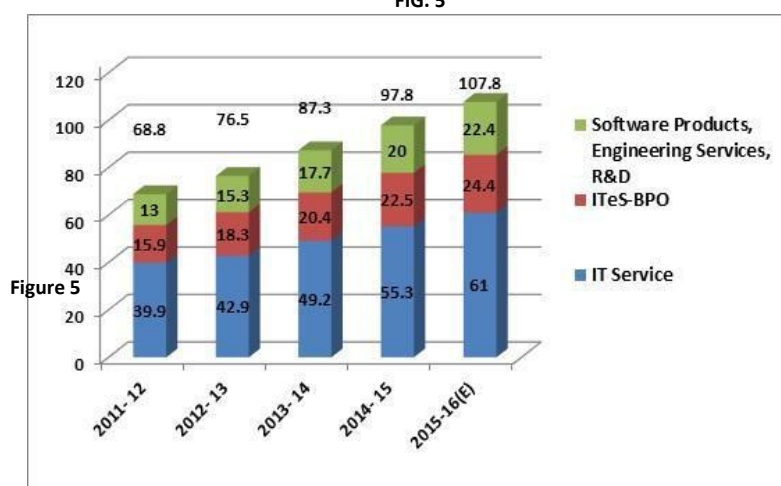
TABLE 4: SEGMENT WISE EXPORT REVENUE TRENDS OF IT AND ITES INDUSTRY EXPORT REVENUE TRENDS (In USD billion)

Year/Segment	2011-12	2012-13	2013-14	2014-15	2015-16(E)	CAGR%
IT Services	39.9	42.9	49.2	55.3	61	12.73
ITeS- BPO	15.9	18.3	20.4	22.5	24.4	11.43
Software Product ; Engineering services; R&D	13	15.3	17.7	20	22.4	14.46
Total IT-ITeS	68.8	76.5	87.3	97.8	107.8	12.81

Source: Nasscom, E: Estimated

As this is evident from the table 4 that Export of IT and ITes industry is estimated about USD 107.8 billion in the year 2015-16 that is rose upto 9% as compared to last year which was USD 97.8 billion. The growth rate of last five years is given in this table. There is an increasing trend with CAGR (12.81%) of last five years.

FIG. 5



The Segment-wise trends in export earnings of the IT sector are also estimated. Table 4 shows that IT services constitute the largest share of total export of IT industry, distantly followed by IT-BPO and software products/engineering services. Export of IT services has increased from US\$ 39.9 billion in 2011-12 to US\$ 61 billion in 2015-16(E). Thus, during the entire period under study, export of IT services grew. In case of export revenue of IT-BPO, the value has increased from US\$ 15.9 million in 2011-12 to US\$24.4 billion in 2015-16. As far as export revenue from software products/engineering services are concerned, Table 4 reveals that it has gone up from US\$ 13 billion in 2011-12 to US\$22.4 billion in 2015-16.

8. GOVERNMENT INITIATIVES

The liberalization of the Indian economy in the nineties has played a major role in the growth and development of the IT industry. The Economic reform measures, which include trade liberalization, elimination of duties on imports of IT products, relaxation of controls on FDIs and foreign exchange and the fiscal incentives, have been major contributory factors for the emergence of this industry. The Government of India set up Software Technology Parks (STPs) and Special Economic Zones (SEZs) for the promotion of the industry. Software Technology Parks of India (STPI) was set up in 1991 as an Autonomous Society under the Department of Electronics and Information Technology for boosting the software products and services. The scheme is a 100% export-oriented and is meant for undertaking of software development for export using data communication links. The scheme allows software companies to set up operations in most convenient and cheapest locations and plan their investment and growth driven by business needs. STPI has played a key role in the promotion of software exports with a special focus on SMEs and start up units. Since, the inception of the scheme, 52 STPI centres have been set up for the purpose of increasing the export of IT and ITES. Out of these 52 centres, 45 are in Tier II and Tier III cities (Annual Report of STPI, 2010-11). The major incentives provided to the IT companies under the scheme are: exemption

from customs duty on import of computer hardware and other IT products; exemptions from service tax, excise duty, and rebate for payment of central sales tax; 100 percent exemption from income tax of export profits till 31st March 2011; 100% FDI through automatic route; etc. The scheme is spread all over India and more than 8000 units have been registered under STP scheme. However, in view of the withdrawal of tax benefits for the STP units, the STPI has to evolve a new strategy and road map for further development of the IT sector.

Another scheme that benefits the IT industry is SEZ, which was set up by the Ministry of Commerce, Government of India with an objective of providing an internationally competitive and hassle free environment for exports. A SEZ is defined as a "specifically demarked duty-free enclave and shall be deemed to be foreign territory (out of customs jurisdiction) for the purpose of trade operations and duties and tariffs". The SEZ Act, 2005 came into effect on 10th February, 2006. The SEZ offers similar benefits to SEZ units as compared to those under STPI in respect of indirect taxes, with some minor differences in operational details. There is, however, a significant difference, in respect of income tax exemption. In SEZ scheme, the exemption of export profits from income tax is 100% for the first five years, 50% for the next five years and 50% for another five years' subject to transfer of profits to special reserves. These two schemes have helped to boost the growth of the IT sector of India.

Apart from these initiatives, the Central and the State Governments have also taken several other steps which directly or indirectly facilitate the growth of IT industry. Investment made by the government on various e-governance projects, including 'Aadhaar' and digitalization of databases of government ministries, expansion of IT services in rural areas, etc. have provided impetus to the domestic market of the IT industry. The Indian government has also established a National Taskforce on IT with an aim of formulation of a durable National IT Policy for India (GOI: 2009). The 12th Plan also focuses on the development of the IT industry. The Department of Information Technology proposes to strengthen and extend the existing core infrastructure projects, including fibre optic based connectivity and setting up additional 150,000 Common Service Centres (CSCs) to create the good governance and service delivery ecosystem at the Panchayat level (GOI, 2012).

Report of Working Group constituted by the Planning Commission (GOI: undated) for IT Industry under the 12th Plan also emphasizes on promotion of e-governance, e-learning, e-security, e-industry, etc. The National e-Governance Plan with a vision to make all government services accessible to the common man in his locality, through common service delivery outlets, and ensure efficiency, transparency, and reliability of such services at affordable costs is an important initiative to be taken by the Government of India. In the area of education, e-learning initiative would provide cost effective and flexible system of delivery of education. Cyber security threats pose one of the most serious economic and national security challenges. Government initiatives in this direction would also provide additional opportunities to the IT companies. The key strategies under the Plan are to create an enabling policy environment for making IT industry a leader in developed and emerging markets; support SMEs through fiscal incentives and innovations; build world class infrastructure in identified Tier II and Tier III cities to create potential centres of excellence; and reduce the employability gap through skill development initiatives. It is hoped that all these initiatives would further boost the output, employment and export growth in the IT industry.

9. CHALLENGES BEFORE THE INDUSTRY

The Indian IT industry has been facing number of challenges in the changing global scenario. Though, the industry continues to remain a major player in the global IT outsourcing market, over the period, some new players, such as China, Philippines, Vietnam, Poland, Hungary, Mexico, Brazil, Egypt, etc., have also entered in the global IT outsourcing market. Many of these countries are offering a number of incentives to attract global players to set-up operations in their countries. The attractive incentives offered by these countries to the IT companies have encouraged MNCs and Indian companies to set up their units in these countries. The Chinese government has initiated several schemes to promote R&D activities and building talent pool through investing more in education and skill formation. Another challenge before the Indian IT industry is that since the IT companies are relatively less capital intensive and more flexible in their operations, these companies can easily be relocated in a very short time to those countries which provide better infrastructure, policy environment and fiscal incentives. Therefore, if competitiveness of the Indian IT industry is to be kept maintaining, this potential challenge needs to be given a serious thought.

Reduced competitiveness of the industry is also seems to be a challenge. Cost of producing IT products and services is rising mainly due to inefficiencies in various infrastructural facilities such as power, transport, security; high real estate prices in the metros; and inadequate infrastructure in Tier II and Tier III cities. Due to Lack of public infrastructure, the IT companies have invested in world class facilities, extensive talent development initiatives, disaster recovery and business continuity, high cost of transport, enhanced security, captive power generation, UPS and other equipments which have overall created a cost disadvantage of 10 –15% as compared to other emerging markets.

Employability of majority of computer software and IT graduates is the major problem. According to NASSCOM that about 25 percent of technical graduates and 10-15 percent of other graduates are found suitable for the employment in the growing IT and ITES companies. Consequently, the effective pool of employable graduates is far lower than the overall pool of people entering the working-age population. The Table 5 shows a study conducted by *Aspiring Minds* related to the employability rate. The table demonstrates that employability of graduates is higher in Tier I cities as compared to other cities in all sub-sectors of the IT industry.

TABLE 5

Role	Tier 1 cities	Tire 2 Cities	% Decrease (T1 to T2)	Tire 3 Cities	% Decrease (T2 to T3)
IT Roles					
Software Engineer- IT Product	4.65%	3.48%	25.13%	2.31%	33.64%
Software Engineer- IT Services	18.99%	17.70%	6.77%	16.24%	8.25%
Associate- ITes Operations	37.91%	36.70%	3.21%	36.00%	1.89%
ENGINEERING ROLES					
Design Engineer – Non IT	6.65%	6.61%	0.70%	6.32%	4.31%
Sales Engineer – Non IT	19.62%	18.82%	4.12%	18.43%	2.06%
NON-TECH ROLES					
Business Analyst – KPO	11.88%	10.88%	8.38%	8.99%	17.36%
Associate – ITes/BPO	41.62%	39.96%	4.00%	39.48%	1.19%
Technical Content Developer	12.59%	11.79%	6.37%	9.79%	16.94%
Creative Content Developer	17.84%	16.75%	6.08%	14.64%	12.64%

Growth of the Indian IT industry largely depends on the export which has become more volatile due to global economic and financial crisis. USA and UK account for about 75-80 percent of the total export earnings of the industry. The financial crisis in USA and resultant protectionist policy measures adopted by the USA government has adversely affected the Indian IT industry. Some European countries have also adopted the protectionist measures against the outsourcing.

Although the Indian IT industry is a global leader in the outsourcing business, it lacks original technological development and relies mainly on the imported technology. A study by Chakraborty and Dutta (2002) identifies inadequate R&D investment, poor regulatory framework and lack of a sizable domestic market as the key constraints in the future development of the industry. Arora and Athreye (2002) also raise the doubt about the sustainability of the current export led growth in the industry without a vibrant domestic market. Therefore, technological innovation is necessary for improving the efficiency and productivity in the industry and maintaining its global leadership. Agrawal and Thite (2003) conducted in-depth interviews of stakeholders from Indian software organizations and found that the industry is facing many challenges, such as high rate of voluntary employee turnover; reluctance of professionals to make a transition from a technical to managerial position; lack of basic managerial and leadership skills; and work and learning preferences of software professionals that remain unmet.

In short, low employability of IT graduates, protectionist policy measures adopted by USA and some other countries, infrastructure constraints, rising costs of production of services, discontinuation of fiscal incentives under STPs scheme and lack of a supportive policy framework are the key challenges before the industry.

10. IT INDUSTRY FUTURE

In general India's success in the IT sector is due to the software industry's knowledge and expertise in cutting-edge technologies and its large base of skilled manpower. Both these strengths are likely to contribute to the industry's future growth. Wage costs in India are estimated about 1/3rd to 1/5th of the corresponding US levels for comparable work. In most of the countries, especially in advanced ones, number of aging persons is rising, while in India, proportion of young population has been rising over the period. This demographic factor would provide additional opportunities to the IT sector. The young people will not only consume more IT products and services and fuel the domestic market but also be the potential source of supply of low cost trained IT manpower for the industry. Apart from creating more number of IITs and NITs, the government has established several Indian Institutes of Information Technology, exclusively for the requirement of the IT industry. Private sector is also taking lead in opening up engineering institutes to cater to the manpower need of the software and IT companies. The brand equity that the Indian IT industry has made in the global market over the period will have an edge over the other competitors in the global market. The proliferation of IT and ITES and their continuing demand-led growth may well emerge to be a strong opportunity for India, both in terms of generating employment and export. Informal sector will also provide more opportunities to the industry in the areas of retail and wholesale trade, computer training, maintenance and repair, web design, desktop publishing, Internet cafes, web-based research, journalism, coaching centers, software development, etc. The increasing use of computers as an educational tool, rise in e-governance projects, and increasing demand of computers by households, small businesses, self-employed persons such as lawyers, doctors, architects, CAs, teachers, wholesalers, retailers, traders, transporters, etc would generate income and employment opportunities. Education and healthcare in rural areas are still a thrust area where IT can play a vital role to link the rural areas with advanced city life style. The domestic IT market, still in a nascent stage, is expected to witness substantial growth in future.

During the last 10 years, growth of the industry has largely driven by the external demand in the verticals like manufacturing, telecom, education, insurance, banking, finance and lately the retail. Now doubt, demands will continue to be made by these verticals, however future demand of the industry will be extended to some other emerging areas such as climate change, healthcare, energy efficiency, automobile, e-governance, sustainable energy, agriculture and rural development. With the future growth in educational institutions, healthcare infrastructure, transport and communication, socio-economic and physical infrastructure and digitalization and computerization of government ministries and organizations, and household demands for personal computers/laptops with internet services, the industry get further impetus. Keeping in view the huge size of the country in terms of population and aggregate GDP, the future of the IT industry in the domestic market also appears to be quite bright. Availability of low cost skilled manpower and the cutting-edge technologies are the key strengths of the industry which are expected to continue in future too. However, in order to retain talent, the industry should focus on three key areas—imparting professional training, offering competitive reward and employee empowerment (PcW: 2011).

11. CONCLUSION

Indian IT sector has made marvellous contribution to the GDP, employment generation, export earnings, poverty reduction, economic globalization, and women empowerment. It not only helped in improving the functioning of public services through e-governance but also promoted socio-cultural development and the concept of global village and borderless society. The liberalized policy; technological advancement and fall in prices of computer hardware and increase of engineering education in the areas of computer science and technology have been the driving factors in the magnificent performance of the industry. Though, the low employability, protectionist policies adopted by several countries, including USA, infrastructure constraints, rising costs of production of services, discontinuation of fiscal incentives under STP scheme and lack of a supportive policy framework and an innovation ecosystem are considered the main concerns in context of future growth of the industry.

Focus of the government and the industry should be on: improving of existing IT infrastructure; building of more enabling and conducive policy environment; improving the employability of prospective employees through effective industry-academia interaction and designing the curricula suited to the changing need of the industry; Moreover, there is a need to create effective domestic IT market to supplement export and insulate the industry from the volatile global market. Appropriate policy interventions are required to promote the diffusion of IT into various sectors and sub-sectors of the domestic economy. Growth of the Indian software industry largely depends on the imported hardware which is putting more pressure on the foreign exchange. To speed up and sustain the growth of the industry, focus on more investment in hardware infrastructure and technical education is required so that dependence on imported hardware may be reduced and the employability of manpower be improved.

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IMPACT OF E- COMMERCE: CHANGING TRENDS OF SMEs

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ABSTRACT

This study aims to Impact of E- Commerce - Changing trends of SMEs. Business managers of today are living in challenging times. Business targets had never been stiffer, work pressure and managing the complexities of competition is keeping them on their toes all the time. Today, success or failure of a business and the organisation is dependent wholly upon the organisation's ability to be flexible and to respond to the external changing environment. Only those who are able to adapt to the changes and those who are able to assimilate and learn from tomorrow's technology are able to run the race. Digit It identifies the e-commerce benefits realized by this business and investigates the relationship between the levels of e-commerce adoption and the changes thus realized. The study was motivated by the limited studies related to e-commerce and changing business trends. A survey of 50 business shows that the majority of them are still at an early stage in their adoption of e-commerce. The purpose of this study is to test the relationships between e-commerce impact and change business trends. Some factors consider as changing SMEs trends like market force, economic force and technological force as a moderator. The implications of the results of the study are discussed.

KEYWORDS

e-commerce, SMEs, economic force.

1. INTRODUCTION

Today, individuals have the power of internet in their hands. If one wants to book an airline ticket, it is pretty easy to do so online and it takes only a few minutes to complete the entire transaction of looking at the options, selecting the best priced deal, making an online payment and printing the confirmed ticket. As compared to talking to a travel agent for an hour and several calls, online booking is definitely a better deal. Take the case of courier industry. One can book a consignment to any location in the world and you can use the track and trace feature on the web to track the status of your parcel at any time. This feature makes a huge impact to a business which is sending some important and time bound cargo or document to another location. Look at how easy it has become to configure a computer that you want and order it online in an instant.

From the above examples it is very clear that the businesses that have adapted and embraced E Business and E Commerce have managed to be successful and ahead in the industry. Migrating to an E Business environment is not easy and simple. It is not as simple as it looks that one can just buy an application and host it on the net and attract customers. Embracing e business calls for Organisations to change their business models, business strategies as well as integrate their business processes with technology.

Organisations were traditionally product oriented. With times and changing environment they grew to understand and appreciate the need to be Customer centric and Customer relationship management became a key focus area. Being customer centric meant orienting the entire organisation and all its functions and divisions to be responsive to the internal and external customers. With the advent of E Commerce, the Organisations have got to understand the Customers and their needs, preferences and buying behaviour in new light and from the perspective of electronic and digital media.

Understanding the why, how and what of E Commerce and orienting the entire Organisation to be customer centric in the new environment calls for re-inventing the business model where technology becomes the driver and the key differentiator. The entire Organisation needs to elevate itself and graduate to new web enabling platforms where speed, information, visibility and co-ordination of multiple transactions, seamless working of applications connecting different business processes form the components of the business chain.

Speed is the essence of E Business. Organisations have no time to learn all about the new technology, analyse, understand and then make their decision to embrace and grow into the E Business. Time and speed will either make or break the businesses today. Therefore, the Managers and Management have got to work and migrate their businesses to the E Business platform at the speed of thought and it has got to be done now.

2. LITERATURE REVIEW

There is no single definition of e-commerce with various definitions being offered by several authors. Turban (2010) defined e-commerce as "the process of buying, selling, transferring, or exchanging products, services, and/or information via computer networks, mostly Internet and intranets". While, Tagliavini et al. (2001) argued that any economic activity conducted via the internet can be called e-commerce. In more detail, Clarke (2005) elaborated the detailed elements of e-commerce as: "support services for trading... encompass(ing) inter-organizational email, directories, trading support systems for commodities, products, customized goods and services, management information, and statistical reporting systems". Even though the definitions vary in exact detail, it can be seen from the definitions above that the use of ICT, particularly internet technology, is a main component of e-commerce. Hence in this study the definition of e-commerce refers to the use of networked information and communication technologies (ICT), especially Internet technology, in any business activities.

According to Turban (2010), the transition of traditional commerce to electronic commerce depends on the level of digitisation of the products/services sold, the process, and the delivery methods. If the digital element is found in any one of those then it can be said that the e-commerce exists, but only partial e-commerce. Whilst if all of these elements are digital, then it is considered as pure e-commerce. Buying a mobile phone from <http://www.apple.com> is one example of partial e-commerce, because there are physical dimensions to this transaction which are product and the delivery method. However, buying software from <http://www.amazon.com> is the example of pure e-commerce, because all of dimensions are digital (product, process and delivery method).

It cannot be denied that the e-commerce technology was originally developed to meet the needs of large enterprises in developed countries. However, the application of e-commerce is still suitable for SMEs in developing countries. E-mail, websites, internet, intranet, extranet, Electronic Data Interchange (EDI), Electronic Fund Transfer (EFT) and barcode are some of basic e-commerce technologies that are most likely relevant for the SME (Kurnia et al. 2015; Morteza et al. 2011; Mustafa and Beaumont 2004; Abell and Lim 1996).

The use of these technologies by SMEs is variable. Abell and Lim (1996) found that SMEs in New Zealand used the internet in order to communicate with internal and external parties, get information from suppliers, provide information, conduct R&D activities, to be seen at the forefront of technology, to do market and product research, place orders to suppliers, and take orders from customers. Drew (2003) found also that e-mail and intranet applications were used by SMEs for internal communication; whilst web sites were used to advertise, promote, recruit, and for procurement. In addition, Daniel and Wilson (2002) mentioned that e-commerce technologies assist SMEs in a wide range of activities, which are: providing information about the company, providing information about goods and services offered, taking and placing orders, receiving payment, delivering goods and services, after sales service or contact, identifying suppliers, purchasing inventory and non-inventory, communicating with internal and external parties, exchanging document and design with customers or suppliers, searching the information, advertising and recruitment activities. The breadth of e-commerce use in business activities reflects the level of e-commerce adoption where the wider

the use of e-commerce the higher level of e-commerce adoption. The wider the scope of e-commerce use in businesses, the more likely the realization of even greater commerce benefits (Zhu and Kraemer 2005).

In order to explain the level of e-commerce adoption, the concept of "stage of growth" or growth models are often used in previous studies. This concept recognized that information system(s), including e-commerce, in an organization are not fixed but experience several levels of development. Information System literature recorded several growth models developed by previous researchers. The first growth model was developed by Richard L. Nolan during the 1970s, which is well known as "Nolan's stages of growth model". In this model, there are six stages faced by the firm in respect of information system usage, namely: initiation, contagion, control, integration, data administration and maturity. Each stage has different features, and all of them will exist together.

Business success refers to firm to survive, reach its goals and their ability to generate net profit in SMEs business (DeLone and McLean, 2004). Prior studies suggest that the financial performance only is a very narrow scope to measure business success (Quaddus and Achjari, 2005). According to Kaplan and Norton (1992) argue that business performance must be measured from four different perspectives: financial, customer, innovation and learning perspective. DeLone and McLean (2004) propose the strategic perspectives such as goal attainment is considered to be measuring. Therefore, in this study, financial perspective, customer perspective, and strategic perspective are suitable for combining to measure business success (Jantarajaturapath and Usahawanitchakit, 2009).

3. DRIVING FORCES OF E-COMMERCE

E-Commerce is becoming popular, it is worthwhile to examine today's business environment so let us understand the pressures it creates on organizations and the responses used by organizations.

Environmental factors that create Business Pressures:

Market, economical, societal and technological factors are creating a highly competitive business environment in which consumers are the focal point. These factors change quickly, sometimes in an unpredictable manner and therefore companies need to react frequently not only in the traditional actions such as lowering cost and closing unprofitable facilities but also innovative activities such as customizing products, creating new products or providing superb customer service.

1. ECONOMIC FORCES

Economic Forces One of the most evident benefits of e-commerce is economic efficiency resulting from the reduction in communications costs, low-cost technological infra structure, speedier and more economic electronic transactions with suppliers, lower global information sharing and advertising costs, and cheaper customer service alternatives.

Categories of Economic Forces

Lower marketing costs: marketing on the Internet maybe cheaper and can reach a wider crowd than the normal marketing medium.

Lower sales costs: increase in the customer volume do not need an increase in staff as the sales function is housed in the computer and has virtually unlimited accessibility

Lower ordering processing cost: online ordering can be automated with checks to ensure that orders are correct before accepting, thus reducing errors and the cost of correcting them.

New sales opportunities: The website is accessible all the time and reaches the global audience which is not possible with traditional store front.

Economic integration is either external or internal. External integration refers to the electronic networking of corporations, suppliers, customers/clients, and independent contractors into one community communicating in a virtual environment (with the Internet as medium). Internal integration, on the other hand, is the networking of the various departments within a corporation, and of business operations and processes. This allows critical business information to be stored in a digital form that can be retrieved instantly and transmitted electronically. Internal integration is best exemplified by corporate intranets.

2. MARKET FORCES

Corporations are encouraged to use e-commerce in marketing and promotion to capture international markets, both big and small. The Internet is likewise used as a medium for enhanced customer service and support. It is a lot easier for companies to provide their target consumers with more detailed product and service information using the Internet. Strong competition between organizations, extremely low labor cost in some countries, frequent and significant changes in markets and increased power of consumers are the reasons to create market forces.

3. TECHNOLOGY FORCES

The development of information and communications technology (ICT) is a key factor in the growth of ecommerce. For instance, technological advances in digitizing content, compression and the promotion of open systems technology have paved the way for the convergence of communication services into one single platform. This in turn has made communication more efficient, faster, easier, and more economical as the need to set up separate networks for telephone services, television broadcast, cable television, and Internet access is eliminated. From the standpoint of firms/ businesses and consumers, having only one information provider means lower communications costs.

Moreover, the principle of universal access can be made more achievable with convergence. At present the high costs of installing landlines in sparsely populated rural areas is incentive to telecommunications companies to install telephones in these areas. Installing landlines in rural areas can become more attractive to the private sector if revenues from these landlines are not limited to local and long distance telephone charges, but also include cable TV and Internet charges. This development will ensure affordable access to information even by those in rural areas and will spare the government the trouble and cost of installing expensive landlines

4. SOCIETAL AND ENVIRONMENTAL FORCES

To understand the role of E-commerce in today's organizations, it becomes necessary to review the factors that create societal and environmental forces.

Changing nature of work force Government deregulations Shrinking government subsidies increased importance of ethical and legal issues Increased social responsibility of organizations Rapid political changes

Critical response activities by Organizations

A response can be a reaction to a pressure already in existence, or it can be an initiative that will defend an organization against future pressures. It can also be an activity that exploits an opportunity created by changing conditions.

Organizations' major responses are divided into five categories: strategic systems for competitive advantage, continuous improvement efforts, business process reengineering (BPR), business alliances and EC. These several responses can be interrelated and Ecommerce can also facilitate the other categories. The Three categories are described below.

1. STRATEGIC SYSTEMS

Strategic systems provide organizations with strategic advantages, thus enabling them to increase their market share, better negotiate with their suppliers, or prevent competitors from entering into their territory. There is a variety of EC supported strategic systems. An example is FedEx's overnight delivery system and the company's ability to track the status of every individual package anywhere in the system. Most of FedEx's competitors have already mimicked the system. So FedEx moved the system to the Internet. However, the competitors quickly followed and now FedEx is introducing new activities.

2. CONTINUOUS IMPROVEMENT EFFORTS

In order to improve the company's productivity and quality, many companies continuously conduct innovative programs. The efforts taken by companies for continuous improvement are

Improved productivity Improved decision making Managing Information Change in management Customer Service Innovation and Creativity.

For example, Dell Computer takes its orders electronically and improved moves them via Enterprise Resources Planning software (from SAP Corp.) into the just-in-time assembly operation. Intel is taking its products' consumption in 11 of its largest customers, using its extranets, almost in real time, and determining production schedules and deliveries accordingly.

3. BUSINESS PROCESS REENGINEERING (BPR)

Business Process Reengineering refers to a major innovation in the organization's structure and the way it conducts business. Information technology and especially EC play a major role in BPR. Electronic Commerce provides flexibility in manufacturing, permits faster delivery to customers and supports rapid and paperless transactions among suppliers, manufacturers and retailers.

Three primary processes are enhanced in e-business:

1. Production processes, which include procurement, ordering and replenishment of stocks; processing of payments; electronic links with suppliers; and production control processes, among others;
2. Customer-focused processes, which include promotional and marketing efforts, selling over the Internet, processing of customers' purchase orders and payments, and customer support, among others; and
3. Internal management processes, which include employee services, training, internal information-sharing, videoconferencing, and recruiting. Electronic applications enhance information flow between production and sales forces to improve sales force productivity. Workgroup communications and electronic publishing of internal business information are likewise made more efficient. The Internet economy pertains to all economic activities using electronic networks as a medium for commerce or those activities involved in both building the networks linked to the Internet and the purchase of application services such as the provision of enabling hardware and software and network equipment for Web-based/online retail and shopping malls (or "e-malls").

4. OBJECTIVES OF STUDY

1. To identify levels of e-commerce adoption in SMEs
2. To analysis factors pressures in adoption-commerce in SMEs
3. To analysis impact of E-commerce changing trends in SMEs

5. RESEARCH DESIGN

The main objective of this study is to investigate the impact of E-commerce changing present trends of SMEs. In order to answer the research questions and fulfill the study objective and the survey questionnaire was designed on the basis of a related previous studies to collect the required data.

6. DATA PRESENTATION AND ANALYSIS

This section deals with the presentation and analysis of the data collected for this research work. The data were presented and analyzed with regards to response to the research questions. All the data were presented in tables

7. DATA ANALYSIS

The data collected are presented and analyzed below so as to have a better understanding of the impacts E-commerce changing present trends in SMEs. In this study, an online questionnaire survey method was applied. The online questionnaire was chosen because this method is considered to have several advantages, which are that it is cheaper, better (in term of response rate), faster and easier than conventional methods (Fricker and Schonlau 2002).

8. SAMPLING METHOD

The respondents in this study are the business owner or manager. There were 50 questionnaires sent to respondents through e-mail.

1. The profiles of the business and respondents who participated in this study are presented in Table 1.

TABLE 1: PROFILE OF THE SMEs AND RESPONDENTS

	Frequency	%	
Industry type			
Agriculture	6	12	
Manufacture	10	20	
Electronic, gas and water supply	1	2	
Construction	5	10	
Trade, hotel and restaurant	18	36	
Transport and communication	3	6	
Finance, rent and service	5	10	
Others	2	4	
Total	50	100	
Firm size			#VALUE!
Micro	7	14	
Small	20	40	
Medium	23	46	
Total	50	100	
Respondent's gender			#VALUE!
Male	31	62	
Female	19	38	
Total	50	100	
Respondent's age			#VALUE!
Under 25 years old	5	10	
25–34 years old	10	20	
35–44 years old	15	30	
45–55 years old	18	36	
Above 55 years old	2	4	
Total	50	100	
Respondent's education			#VALUE!
Junior high school	6	12	
Senior high school	12	24	
Diploma	10	20	
Undergraduate	5	10	
Master	17	34	
Total	50	100	

2. The current stage of e-commerce adoption by these SMEs in more detail.

TABLE 2: THE LEVEL OF E-COMMERCE ADOPTION IN SMEs

	Frequency	%
Non adopters	10	7.2
E-mail	20	21.9
Static website	5	32.5
Interactive website	6	25.0
E-commerce	3	13.0
Internal integration	5	0.3
Total	50	100.0

This table shows that majority of owners adopted only static website (32.5%), 25% of owners are adopted in interactive website, 21.9 % of owners are adopted E-mail, 7.2% of owners are Non adopters. So this study saws that majority of the business owner is not willing to adopted E-commerce services. But present condition pressure to adopted E-commerce services.

3. It shows the technology force changing SMEs trends.

TABLE 3: THE PRESSURE OF E-COMMERCE IN TECHNOLOGIES BY SMEs

Activities	Number of SMEs	%
Logistics and distribution activities	15	30
Financial activities	10	20
Purchasing and procurement activities	7	14
Operational and Processing activities	6	12
Marketing activities	9	18
After sales services activities	3	6

This table exhibited that major pressure of factors in Technology for Logistics and distribution (30%), secondly Financial activities (20%), then marketing activity (18%) and so on.

4. The pressure of e-commerce in market by SMEs

TABLE 4: PRESSURE OF E-COMMERCE IN MARKET BY SMEs

Activities	Number of SMEs	%
Strong competition	21	42
Regional trade agreements	7	14
Increase power of consumer	9	18
Frequent and significant changes in market	13	26

This table exhibited that major pressure of factors in marketing strong competition (42%), Frequent and significant changes in market (26%), Increase power of consumer (18%), Regional trade agreements (14%).

5. The pressure of e-commerce in Societal and environmental by SMEs

TABLE 5: PRESSURE OF E-COMMERCE IN SOCIETAL AND ENVIRONMENTAL BY SMEs

Activities	Number of SMEs	%
Changing nature of work force	7	14
Ethical legal issues	13	26
Governmental deregulation	21	42
Increase societal responsible of business	9	18

This table exhibited that major pressure of factors in Societal and environmental;

Governmental deregulation (42%), Ethical legal issues (26%), Increase societal responsible of business (18%), Changing nature of work force (14%).

6. The pressure of e-commerce in economic SMEs

TABLE NO. 6: THE PRESSURE OF E-COMMERCE IN ECONOMIC SMEs

Activities	Number of SMEs	%
Marketing cost	25	50
sales cost	14	28
Order process cost	11	22

This table exhibited that major pressure of factors in economics for marketing cost (50%), sales cost (28%), order process cost (11%).

9. RESEARCH MODEL

HYPOTHESIS

One of the most important motives of this study is to evaluate the critical exams the e-commerce pressure changing present trends of SMEs.

1. H₀: There is no significant relationship between technology force and the adoption of e-Commerce

Since the computed value of (23.45) is greater than the tabulated value of (12.59), H₀ (null) hypothesis shall be rejected This shows that technology force is changing SMEs trends like Logistic and distribution activities, Financial activities, Purchasing and procurement activities, Operational and Processing activities, etc.

2. H₀: There is no significant relationship between market force and the adoption of e-Commerce

Since the computed value of (17.12) is greater than the tabulated value of (9.49), H₀ (null) hypothesis shall be rejected This shows that technology force is changing SMEs trends.

3. H₀: There is no significant relationship between economic force and the adoption of e-Commerce

Since the computed value of (19.21) is greater than the tabulated value of (9.49), H₀ (null) hypothesis shall be rejected This shows that technology force is changing SMEs trends. Economic Forces One of the most evident benefits of e-commerce is economic efficiency resulting from the reduction in communications costs, low-cost technological infra structure, speedier.

4. H₀: There is no significant relationship between Societal and environmental force and the adoption of e-Commerce

Since the computed value of (18.4) is greater than the tabulated value of (7.82), H₀ (null) hypothesis shall be rejected This shows that technology force is changing SMEs trends. Changing nature of work force Government deregulations shrinking government subsidies increased importance of ethical and legal issues increased social responsibility of organizations Rapid political changes

10. ANALYSIS AND DISCUSSION

This study has provided an overview of the adoption of e-commerce by SMEs in developing countries. By using India SMEs as a sample, the results of this study show that the majority of SMEs are still at the lower level of e-commerce adoption. It can be seen that most of them adopt only simple websites, such as a static website or interactive website; and, even more, some of them only have e-mail. Comparing with the SMEs in developed countries, this condition is certainly still far behind.

Even though e-commerce technology was introduced in India in 1996, this technology has only been widely known about in recent years. This explains why adoption appears to a relatively recent phenomenon. According to the International Communication Union (2007), in 2007 the average values of some indicators of ICT development in India were still far behind the average values of Asia and the world. However, this position has changed significantly since 2010. At that time, the India government through the Ministry of Communication and Information Technology issued a policy regarding the provision of affordable internet access for rural communities by relying on satellite connections (Donny 2014).

11. CONCLUSION

This study shows that the adoption of e-commerce by SMEs in a developing country, especially in India, is still at a low level. Most of them are e-mail and website adopters (both static and interactive website). Comparing to SMEs in developed countries, the level of e-commerce adoption by the India SMEs lags far behind. This condition certainly has implications for the government to further increase their efforts through promoting effective programmes and initiatives to encourage the level of e-commerce adoption by India SMEs.

This study also provides empirical support that the e-commerce provides many benefits for SMEs. The top six benefits reported by India SMEs are extending their market reach, increased sales, improvements external communication, company image, speed of data processing, and employee productivity. This result could enrich the understanding of SME owners about the potential benefits of e-commerce. A greater understanding about this will increase their probability to allocate some resources towards adopting e-commerce.

In addition, this study also shows that the benefits realized by SMEs tend to be increased by the increase in the level of e-commerce adoption. This condition certainly can be a consideration for SME owners in adopting e-commerce and this also will be useful for SME owner in deciding whether to move forward to the next stage or not.

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THE IMPACT OF STOCK SPLITS ON STOCK LIQUIDITY AND INVESTOR WEALTH CREATION

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ABSTRACT

The paper addresses the effect of stock splits on the share price and the stock's liquidity in the post event and pre-event window. A stock split is merely a cosmetic event as there is no impact on the overall market capitalization of the company. The criteria used to decide the quantum of change is "abnormal returns". According to our findings, there exists some abnormal returns in the pre-event window however volumes did not show abnormality. In the post event window, there exist no excess returns thus indicating that the stock split did not increase shareholder wealth. It was observed that after the execution of the stock split there exist excess volumes thus validating the reason of the stock split i.e. to increase tradability. So, our analysis suggests that stock split does not have any positive impact on wealth of the share holder at all but it improves liquidity of the stock very significantly.

KEYWORDS

stock splits, abnormal returns, mean cumulative abnormal returns (MCAR), liquidity, pre-event window, post event window, excess volumes.

INTRODUCTION

A stock split is defined as a corporate action that increases the number of outstanding shares of a company by dividing each share, which leads to a reduction in the stock's price. In perfect capital markets, splits would neither create nor destroy value. But in the real world, splits have an impact.

The overall market capitalization of the company is not impacted and remains the same. The shareholding pattern is not impacted by a stock split and the percentage of holding remains the same. However, a stock split is connected to increased liquidity of a stock. After a stock split, new investors are able to trade in the share as its share price decreases and it becomes more affordable from an investor's (especially retail) perspective, also as the number of outstanding shares increases, the people subscribing to the shares also increases, thereby boosting the liquidity of a stock.

The companies covered in our study are the companies which are a part of the NIFTY 50 Index. Through our study we have tried to analyse the impact of a stock split on:

→ The firm's liquidity and the **Trading Range Hypothesis**

→ Neglected firm hypothesis or the **Market Maker Hypothesis**

The rest of the paper includes the literature review, research methodology and design, data analysis and findings and conclusions

LITERATURE REVIEW

- According to Jain and Robbani (2014) the effect of stock split announcements on abnormal returns were positive reactions during the financial crisis. However, post the crisis, the positive abnormal returns diminished at a rate faster than that in the pre-crisis window.
- Parmar (2016) focused at understanding the impact of share splits on the trading volume. The conclusions were of the opinion that share splits tend to have no immediate effect on stockholder's equity. Thereby stating that there is no significant difference in trading volumes before the split, however there is seen a huge spurt in volumes on the day of split and in the window succeeding that.
- Grinblatt, Masulis et al (1984), indicate that share prices on an average positively reacted to stock dividend and split announcements, unaffected by other firm announcements. Significant positive excess returns were noticed around the ex-dates of both announcements.
- The research by Bhuvaneshwari and Ramya (2014) contributed to the understanding of behaviour of Indian stock prices in relation to stock splits. From testing the data, it was inferred that share prices had a positive trend near the announcement dates.
- According to Ikenberry et al (1996), evidence suggests that splits realign prices to enable lower trading range for shares. The post-split excess returns were approximately 7.93% in the first year of the split and 12.15% in the following 3 years of the sample tested. Post the announcement the excess returns were around 3.38% indicating that markets under-react to split announcements.
- According to Lakonishok and Lev (1987), stock splits are empirically proven to restore stock prices to "normal range". The market reaction to these distributions are favourable, however they appear to be a decreasing phenomenon. The authors analyse the impact of oft-mentioned signalling motive of stock splits and the reasons for the same.
- As per research conducted by Gopal et al. (2016), the corporate action of stock split bearing a positive abnormal return around the AD and ED coupled with increase in variance following the ex-day. The results of the signalling hypothesis proved abnormal returns to be significantly correlated with split factors, whereas the liquidity hypothesis reported significant improvement in liquidity surrounding the announcement and execution date.
- Liquidity hypothesis states that stock splits lead to increased liquidity (i.e. trading volumes) and reduce costs involved in trading. The positive valuation effects of split announcements that have been reported in the literature can be explained using the liquidity hypothesis (Fama et al., 1969; Asquith et al., 1989; Grinblatt et al., 1984; Malony and Mulhering, 1992; Conard and Conroy, 1994). The resultant change of a stock split is that it causes share price to shift to a more optimal trading range which is considered as an affordable price by investors. This causes demand for the stock to increase and thereby generating higher liquidity for the stock. This leads to positive abnormal returns. [Lakonishok and Lev (1987)]. To support this hypothesis, the literature on the model of Amihud and Mendelson (1986) is considered, which forecasts a positive relation between equity value and liquidity. The model states that, rational investors discount illiquid securities with a higher discounting rate in comparison to liquid ones, since the restrictions on trading are greater and the transaction costs involved are higher in case of the former as compared to the latter.
- Neglected Firm hypothesis states that, stock split is a tool used by firms which feel that their shares are undervalued by the market at large. The market participants are not actively engaged in trading of a firm's stock and therefore, the shares are traded at a discount. Therefore, a company may go in for a stock split to gather market attention by spreading more information about a company's stock and thereby encouraging more market participation. Market maker hypothesis: Stock split leads to a reduction in the bid-ask spread and will make market maker (firm) more active in promoting stock and hence leads to positive stock market effect, as the information available about a firm's stock will be more widely recognized. (see Angle (1997) and Schultz (2000))

RESEARCH OBJECTIVES, METHODOLOGY AND DATA ANALYSIS**RESEARCH OBJECTIVES**

The major objectives decided for the purpose of our study are:

1. To detect any abnormal returns on the day of, or surrounding the announcement and execution day.
2. To detect any changes in the trading volumes (liquidity) surrounding the announcement window and execution window.

SAMPLE DESIGN

List of companies constituting of the sample.

- Bharti Airtel
- Bharat Heavy Electricals Limited
- Bosch Limited
- Cipla
- Dr. Reddy
- HDFC Bank
- Hindustan Unilever Limited
- Lupin
- Mahindra & Mahindra
- Sun Pharmaceutical Industries Limited
- Tata Motors
- Tata Power
- HCL

JUSTIFICATION OF SAMPLE

The stock split data on the paper were obtained from the Capitaline Database. Specific emphasis was laid on firms on the NSE's NIFTY 50 Index that reported stock splits in the period between January 1, 2000 and December 31, 2015. Auxiliary criteria were also considered before a stock split event could qualify for inclusion in this study.

1. The company stock must trade on the National Stock Exchange.
2. The stock split announcement data must appear on the Capitaline Database.

DATA AND METHODOLOGY

The sample universe used was NIFTY 50 index. The NIFTY 50 is a diversified 51 stock index accounting for 22 sectors of the Indian Economy. The NIFTY 50 was used for analysis because it is used as a barometer of the Indian Capital markets by investors worldwide. A total of 14 companies announced a stock split between the period of January 1, 2000 and December 31, 2015 and the sample is composed of these 14 firms.

In order to isolate the stocks from effects of corporate actions other than stock splits, companies having corporate actions other than stock split in the 200-day preceding window and corresponding window around the announcement of the stock split were excluded from the scope of the study.

To examine the price and liquidity effects on the firm that announced a stock split, we used the following window duration preceding and following the split. (AD refers to the date of announcement and ED stands for the execution date of the split)

1. Pre- Announcement Window: Price and volumes over a trading window of 14 days (AD – 14) before the split was announced. This sample data was compared with the price and liquidity increase or decrease in the post announcement window to study whether the stock split event contributed to increase in trading of the stock.

2. Window Between Announcement Date and Execution Date: The days between the AD and ED dissimilar in each occurrence of a stock split; therefore, the duration of this window differs for each firm. If the stock split is expected to send the market signals and led to reduction in information asymmetries, the price following the AD of the stock split and before/on AD should exhibit of the results captured by the market.

Post- Announcement Window – The window is used not only to capture the duration between the AD and ED but also include a sufficient period post execution date. The window is of 14 days (AD + 14).

TABLE 1: MEAN CUMULATIVE ABNORMAL RETURNS BETWEEN THE PERIOD AD/ED – 14 AND AD/ED +14

AD		AD Volume		ED		ED Volume	
Day	MCAR	Day	MCAR	Day	MCAR	Day	MCAR
-14	2.338%	-14	3.66%	-14	0.78%	-14	30.61%
-13	2.795%	-13	3.15%	-13	1.80%	-13	181.00%
-12	2.824%	-12	33.22%	-12	1.23%	-12	13.27%
-11	4.326%	-11	81.86%	-11	2.38%	-11	0.94%
-10	5.421%	-10	10.10%	-10	2.67%	-10	0.98%
-9	5.072%	-9	51.26%	-9	3.18%	-9	14.20%
-8	6.269%	-8	88.64%	-8	3.73%	-8	14.96%
-7	6.248%	-7	91.90%	-7	3.80%	-7	14.20%
-6	7.248%	-6	18.02%	-6	4.58%	-6	15.66%
-5	6.699%	-5	38.14%	-5	10.75%	-5	3.88%
-4	6.224%	-4	15.34%	-4	10.76%	-4	5.96%
-3	5.919%	-3	16.41%	-3	25.55%	-3	76.19%
-2	5.471%	-2	36.96%	-2	26.34%	-2	40.97%
-1	6.265%	-1	19.76%	-1	26.14%	-1	41.76%
AD	6.662%	AD	116.04%	ED	4.89%	ED	19.54%
1	6.915%	1	135.87%	1	5.56%	1	37.04%
2	7.153%	2	36.18%	2	6.53%	2	82.92%
3	7.385%	3	74.18%	3	6.16%	3	231.79%
4	7.976%	4	20.59%	4	6.74%	4	38.58%
5	9.452%	5	11.77%	5	5.99%	5	46.62%
6	9.613%	6	29.63%	6	6.87%	6	16.86%
7	9.666%	7	37.03%	7	7.97%	7	34.95%
8	9.426%	8	20.55%	8	9.33%	8	62.51%
9	8.884%	9	52.40%	9	8.07%	9	68.19%
10	9.585%	10	67.52%	10	7.75%	10	55.39%
11	9.317%	11	94.52%	11	6.35%	11	84.99%
12	8.260%	12	37.36%	12	7.05%	12	6.45%
13	9.659%	13	33.03%	13	6.22%	13	29.21%
14	9.643%	14	13.04%	14	5.59%	14	7.12%

FINDINGS**LIQUIDITY HYPOTHESIS**

The liquidity and optimal range hypothesis supports that a firm undergoing a stock split are able to bring their respective share into an affordable trading bracket for investors, leading to better liquidity of the stock and reduced trading costs for investors. The stock split initiates the share to be available for trading in an "optimal ticket size", leading to increased trading volumes and liquidity of the stock in the market.

HYPOTHESIS A: Stock splits lead to increased liquidity post the event window

The characteristics shown by the splits in the pre-and post-announcement window were analysed to see the impact created by splits on the trading volume vis a viz all other factors.

The percentage change (abnormal returns) in the volumes was compared against how the Nifty 50 Index performed during the period of our study. The analysis was done in 3 parts:

→ Pre-Financial Crisis Period: 2000-2007

→ Post Financial Crisis Period: 2008-2015

→ Full Coverage Period: 2000-2015

For the purpose of the study, the hypothesis has been stated in the following manner:

HYPOTHESIS A.1

Null Hypothesis: There is no excess liquidity in the post announcement window

Alternative Hypothesis: There exists excess liquidity in the post announcement window.

i) Pre-Financial Crisis Period

We accept the Null Hypothesis of Hypothesis A.1

There does not exist excess liquidity post the announcement window, indicating that the announcement of a stock split has a no significant positive impact on the trading volume of a share.

ii) Post Financial Crisis Period

We accept the Null Hypothesis of Hypothesis A.1

There does not exist excess liquidity post the announcement window, thus validating the market does not regard the announcement of a stock split to have a significant positive impact on the stock's liquidity

iii) Full Coverage Period

We accept the Null Hypothesis of Hypothesis A.1

There does not exist excess liquidity post the announcement window, indicating that there is no significant impact whatsoever on the trading volumes due the company's announcement to undergo a split. The market does not reward the stock with excess liquidity after the AD.

TABLE 2

Shapiro-Wilk Test (P - Value)		Mann - Whitney Test (P-Value)	
AD - 14	0.028699539	AD - 14	0.145302204
AD + 14	0.029320492	AD + 14	0.290604400

Therefore, on comparing the pre-and post-financial crisis periods to the full coverage period, we find that in the post AD window, a stock split doesn't really change market participation in the trading activity of a stock. The findings of our study remain the same in all the 3 periods tested for.

HYPOTHESIS A.2

Null Hypothesis: There is no excess liquidity in the post execution window.

Alternative Hypothesis: There exists excess liquidity in the post execution window.

i) Pre-Financial Crisis

We reject Null Hypothesis of Hypothesis A.2

There exists excess liquidity post the ED, indicating that the event of a stock split has an observable positive impact on the trading volume of a share, leading to increased liquidity.

ii) Post Financial Crisis Period

We reject Null Hypothesis of Hypothesis A.2

There exists excess liquidity post the ED, thus validating that the market regards the event of a stock split to have a significant definite impact on a stock's liquidity.

iii) Full Coverage Period

We reject Null Hypothesis of Hypothesis A.2

There exists excess liquidity post the ED, indicating that there is a significant impact on the trading volumes due the company's decision to undergo a split. The company's rationale to use stock split as a tool to bring down the share price to an optimal ticket size to increase a share's trading volume thus holds to be true.

TABLE 3

Shapiro-Wilk Test (P - Value)		Mann - Whitney Test (P-Value)	
ED - 14	0.000105369	ED - 14	0.017275010
ED + 14	0.00069057	ED + 14	0.034550020

Therefore, on comparing the pre-and post-financial crisis periods to the full coverage period, we find that in the post ED window, a stock split notably changes market participation in the trading activity of a stock. The findings of our study remain the same in all the 3 periods tested for.

NEGLECTED FIRM HYPOTHESIS

The hypothesis is used to find out if stock splits help firms to change investor perception about their shares being undervalued, leading to subsequent trading of the former at a discount. With the stock split significantly reducing the bid ask spread, trading in the company's stock witnesses is more activity. This allows a firm to actively promote its stock by generating more information on share price.

HYPOTHESIS B: Stock split leads to excess abnormal returns for shareholders.

The findings of our study are compared with the Nifty 50 index to find if the stock gave more returns than the benchmark index, for the period of our study. The analysis was done in 3 parts:

→ Pre-Financial Crisis Period: 2000-2007

→ Post Financial Crisis Period: 2008-2015

→ Full Coverage Period: 2000-2015

For the purpose of the study, the hypothesis has been stated in the following manner:

HYPOTHESIS B.1

Null Hypothesis: There are no excess returns in the post announcement window

Alternative Hypothesis: There exists excess returns in the post announcement window.

i) Pre-Financial Crisis

We reject Null Hypothesis of Hypothesis B.1

There exist excess abnormal returns post the AD, clearly validating that the announcement of stock splits is seen to have a favourable impact on shareholder wealth.

ii) Post Financial Crisis Period

We reject Null Hypothesis of Hypothesis B.1

There exist excess abnormal returns even in the post financial crisis period. The firms using stock split to garner more market participation by declaring splits are able to generate more information about their stock, therefore leading to active promotion of the stock.

iii) Full Coverage Period

We reject Null Hypothesis of Hypothesis B.1

There exist excess abnormal returns. The market at large regards the board's decision to declare stock splits as a beneficial move. Therefore, market sentiments around the AD are reflected in the form of excess positive abnormal returns.

TABLE 4

Shapiro-Wilk Test (P - Value)		Mann - Whitney Test (P- Value)	
AD - 14	0.050283814	AD - 14	0.000005145
AD + 14	0.005868363	AD + 14	0.000010291

Therefore, on comparing all 3 periods of our study we conclude that the results of our findings, testing the Neglected Firm Hypothesis remain to hold the same throughout the periods of our study.

Hypothesis B.2

Null Hypothesis: There are no excess returns in the post execution window.

Alternative Hypothesis: There exists excess returns in the post execution window.

i) Pre-Financial Crisis

We accept Null Hypothesis of Hypothesis B.2

There are no signs of excess abnormal returns post the ED. Thus, stock splits are observed to have no impact on the shareholder wealth. Therefore, stock splits are merely an accounting change and end up doing very little or no benefit to the investors.

ii) Post Financial Crisis Period

We accept Null Hypothesis of Hypothesis B.2

There does not exist excess abnormal returns post the ED. This is noticed to be a complete reversal of how the market at large reacted to the announcement of a split, however in the execution, there are no such sentiments found.

iii) Full Coverage Period

We accept Null Hypothesis of Hypothesis B.2

There are no excess abnormal returns in the post ED window. The firms seeking to create more active market participation via stock splits, fail to do so, as it is reflected in the returns generated after stock splits. Thus, stock splits are not a very effective measure to help a neglected firm change its market perception.

TABLE 5

Shapiro-Wilk Test (P - Value)		Mann - Whitney Test (P-Value)	
ED - 14	0.000750822	ED - 14	0.099128199
ED + 14	0.259268938	ED + 14	0.198256397

Therefore, on comparing all 3 periods of our study we find that the results remain constant throughout our analysis. Stock splits are proved to merely be a cosmetic accounting change and have no impact on shareholder wealth whatsoever. The firms looking to generate information based on their stock's price fail to do so and are unable to change market sentiments about their stock.

CONCLUSION

The findings of our study validate the fact that there are positive sentiments surrounding the announcement of stock splits, as can be seen by the excess abnormal returns in the post AD window. However by and large, splits seem to have no direct impact on shareholder wealth as there exist no abnormal return to shareholders post the stock split, i.e. in the post ED window.

Nonetheless, stock splits are proven to be a handy tool to disseminate vital information about the firm's stock and grab the attention of the market at large, looking to create liquidity in the trading of the stock. Although, it's a short-term measure, as there is no significant impact noticed on the liquidity in the post ED window.

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MASTERSTROKE: DEMONETISATION

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ABSTRACT

This paper is about the challenges India have faced during the denomination of Indian Currency. In the War of the economy It's not necessary that Developed economy, king have masterstroke even Developing economy wazir can change the game. The challenges that have been faced by everyone in India, right from Financial Sector, Economic Sector, Consumer Sector, Agriculture sector, Bombay stock exchange (BSE) and everyone who needs to handle money or currency crunch. There are several effects that goes for and against denomination. Government plays an important role in demonetization and thing favourable dream to achieve double digit development. This leads to socio-economic development and for researcher an idea to work of the research development.

KEYWORDS

demonetization, gross domestic product (GDP), economic sector, trade, agriculture sector, BSE.

JEL CODE

B22, F4.

INTRODUCTION

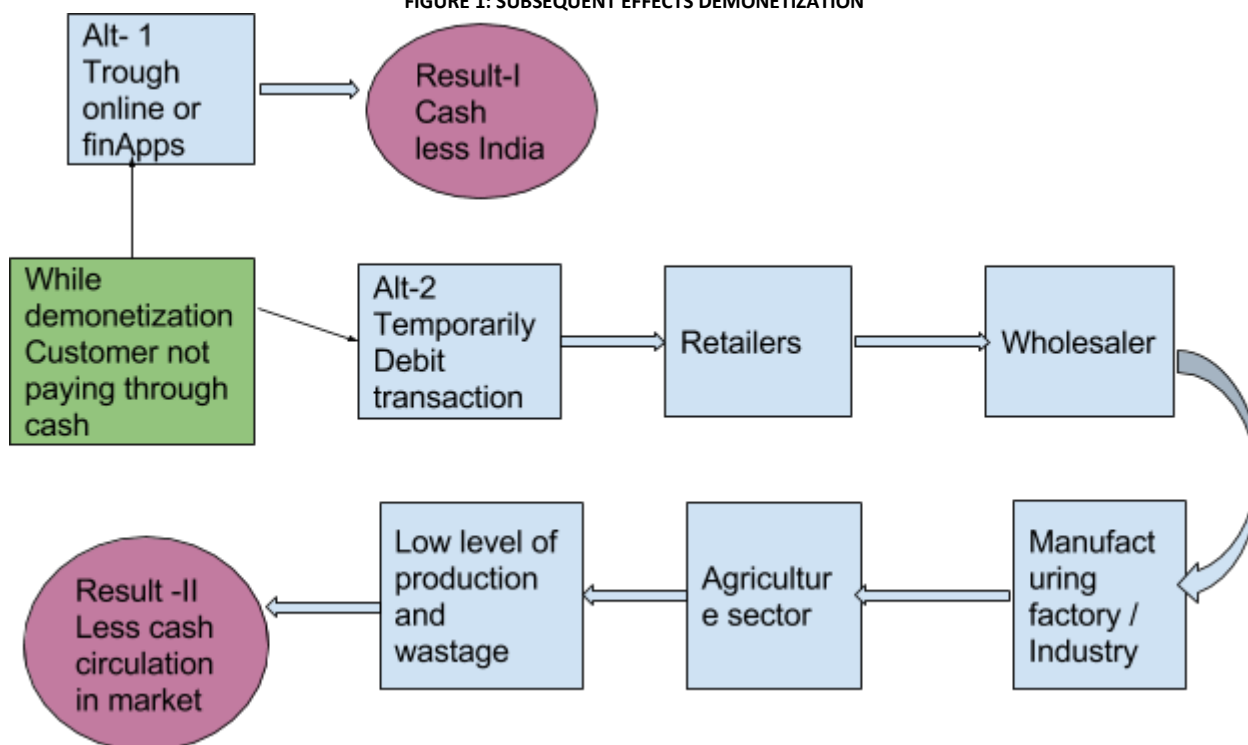
On 8 Nov 2016, The Prime Minister of the Government of India Mr. Narendra Modi announced the demonetization of all Rs. 500/- (US \$ 7.40) and Rs. 1000/- (US \$ 15) bank notes of the Mahatma Gandhi series. This action crack down the curtain on the use of illicit and counterfeit cash to fund, illegal activity and terrorism. The country faced severe cash shortage with severe detrimental effects across the economy. Small businesses and households struggled to find cash and report of daily wage workers not receiving their due surfaced. Many Indian switched to alternative payment avenues a big deal in a country of 1.2 billion with 25.9 million ATM cards as of July 2016. With new fintech Apps like paytm, mobikwik, UPI retailers have been quick to embrace this change towards less cash more digital payment system. The move is considered to have reduced the country's GDP and industrial production.

WHY DEMONETIZATION IS NECESSARY?

- To combat inflation
- To facilitate trade
- To discourage a cash dependent economy
- To combat corruption & crime

SUBSEQUENT EFFECTS

FIGURE 1: SUBSEQUENT EFFECTS DEMONETIZATION



"Demonetization of high denomination notes (of Rs. 1,000 and Rs. 500) has put over 85% of currency out of circulation."- The Union Finance Minister Arun Jaitley.

1. **BANK** : The asset quality problems for banks and finance companies are rising as small customers continue to struggle with the adverse effect of demonetization. The work pressure from managing deposits and cash withdrawal is coming down and banks have begun to assess the impact of demonetization on the loan side – both asset quality and demand for credit.
2. **RETAIL INDUSTRY**: Given Indian's propensity to deal in cash, especially when shopping in luxury malls and high streets, retail will see short-term impact on sales. It will definitely influence many more shoppers to start using plastic money in the long-term. Demonetization has impacted the retail industry due to a liquidity crunch. As the Indian retail industry generates a lot of cash transactions, a reduction in sales will continue in the short-term, i.e. one-two quarters.

3. **GOLD SEGMENT:** Segments such as jewellery and luxury have seen a higher impact than others, importantly, the fact that retailers will encourage alternate/digital payment solutions will help the marketplace become more transparent and structured. Gold is a very unpredictable asset, and should be in the portfolio in a limited quantity.
4. **CONSUMER GOODS:** As much as two-thirds of kirana stores are having a hard time buying stocks from consumer goods distributors and with a squeeze on both purchase and sales, following the withdrawal business is down for 70%. The problem has been compounded by several wholesalers and distributors avoiding small towns and rural areas altogether, on the impact of the notes being scrapped last week. The pressure on traditional trade comes at a time when most consumer goods makers are stressed over dull rural market growth. For the country's Fast-moving consumer goods (FMCG) market, traditional trade or local grocers account for 72% of overall sales. Around 60-65% of sales in retail chains are in cash and the rest through digital payments like cards and digital wallets. However, wallets account for a mere 1%. The card payment component has gone up to more than 90% of total transactions.
5. **BSE SENSEX AND NIFTY 50:** The Bombay stock exchange (BSE) Sensex is a bit lower now since that date, but then there are many other factors besides demonetization that have affected the markets, not the least of which has been Donald Trump's election as president of the US and the subsequent rise in US bond yields and the strengthening of the dollar. That has led to funds flowing out from emerging markets and India too has been affected. As if demonetization hasn't really affected the overall market much and investors believe the impact is temporary, with lower interest rates and more government spending offsetting any adverse effects. BSE Sensex and nifty 50 fell over 6%. Indian stock markets reacted negatively to this news, but recovered later. These jitters and the volatility in the markets caused thanks to uncertainty are nothing but buying opportunities. There might be a negative impact on the equities for coming quarters, but in the long run, it will be positive as ours is a consumption economy.
6. **AGRICULTURE SECTOR:** Cash is the primary mode of transaction in agriculture sector which contributes 15% to India's total output. Agriculture is impacted through the input-output channels as well as price and output feedback effects. Sale, transport, marketing and distribution of ready produce to wholesale centers or mandis, is dominantly cash-dependent. Disruptions, breaks in the supply chains feedback to farmers as sales fall, increased wastage of perishables, lower revenues that show up as trade dues instead of cash in hand and when credited into bank accounts with limited access affect the sector.
7. **POLITICS:** It is an open secret that cash drives the Indian electoral system and no politician can hope to be a serious player without utilizing some in the elections. A move like demonetization is bound to have a serious impact on the way India polity is structured. The fact that the prime minister's heart seems to be in the right place on demonetization, is beyond argument for a huge number of the electorate. Demonetization has had a profound impact on the political scenario in India. It is an unhidden fact that elections in India are fought with cash-for-vote as a component to woo the poor electorate. On the other hand, the demonetization has divided the parliament into two groups, one being the government and the other being the entire opposition parties.
8. **LAW:** Without it demonetization would be legal, but the Reserve bank of India (RBI) would continue to remain under a legal obligation to keep on exchanging the old notes with new ones.
9. **EXPORT IMPORT TRADE:** Growth of any Country depends upon its Export Import Trade. Indeed it is very crucial for India too. Especially after demonetization the Exports have slowed down due to currency crunch. True to its core that instability in the Exports leads to inflation and that in turn leads to an uncertainty of internal purchasing power and unstable economy. The Foreign Trade industry is suffering in the aftershocks and shall continue to suffer for a further period, though for limited time. However, the influx of money from the black market shall make in India projects need easy flow of currency for manufacturing, hence the Import and Export both trade have got their bottlenecks. Certainly improve to be beneficial in the long run for Export Import Trade.
10. **SAVINGS:** banks are getting loads of deposits post the demonetization, and this will definitely impact their deposit rates. Putting your investments in fixed deposits at this point of time is equivalent to putting your money under your pillow, as the returns will surely not even beat inflation.
11. **INVESTMENTS:** With banks offering lower interest rates on home loans, these buyers are sure to benefit from the demonetization. Investors who buy in this space take out home loans, and all their money is poured in from legal channels, i.e. people with no black money having salaried income and buying property for the first time. This segment will be least affected in the large cities as most of the dealings here are done legally via the banking channel. For every five buyers in this segment, only one is willing to pay entirely through cheque. And sellers mostly want to take 20-30 percent of the amount in cash, which will surely not be possible for a while due to demonetization. Its lower land prices due to demonetization.
12. **GDP:** Economists see Gross domestic product (GDP) growth in three months to December to be in range of 5.5% to 6.5%, against 7.2% growth recorded in the year-ago quarter.
13. **INCOME TAX:** Income tax rate as well as interest rate are expected to come down as a result of demonetization of high value currency notes. The impact of demonetization on tax revenue and collection is already visible. There has been a 26.2 percent increase in central indirect tax collection till November 30, direct tax collection increase has been to the extent of 14.4 percent against a growth rate of only 8.3 percent previous year. While filing income tax returns for assessment year 2017-18, i.e., current financial year 2016-17, one has to carefully include all sources of income, including the cash deposited owing to demonetization if the same forms part of the total income of the current year.
14. **OTHERS:** Life insurance, tourism, petroleum consumption, flow of mutual fund investment have all increased during this period Housewives, artisans, free-lancers and the like are free to deposit cash savings in their saving bank accounts as long as they can substantiate that the source of their savings is tax paid money.

EVASION ATTEMPTS

1. Donation
2. Multiple bank transaction
3. Gold purchases
4. Railway booking
5. Backdated accounting
6. Municipal and local tax payments
7. Accepting deposits without Permanent account number (PAN)
8. Investments in real estates

BENEFITS OF DEMONETIZATION

1. Government track black money
2. This has helped the government in slowing down the plague of parallel economy.
3. Illegal activities like terrorism funding, gambling, money laundering and inflating the price of major assets all such activity will get reduced.
4. People disclosing their income by depositing money in their bank accounts.
5. Government gets a good amount of tax revenues.
6. Demonetization would lead to generation in employment. Government can now lend massively to infrastructure sector through the recapitalized Public Sector Banks. This would generate a lot of employment opportunities thereby moving more people out of poverty.
7. Double digit growth rate possibilities.

CONCLUSION

One can have long been a dream of certain type that cashless society, that has been mention in this paper. If all transactions are electronic then all transactions can be recorded checked and thus it will be possible to monitor what everyone is doing in detail. Hope demonetization will help to project a path of India as and towards developed economy. Researcher need to wait and watch the government decision both for applied and to be implemented.

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ROLE OF HR IN THE MODERN CORPORATE WORLD

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ABSTRACT

Human asset experts normally handle the selecting, talking with, contracting, preparing and creating of representatives that organizations need to accomplish their business objectives. They additionally build up the arrangements and methods intended to guarantee a reasonable, sheltered and gainful work office. Their choices are liable to some oversight, however organization administrators perceive their comprehension and ability in evaluating personnel and depend intensely on their suggestions. Although physical assets—capital, building, hardware—are imperative, most organizations understand that the quality and amount of their yield is specifically identified with the quality and duty of their staff. HR experts ensure that suitable matches are made between care staff and makers, amongst partners and administrators and between collaborators to improve profitability, bolster the organization's business technique and long haul objectives and give a fantastic work understanding to representatives

KEYWORDS

role of HR, corporate world.

INTRODUCTION

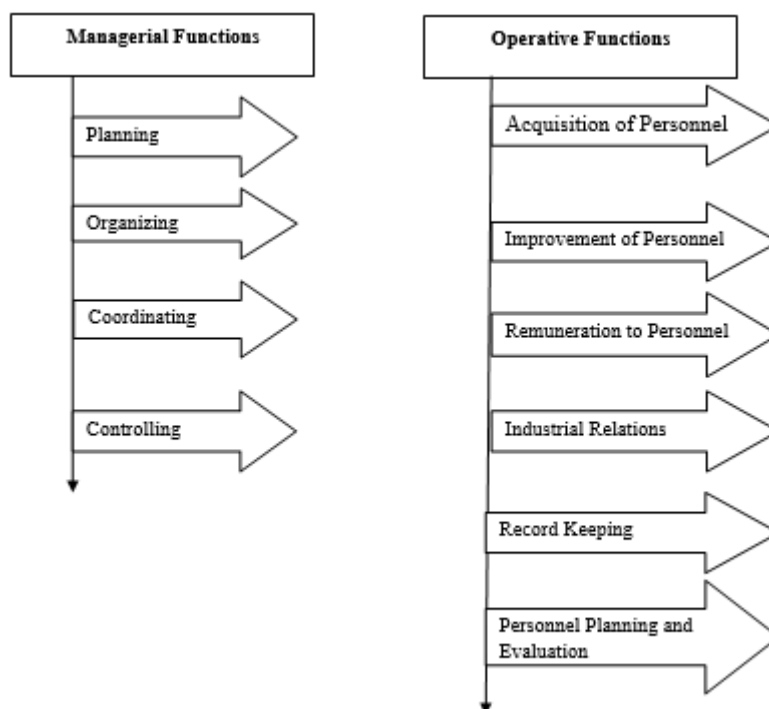
Human Resource Management (HRM) is a generally new way to deal with overseeing individuals in any association. Individuals are viewed as the key asset in this approach. It is worried with the general population measurement in administration of an association. Since an association is a group of individuals, their securing, advancement of abilities, inspiration for more elevated amounts of achievements, and in addition guaranteeing support of their level of responsibility are all noteworthy exercises. These exercises fall in the area of HRM. Human Resource Management is a procedure, which comprises of four principle exercises, to be specific, enrollment and determination, preparing and improvement, inspiration, and additionally support of HR.

The fundamental goal of human asset administration is to add to the acknowledgment of the authoritative objectives. In any case, the particular destinations of human asset administration are as takes after:

- (i) To guarantee viable usage of HR, all other authoritative assets will be proficiently used by the HR.
- (ii) To build up and keep up a satisfactory hierarchical structure of relationship among every one of the individuals from an association by isolating of association errands into capacities, positions and employments, and by characterizing unmistakably the duty, responsibility, expert for each occupation and its connection with different employments in the association.
- (iii) To create most extreme improvement of HR inside the association by offering open doors for headway to representatives through preparing and instruction.
- (iv) To guarantee regard for individuals by giving different administrations and welfare offices to the work force.
- (v) To guarantee compromise of individual/gathering objectives with those of the association in such a way, to the point that the faculty feel a feeling of responsibility and devotion towards it.
- (vi) To distinguish and fulfill the necessities of people by offering different financial and non-money related prizes

The primary functions of human Resource Management are characterized into two classifications.

FIG. 1



(a) MANAGERIAL FUNCTIONS

Taking after are the administrative elements of Human Resources Management.

1. PLANNING

The arranging capacity of human asset office relates to the means taken in deciding ahead of time faculty necessities, work force programs, strategies and so on. In the wake of deciding what number of and what kinds of individuals are required, a work force administrator needs to devise ways and intends to inspire them.

2. ORGANIZING

Under association, the human asset administrator needs to compose the agent capacities by planning structure of relationship among occupations, staff and physical considers such a path in order to have top level input towards hierarchical goals. Along these lines a staff chief performs taking after capacities:

(a) Planning of team;

(b) Distribution of work to people;

(c) Joining of the endeavors of the team;

(d) Coordination of work of individual with that of the division

3. COORDINATING

Coordinating is worried with start of sorted out activity and empowering the general population to work. The faculty director coordinates the exercises of individuals of the association to get its capacity performed appropriately. A work force director controls and spurs the staff of the association to take after the way set down ahead of time.

4. CONTROLLING

It gives essential information to setting up principles; makes work investigation and execution examination, and so on. Every one of these methods aid powerful control of the qualities, time and endeavors of laborers.

(b) OPERATIVE FUNCTIONS:

The accompanying is the Operative Functions of Human Resource Management.

1. ACQUISITION OF PERSONNEL

It is worried with the acquiring of the correct kind and number of work force important to finish association objectives. It bargains particularly with so many subjects as the assurance of labor prerequisites, their enrollment, choosing, position and introduction, and so on.

2. IMPROVEMENT OF PERSONNEL

Improvement needs to do with the expansion through preparing, aptitude that is vital for appropriate employment execution. In this procedure different systems of preparing are utilized to build up the workers. Encircling a sound advancement approach, assurance of the premise of advancement and making execution evaluation are the components of staff improvement work.

3. REMUNERATION TO PERSONNEL

Pay implies assurance of sufficient and fair compensation of work force for their commitment to association targets. To decide the financial remuneration for different occupations is a standout amongst the most troublesome and essential capacity of the faculty administration. Various choices are taken into the capacity, viz., work assessment, compensation, arrangement, innovative and premium arrangements, reward approach and co-association, and so on. It likewise helps the association for embracing the reasonable wages and compensations, approach and installment of wages and pay rates in ideal time.

4. KEEPING UP GOOD INDUSTRIAL RELATION

Human Resource Management covers a wide field. It is proposed to decrease strife's, advance modern peace, give reasonable arrangement to laborers and set up mechanical majority rules system. If the work force administrator can't make amicable relations amongst administration and work mechanical turmoil will happen and a great many man-days will be lost. On the off chance that work administration relations are bad the good and physical state of the worker will endure, and it will be a misfortune to an association vis-a-vis a country. Henceforth, the work force director must make concordant relations with the assistance of adequate correspondence framework and co-association.

5. RECORD KEEPING

In record-keeping the work force chief gathers and keeps up data worried with the staff of the association. It is basic for each association since it helps the administration in basic leadership, for example, in advancements.

6. PERSONNEL PLANNING AND EVALUATION

Under this framework distinctive sort of exercises are assessed, for example, assessment of execution, work force arrangement of an association and its practices, staff review, assurance, overview and execution examination, and so on.

ELEMENTS OF HR MANAGER**Giving Training**

Human asset experts keep up a beneficial situation by guaranteeing that representatives have the right stuff and information to achieve work assignments. They make plans for instructional classes that empower representatives to get the best possible certifications for playing out their capacity. This additionally guarantees organizations hold fast to all administration directions

As an impetus: HR Managers are dealt with as viable felicitators for improving of Managerial effectiveness and to meet the difficulties of know-how determined commercial center. Adaptability of a chief here and there gives a colossal preferred standpoint in quick and creative reactions to subordinates, yet acts troubles like well, including part struggle, see focuses, or the propensity towards uncritical aggregate considering. Administration in wording requires influential and motivational aptitudes, prudent utilization of specialist in overseeing limits and limitations and aggregate checking abilities. It is the guarantee of this exchange the adequacy of a group depends intensely upon the individuals' relational fitness.

HR Role in Business and Strategic Partner

In today's business associations, to ensure their feasibility and capacity to contribute, HR administrators need to consider themselves key accomplices. In this part, the HR individual adds to the advancement of and the achievement of the business association wide strategy for success and targets. The strategic HR agent is profoundly proficient about the outline of work frameworks in which individuals succeed and contribute. This vital association impacts HR administrations, for example, the outline of work positions; enlisting; reward, acknowledgment and key pay; execution improvement and examination frameworks; profession and progression arranging; and worker advancement.

Employee Advocate

The HR proficient builds up the hierarchical culture and atmosphere in which individuals have the competency, concern and duty to work well for clients. In this part, the HR supervisor gives worker advancement openings, representative help programs, increase sharing and benefit sharing methodologies, business association improvement intercessions, due process ways to deal with critical thinking and frequently booked correspondence openings.

Change Champion: - The HR proficient adds to the business association by continually surveying the adequacy of the HR work. He additionally supports change in different offices and in work hones. To advance the general achievement of his business association, he champions the distinguishing proof of the hierarchical mission, vision, qualities, objectives and activity arranges. At long last, he decides the measures that will tell his business organization how well it is prevailing in the majority of this.

Consider client needs

It is the ideal opportunity for Human Resources specialists to reconsider their part and that of the HR division, not just for the motivations behind adding to the business associations' main concern, additionally for their own survival. HR keeps on adjusting the requests of a few unique parts: business accomplice, inner specialist, operational and managerial master and both worker and boss supporter. This may seem like the same old thing, parts that aren't probably going to make a distraught surge of HR individuals outfitting themselves for what's to come

Data innovation (IT)

IT is perceived as a basic foundation in numerous business associations. IT is additionally rising as a compelling supporter of business authoritative execution. It is frequently contended that accomplishment of the IT enlistment is credited to procedure, steady conveyance, frameworks ease of use. Data frameworks (IS) research has perceived the significance of HR in the IT securing process.

Representative welfare

Representative help arrange directors, additionally called worker welfare chiefs or, then again work-life supervisors are in charge of a wide cluster of projects to upgrade worker wellbeing and health and enhance work-life adjust. These may incorporate word related security and wellbeing measures and practices, wellbeing advancement and physical wellness, restorative examinations and minor wellbeing treatment, for example, medical aid, adaptable work routines, sustenance administration and diversion exercises, carpooling and transportation projects, for example, travel endowments, representative proposal frameworks, tyke care and senior care and advising administrations. Kid care and senior care are progressively huge on account of development in the quantity of double pay family units and the more seasoned populace.

Dispute Resolution

Attaining implicit or legally binding agreements—hosts turn out to be progressively noteworthy as gatherings to a debate endeavor to keep away from exorbitant prosecution, strikes, or other disruptions. Dispute determination additionally has turned out to be more perplexing, including representatives, organization, unions, different firms and government offices. Pros required in debate determination must be exceedingly proficient and experienced and regularly answer to the executive of modern relations. Arbiters exhort and direct work and administration to avert and, when important, resolve disagreements regarding work understandings or other work relations issues. Authorities, incidentally called umpires or officials, choose debate that quandary both work and administration to particular terms and states of work contracts. Work relations pros who work for unions perform a number of similar capacities in the interest of the union and its individuals.

Workplace

HR faculty as a rule work in spotless, wonderful and agreeable office settings. Referees and go between a hefty portion of who work freely may work out of home workplaces. Although most HR, preparing and work relations chiefs and masters work in the workplace, some travel widely. For instance, selection representatives routinely go to proficient gatherings, take an interest in occupation fairs and visit school grounds to meet forthcoming workers. Judges and go between frequently should go to the site decided for arrangements. Coaches and different authorities may go to local, satellite, or worldwide workplaces of an organization to meet with representatives who work outside of the primary corporate office.

Instruction and training

In spite of the fact that a four year certification is an average way of section into these occupations, numerous schools and colleges don't offer degree programs in faculty organization, HR, or work relations until the graduate degree level. Be that as it may, many offer individual courses in these subjects at the undergrad level notwithstanding fixations in HR organization or HR organization, preparing and improvement, hierarchical advancement and remuneration and advantages.

Cultivating Global Collaboration

As organizations turn out to be more universal, human asset experts have turned out to be more generalist. They tend to know less about every day, inside operations and concentrate more on guaranteeing staff works viably together as groups. They think about upper hand, productivity and monetary survival amid intense budgetary circumstances. Their part may have been limited to procuring workers, overseeing advantages and taking care of disciplinary activity previously, yet human asset experts now manage controlling social insurance costs, decreasing representative weakening and taking an interest in the group too.

Building Teams

HR assumes the vital part in setting the corporate culture and it assumes the vital part in setting the formal and casual connections between the directors and workers. In numerous associations Human Resources has a very expansive amusement spending plan, which is not utilized for Human Resources, but rather it is utilized for the casual exercises fortifying the corporate culture. HR assumes the critical part in the group building. The group building is critical for the productive association. The casual connections among the administrators accelerate the procedures with no productivity ventures, as the chiefs tend to believe each other, when they know each other. The data spread and the supervisors watch out for co-work.

CONCLUSION

HR is a key authoritative pioneer and can lead the pack or join forces with different administrators to work cross-practically to incorporate CSR destinations into how business gets led. HR professionals can go about as interpreters of the association's CSR responsibility vertically and evenly crosswise over divisions. Most will discover after perusing this report they have numerous great practices in progress. Many will discover they have another structure for their reasoning they can apply for all intents and purposes in the work environment

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AN EXAMINATION OF INFLUENCE OF SELECTED MACROECONOMIC VARIABLES ON INDIAN STOCK MARKET

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ABSTRACT

The main purpose of this study is to examine the influence of US Dollar, Pound, Japanese Yen, Euro, Gold Price and Crude Oil on BSE Index and NSE Index. Furthermore, the study is also exploring the relationship between selected macroeconomic variable on BSE and NSE index. The researcher collected secondary data from NSE, BSE websites and in.investing.com. The researcher confined the study only with regard to US Dollar, Pound, Japanese Yen, Euro, Gold Price and Crude Oil. This study identified that there is a significant influence on US Dollar, Pound, Japanese Yen, Euro, Gold Price and Crude Oil on BSE Sensex. Furthermore, the study is also identified that there is a significant influence on all selected macroeconomic except Euro on NSE Index. Furthermore, the study found that there is a significant relationship among US Dollar, Pound, Japanese Yen, Euro, Gold Price and Crude Oil on BSE and NSE. This study finding would help the policy maker in formulation of suitable macroeconomic policies

KEYWORDS

Japanese yen, euro, gold price, Pound, US dollar.

INTRODUCTION

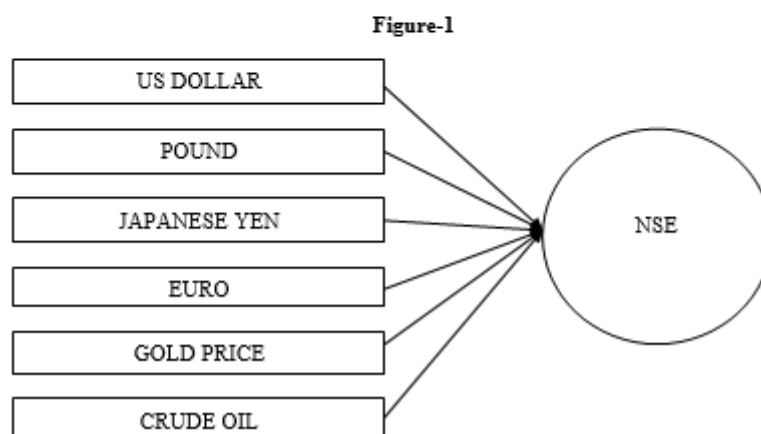
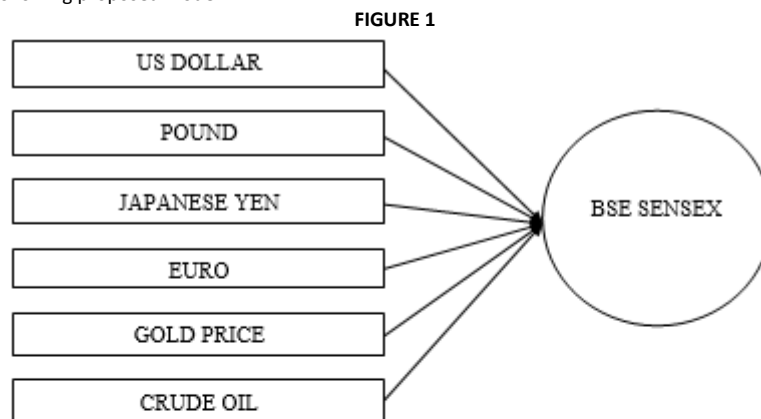
The main aim of this study is to examine the relationship between macroeconomic variables of stock market returns in Indian context. There are several number macroeconomic variables (crude oil, gold, euro, dollar, yen, pound) influencing the stock market. The price of stock market is influenced by several multi macro environment factors. There is a large number of evidence that macro-economic variables influence the stock market. Numerous studies have been conducted with regard to macro-economic variables and stock market. Brown and Otsuki (1990) examined the effects of short-term interest rates, money supply, exchange rates, crude oil prices, and industrial production. Bagliano (1997) finds strong evidence of a long run relationship between stock prices and inflation. The claim that macroeconomic variables affect stock market behaviour is a well-established theory in the financial economics literature. However, in the past two decades several researchers made an attempt to study the macroeconomic effects on stock market. In line of this several studies have been conducted for eg Fama (1981) and Chen (1991) for the US market, Hamao (1988) on Japanese market and Poon and Taylor (1992) on the UK market. The outline of the paper is as follows.

Section1 provides Introduction and overviews about influence of macroeconomic variable on stock market return. Section 2 highlights the research methodology aspects. Section 3 highlights Data Analysis and conclusion.

Chen et al. (1986) investigated a set of macroeconomic variables as systematic influence on stock market returns by modelling equity return as a function of macro variables and non-equity assets returns for US. The study revealed that the macroeconomic variables such as industrial production anticipated and unanticipated inflation, yield spread between the long and short term government bond were significantly explained the stock returns. The study significantly influenced that the economic state variables systematically affect the stock return via their effect on future dividends and discount rates, Mukherjee and Naka (1995) examined the relationship between the Japanese Stock Market and exchange rate, inflation rate, money supply, real economic activity, long-term government bond rate, and call money rate. The study found that a co integrating relation indeed existed and that stock prices contributed to this relation, Mookerjee and Yu (1997) investigated the relationship between macroeconomic variables such as narrow money supply, broad money supply, exchange rates and foreign exchange reserves using monthly data from October 1984 to April 1993. The study found that money supply and foreign exchange reserves significantly influences stock prices, Raj Kumar and Bhartendu Singh (1998) investigated the influence of trading volume, rate of exchange and the rate of gold standard were highly significant on Sensex. The study found that rate of exchange and rate of gold standard on Sensex were found to be highly significant but the individual effect of trading volume was not found significant, Agarwalla and Tuteja (2008) made an attempt to study the relationship between share price index and economic growth for India, Gay (2008) examined the association among stock prices and macro economic variables in India, China, Brazil and Russia. The study revealed insignificant results which postulate inefficiency in market, Baranidharan, S. and Vanitha, S. (2015), examined the dynamic effects of selected macroeconomic variables on CNX banks returns. The study results found that there exists a short term a short term shock on CNX banks returns from macroeconomic variables, Baranidharan S. and Vanitha S. (2014), found that exchange rate, foreign institutional investors, foreign exchange reserve and inflation recorded long run relationship and causal relationship with BSE Sensex returns, Vanita Tripathi and Ritika Seth, (2014), explored the relationship between macroeconomic factors and stock market indicators. The study highlighted that unilateral relationship of stock market and real economy, Sahu et al (2012) established that there is a long term co-movements among the crude oil prices and the Indian stock markets, the study conducted by Kapusuzoglu (2011) and Hosseini et al. (2011) found that oil price shock influence stock market return both long and short run. Similarly, Chittedi (2012) examined the long run relationship between oil prices and stock prices for India. The study found that change in oil prices does not impact on stock prices. In line with previous studies Toraman et al. (2011), Muritala et al. (2012) and Sharma and Khanna (2012) also found that there exists a significant long term, Mishra and Harminder (2012) examined the non linear relationship among exchange rate, interest rate, Industrial production, Foreign Institution Investors and Inflation with stock market return, Patel (2012) made an attempt to study the effect of macroeconomic determinants on the performance of the Indian stock market. This study revealed that a long run equilibrium relationship between stock market indices and all macroeconomic variables exists.

PROPOSED RESEARCH MODEL

This study is approached with the following proposed model:

**OBJECTIVES OF THE STUDY**

1. To study the relationship between selected macroeconomic variable on BSE Sensex.
2. To study the impact of selected macroeconomics variables on BSE Sensex in India.
3. To study the relationship between selected macroeconomic variable on NSE
4. To study the impact of selected macroeconomics variables on NSE in India.

RESEARCH METHODOLOGY**SCOPE OF STUDY**

The scope of study is confined only to the selected macroeconomic variables which influencing BSE Sensex and NSE Sensex.

DATA AND METHODOLOGY

The daily stock price of BSE index and NSE has been collected from the official websites of Bombay Stock Exchange and National Stock Exchange Furthermore; researchers collected the economic variables related data from the following sources.

TABLE NO. 1: VARIABLES AND DATA SOURCES

Sr. No.	VARIABLES	SYMBOL	DATA SOURCES
1	Bombay Stock Exchange	BSE	www.bseindia.com
2	National Stock Exchange	NSE	www.nseindia.com
3	US Dollar	USD	in.investing.com
4	Pounds	PD	in.investing.com
5	Japanese Yen	JPY	in.investing.com
6	Euro	EUR	in.investing.com
7	Gold price	GP	in.investing.com
8	Crude oil	CO	in.investing.com

The daily data of selected economic indicators were collected from the period of January-2005 to December-2016. Furthermore, the researchers selected the following macroeconomic variables, namely US Dollar, Pounds, Japanese yen, Euro, Gold, and Crude oil.

PROPOSED HYPOTHESIS

- H₀₁ There will be no significant influence on USD on BSE Sensex.
H₀₂ There will be no significant influence on POUND on BSE Sensex.
H₀₃ There will be no significant influence on Japanese Yen on BSE Sensex.
H₀₄ There will be no significant influence on EURO on BSE Sensex.
H₀₅ There will be no significant influence on Gold Price on BSE Sensex.
H₀₆ There will be no significant influence on Crude Oil on BSE Sensex.
H₀₇ There will be no significant influence on USD on NSE.
H₀₈ There will be no significant influence on POUND on NSE.
H₀₉ There will be no significant influence on Japanese Yen on NSE.
H₁₀ There will be no significant influence on EURO on NSE.
H₁₁ There will be no significant influence on Gold Price on NSE.
H₁₂ There will be no significant influence on Crude Oil on NSE.

TABLE 2: DESCRIPTIVE STATISTICS OF SELECTED MACROECONOMIC VARIABLES

Descriptive	USD	PD	Japanese Yen	ER	GP	CO	BSE	NSE
Mean	51.62301	84.48209	0.515367	66.49480	58190.66	75.79036	17924.25	5387.853
Median	48.13000	82.78300	0.531000	66.41300	62473.85	75.19000	17671.86	5302.950
Maximum	68.80500	106.8370	0.718500	91.78250	97581.61	145.2900	29937.27	9109.150
Minimum	39.07500	65.21600	0.325800	51.89200	17952.73	26.21000	6093.660	1903.100
Std. Dev.	8.871702	9.745978	0.102592	8.696120	24319.98	22.73755	6072.549	1852.878
Skewness	0.503253	0.384480	-0.157090	0.347106	-0.218738	0.123540	0.052144	0.120945
Kurtosis	1.818831	2.139277	1.930566	2.326592	1.551674	2.308539	2.275611	2.243116

Notes: USD= US Dollar, PD=Pound, JPY= Japanese Yen, EUR=Euro, GP=gold price (USD), CO=crude oil (USD), BSE =Bombay Stock Exchange, NSE =National Stock Exchange.

Table No -2 Shows descriptive statistics of selected macroeconomic variables. From table No-2 shows that mean, standard deviation of the selected macroeconomic variables, BSE Sensex data and NSE. Highest mean is noticed in case 58190.66 for Gold Price and the least one are 0.515367 for Japanese Yen. Highest standard deviation is identified in case of Gold Price 24319.98 the lowest standard deviation identified in case of Japanese Yen 0.102592.

UNIT ROOT TEST

Unit root tests are used to determine the stationarity of time series. We employed two unit root tests:

- (1) ADF (Augmented Dickey-Fuller) and
- (2) PP (Phillips-Perron).

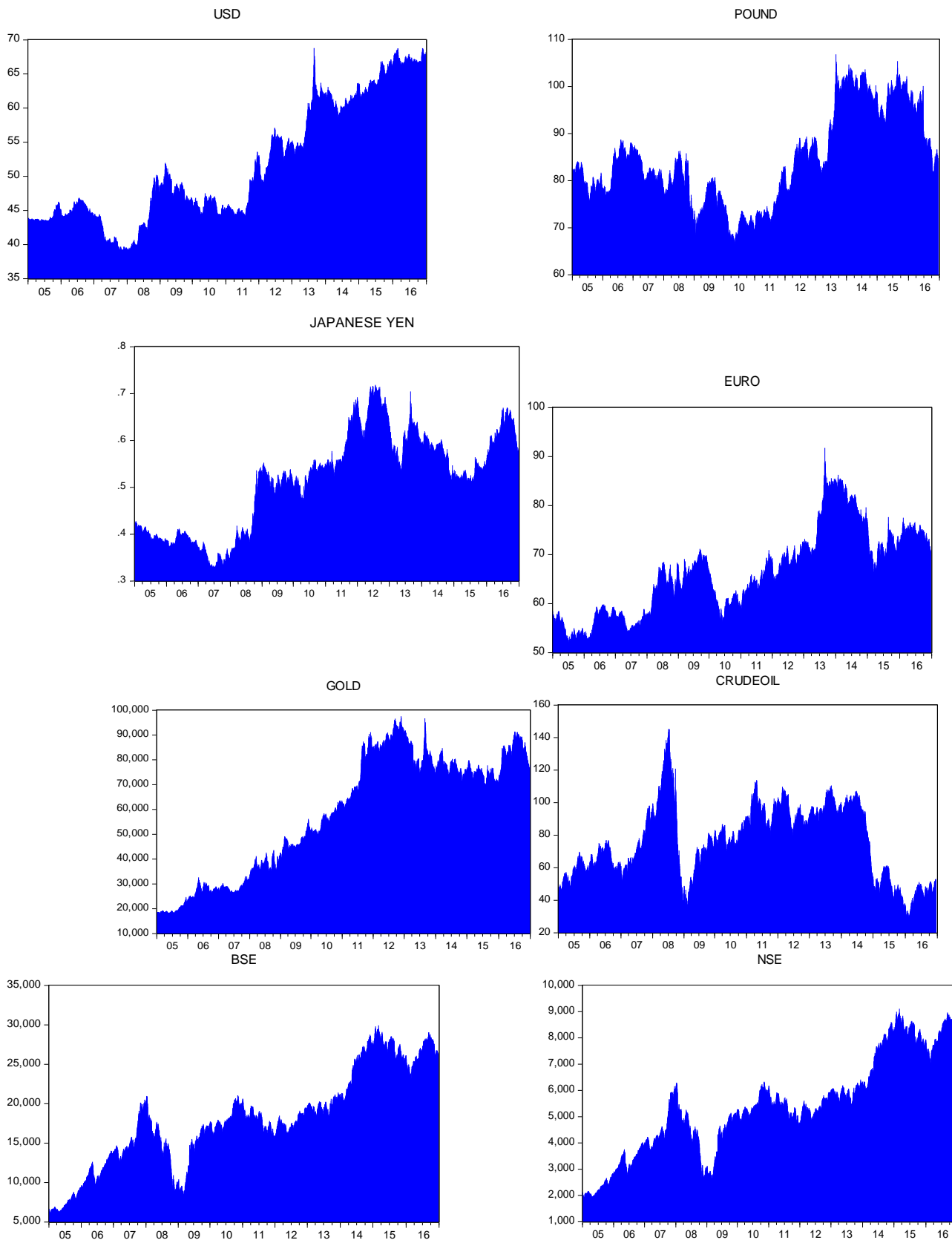
TABLE NO. 3: SHOWS UNIT ROOT TEST METHODS

No	Period	Variables Name	Test Name		t statistic	value@%	value@5%	value@10%
1	January 2005 to December 2016	USD	ADF	I(1 ST D)	-40.5680	-3.432414	-2.862338	-2.567239
				T&I(1 ST D)	-40.58252	-3.961207	-3.411356	-3.127525
				NONE	-40.51238	-2.565760	-1.940933	-1.616626
			PP	I(1 ST D)	-52.99551	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-53.00078	-3.961206	-3.411356	-3.127534
				NONE	-52.97684	-2.565759	-1.940933	-1.616626
2	January 2005 to December 2016	PD	ADF	I(1 ST D)	-54.81012	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-54.80127	-3.961206	-3.411356	-3.127524
				NONE	-54.81951	-2.565759	-1.940933	-1.616626
			PP	I(1 ST D)	-54.81081	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-54.80203	-3.961206	-3.411356	-3.127524
				NONE	-54.82021	-2.565759	-1.940933	-1.616626
3	January 2005 to December 2016	Japanese Yen	ADF	I(1 ST D)	-40.46302	-3.432414	-2.862338	-2.567239
				T&I(1 ST D)	-40.45707	-3.961207	-3.411356	-3.127525
				NONE	-40.46122	-2.565760	-1.940933	-1.616626
			PP	I(1 ST D)	-54.79427	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-54.78557	-3.961206	-3.411356	-3.127524
				NONE	-54.76499	-2.565759	-1.940933	-1.616626
4	January 2005 to December 2016	EUR	ADF	I(1 ST D)	-56.50934	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-56.50088	-3.961206	-3.411356	-3.127524
				NONE	-56.51339	-2.565759	-1.940933	-1.616626
			PP	I(1 ST D)	-56.62529	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-56.61684	-3.961206	-3.411356	-3.127524
				NONE	-56.62852	-2.565759	-1.940933	-1.616626
5	January 2005 to December 2016	GP	ADF	I(1 ST D)	-40.63642	-3.432414	-2.862338	-2.567239
				T&I(1 ST D)	-40.64645	-3.961207	-3.411356	-3.127525
				NONE	-40.59414	-2.565760	-1.940933	-1.616626
			PP	I(1 ST D)	-54.35538	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-54.36270	-3.961206	-3.411356	-3.127524
				NONE	-54.31738	-2.565759	-1.940933	-1.616626
6	January 2005 to December 2016	CO	ADF	I(1 ST D)	-56.25511	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-56.26691	-3.961206	-3.411356	-3.127524
				NONE	-56.26458	-2.565759	-1.940933	-1.616626
			PP	I(1 ST D)	-56.23046	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-56.24684	-3.961206	-3.411356	-3.127524
				NONE	-56.23979	-2.565759	-1.940933	-1.616626
7	January 2005 to December 2016	BSE	ADF	I(1 ST D)	-56.08842	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-56.08124	-3.961206	-3.411356	-3.127524
				NONE	-56.05478	-2.565759	-1.940933	-1.616626
			PP	I(1 ST D)	-56.07383	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-56.06683	-3.961206	-3.411356	-3.127524
				NONE	-56.05041	-2.565759	-1.940933	-1.616626
8	January 2005 to December 2016	NSE	ADF	I(1 ST D)	-53.56144	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-53.55319	-3.961206	-3.411356	-3.127524
				NONE	-53.52914	-2.565759	-1.940933	-1.616626
			PP	I(1 ST D)	-53.57757	-3.432414	-2.862337	-2.567239
				T&I(1 ST D)	-53.56916	-3.961206	-3.411356	-3.127524
				NONE	-53.53864	-2.565759	-1.940933	-1.616626

Note: ADF= Augmented Dickey-Fuller, PP= Phillips-Perron, I (1STD) =Intercept (1st Difference), T and I (1ST D)=Trend and Intercept (1st Difference). The overall macroeconomic variables from the period JANUARY-2005 to DECEMBER-2016 results are shown in table no 3. From the table no 3 the study found that there is no unit root in the data.

The selected macroeconomic variables data have been expited in following graphs.

FIG. 2 to 9



Note: USD= US Dollar, PD= Pound, JPY= Japanese Yen, EUR=Euro, GP=gold price (USD), CO=crude oil (USD), BSE =Bombay Stock Exchange, NSE= National Stock Exchange.

TABLE NO. 4: INTER CORRELATIONS AMONG SELECTED MACRO ECONOMIC VARIABLES AND BSE SENSEX

CORRELATIONS							
	USD	POUND	JAPANESE YEN	EURO	GOLD	CRUDEOIL	BSE
USD	1	.763**	.691**	.729**	.761**	.268**	.767**
POUND		1	.297**	.718**	.439**	.074**	.581**
Japanese Yen			1	.743**	.730**	.139**	.539**
EURO				1	.796**	.189**	.691**
GOLD					1	.190**	.751**
CRUDE OIL						1	.018
BSE							1

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

A Pearson's correlation analysis was carried out in this part of research study to examine the bivariate relationships among the main variable and to check the presence of multicollinearity problem. The correlation matrix in table indicated correlation coefficient between 6 independent variables such as US Dollar, Pound, Euro, Japanese Yen, Gold price, Crude oil and dependent variables such as Bombay Stock Exchange and National Stock Exchange which are measured using multiple scales in this research study. As can be seen in table, the correlation coefficients for the variables under investigation were relatively high ranging from 0.190 to 0.930. There was a significant positive relationship between US Dollar, Pound, Euro, Japanese Yen, Gold price, Crude oil and Bombay Stock Exchange. It was followed by USD($r=0.763$, $p<0.01$); POUND($r=0.297$, $p<0.01$); JPY($r=0.743$, $p<0.01$); EURO($r=0.796$, $p<0.01$); GOLD($r=0.190$, $p<0.01$); CRUDEOIL($r=-0.18$, $p<0.01$)

TABLE NO. 5: INTER CORRELATIONS AMONG SELECTED MACRO ECONOMIC VARIABLES AND NSE

CORRELATIONS							
Variables	USD	POUND	JAPANESE YEN	EURO	GOLD	CRUDEOIL	NSE
USD	1	.763**	.691**	.729**	.761**	.268**	.778**
POUND		1	.297**	.718**	.439**	.074**	.575**
Japanese Yen			1	.743**	.730**	.139**	.552**
EURO				1	.796**	.189**	.690**
GOLD					1	.190**	.758**
CRUDE OIL						1	.034
NSE							1

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

A Pearson's correlation analysis was carried out in this part of research study to examine the bivariate relationships among the main variable and to check the presence of multicollinearity problem. The correlation matrix in table indicated correlation coefficient between 6 independent variables such as US Dollar, Pound, Euro, Japanese Yen, Gold price, Crude oil and dependent variables such as Bombay Stock Exchange and National Stock Exchange which are measured using multiple scales in this research study. As can be seen in table, the correlation coefficients for the variables under investigation were relatively high ranging from 0.190 to 0.930. There was a significant positive relationship between US Dollar, Pound, Euro, Japanese Yen, Gold price, Crude oil and National Stock Exchange. It was followed by USD ($r=0.763$, $p<0.01$); POUND($r=0.297$, $p<0.01$); JPY($r=0.743$, $p<0.01$); EURO($r=0.796$, $p<0.01$); GOLD($r=0.190$, $p<0.01$); CRUDEOIL($r=-.034$, $p<0.01$)

TABLE 6: INFLUENCE OF SELECTED MACRO ECONOMIC VARIABLES ON BSE SENSEX

Dependent Variable: BSE				
Method: Least Squares				
Date: 02/24/17 Time: 13:35				
Sample: 1/03/2005 12/30/2016				
Included observations: 2903				
Variables	Coefficient	Std. Error	t-Statistic	Prob.
USD	487.6299	24.81132	19.65352	0.0000
POUND	37.14736	11.37959	-3.264383	0.0011
JAPANESE YEN	47766.81	1154.072	-41.38982	0.0000
EURO	64.90377	17.58011	3.691887	0.0002
GOLD	0.229389	0.005023	45.66496	0.0000
CRUDE OIL	36.38162	4.268694	8.522892	0.0000
R-squared	0.786086	Mean dependent var		17924.25
Adjusted R-squared	0.785717	S.D. dependent var		6072.549
S.E. of regression	2811.026	Akaike info criterion		18.72255
Sum squared resid	2.29E+10	Schwarz criterion		18.73490
Log likelihood	-27169.78	Hannan-Quinn criter.		18.72700
Durbin-Watson stat	0.014574			

In this study, regression result is found as per the objectives. First and second regression analysis result consider USD, POUND, Japanese Yen, EURO, GOLD, CRUDE OIL as independent variables. NSE and BSE as dependent variable, respectively. As can be seen in tables, Japanese Yen has highest positive impact on BSE ($\beta=47766.81$, $t=-41.38982$, $p<0.01$), USD has positive impact on BSE ($\beta=487.6299$, $t=19.65352$, $p<0.01$), EURO has a positive impact on BSE($\beta=64.90377$, $t=3.691887$, $p<0.01$) POUND has positive impact on BSE($\beta=37.14736$, $t=-3.264383$, $p<0.01$) CRUDEOIL has positive impact on BSE($\beta=36.38162$, $t=8.522892$, $p<0.01$)

TABLE 7: INFLUENCE OF SELECTED MACRO ECONOMIC VARIABLES ON NSE

Dependent Variable: NSE				
Method: Least Squares				
Date: 02/20/17 Time: 12:43				
Sample: 1/03/2005 12/30/2016				
Included observations: 2903				
Variables	Coefficient	Std. Error	t-Statistic	Prob.
USD	161.0140	7.437739	21.64825	0.0000
POUND	16.52982	3.411283	-4.845631	0.0000
JAPANESE YEN	14116.70	345.9583	-40.80462	0.0000
EURO	13.56252	5.270023	2.573521	0.0101
GOLD	0.067984	0.001506	45.14675	0.0000
CRUDE OIL	11.39983	1.279635	8.908654	0.0000
R-squared	0.793524	Mean dependent var		5387.853
Adjusted R-squared	0.793168	S.D. dependent var		1852.878
S.E. of regression	842.6667	Akaike info criterion		16.31308
Sum squared resid	2.06E+09	Schwarz criterion		16.32543
Log likelihood	-23672.44	Hannan-Quinn criter.		16.31753
Durbin-Watson stat	0.014410			

In this study, regression result is found as per the objectives. First and second regression analysis result consider USD, POUND, Japanese Yen, EURO, GOLD, CRUDE OIL as independent variables. NSE and BSE as dependent variable, respectively. As can be seen in tables, Japanese Yen has highest positive impact on BSE ($\beta=47766.81$, $t=-41.38982$, $p<0.01$), USD has positive impact on BSE ($\beta=487.6299$, $t=19.65352$, $p<0.01$), EURO has a positive impact on BSE ($\beta=64.90377$, $t=3.691887$, $p<0.01$) POUND has positive impact on BSE ($\beta=37.14736$, $t=-3.264383$, $p<0.01$) CRUDEOIL has positive impact on BSE ($\beta=36.38162$, $t=8.522892$, $p<0.01$)

TABLE NO. 8: TESTING OF HYPOTHESIS (BSE SENSEX AND NSE)

Hypothesis	β Coefficient	Probability	Result
H ₀₁ There will be no significant influence on USD on BSE Sensex.	487.6299	0.0000	Rejected
H ₀₂ There will be no significant influence on POUND on BSE sensex.	37.14736	0.0011	Rejected
H ₀₃ There will be no significant influence on Japanese Yen on BSE sensex.	47766.81	0.0000	Rejected
H ₀₄ There will be no significant influence on EURO on BSE Sensex.	64.90377	0.0002	Rejected
H ₀₅ There will be no significant influence on Gold Price on BSE sensex.	0.229389	0.0000	Rejected
H ₀₆ There will be no significant influence on Crude Oil on BSE sensex.	36.38162	0.0000	Rejected
H ₀₇ There will be no significant influence on USD on NSE.	161.0140	0.0000	Rejected
H ₀₈ There will be no significant influence on POUND on NSE.	16.52982	0.0000	Rejected
H ₀₉ There will be no significant influence on Japanese Yen on NSE.	14116.70	0.0000	Rejected
H ₁₀ There will be no significant influence on EURO on NSE.	13.56252	0.0101	Accepted
H ₁₁ There will be no significant influence on Gold Price on NSE.	0.067984	0.0000	Rejected
H ₁₂ There will be no significant influence on Crude Oil on NSE.	11.39983	0.0000	Rejected

CONCLUSION

The purpose of this study is to examine the influence of selected macroeconomic variables and its impact on Indian stock market. This study considers only the following macroeconomic variables like US Dollar, Pound, Japanese Yen, Euro, Gold Price and Crude Oil. This study found that there is significant influence on all macroeconomic variables and BSE Index. In case of NSE Index except Euro all macroeconomic variables have influence on NSE Index. Furthermore, this study is also proved that there is a significant relationship among selected macroeconomic variables on BSE, NSE Index. This study considers only the selected macroeconomic variables. In future, several macroeconomic variables can be considered for further studies.

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A STUDY ON THE RELATIONSHIP BETWEEN DIVIDEND PER SHARE AND MARKET PRICE PER SHARE - WITH RESPECTIVE TO INDIAN PHARMACEUTICAL INDUSTRY

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ABSTRACT

Dividend decision is the third important decision in finance. Even today dividend policy is debatable topic in finance. Some school of thought speaks about relevance theory and some school of thought speaks about irrelevance theory. This study supports relevance theory and this study deals with impact of dividend policy on market price of share. There are micro and macro economic factors which influence the market price of equity share. The present study is made to find out the relationship ship and the impact of DPS on MPS of share of selected companies. This study has selected 18 companies from pharmaceutical sector in India. Considering 9 MNC's and 9 Indian pharma companies based on market capitalization. This study has used simple correlation and simple Regression analysis. The analysis shows that the market price per share ie, share price of various selected companies are not affected by the dividend per share. Only few companies are having significant impact of DPS on MPS.

KEYWORDS

dividend per share (DPS), market price per share (MPS).

INTRODUCTION

A dividend is a part of company's profit, decided by the board of management, to a class of its shareholders. Dividends can be paid in form of cash or in kind. A dividend policy is the policy a company uses to decide regarding how much amount of profit will be distributed as dividend to share holders. Some of the researchers and economists says that dividend policy may be irrelevant (in theory), but many investors depends on dividends as a vital source of income. The dividend policy decision is the third important decisions in any organization in order to achieve effectiveness in performance and attainment of objectives, because the role of finances increased to most significant in company's growth strategy. The attention of economists and researchers have been attracted by the field of dividend policy culminating into theoretical modelling and empirical examination. In finance dividend policy is a complex aspect and is among the top 10 perplexing issues in finance as suggested by Brealey and Myers (2002). The policy that results in maximization of the firm's stock price which in turn maximizes shareholders wealth is called an optimal dividend policy. However, the relationship between dividend policy and shareholder's wealth is still not solved. The enhancement of the market value of share is the ultimate goal of company's management, which will result in increasing firm's value as measured by the price of the company's common stock. In order to achieve the desired goal board of directors needs to take decision to give shareholders a reasonable payment on their investments. The market price of common stock of a firm actually represents the wealth of shareholders, which, in turn, is a function of financing, dividend, and investment decisions of a firm. A company's dividend policy has implications for many stakeholders such as managers, investors, lenders and others. Through dividends investors can value a company and for them it is a regular income whether declare today or at some future date. Dividend policy also has implications for managers because when they distribute dividends they will have fewer funds available to invest in projects, thus their investment decision depends upon dividend policy. Generally the study is planned to find out how far market value of share is impacted by dividend policy, and particularly investigate the association between dividend per share and market price per share. Larger, established companies tend to issue regular dividends as they seek to increase market value of its shares, it pays ways for its growth. Companies in basic materials, oil and gas, banks and financial, healthcare and pharmaceuticals sector showed the highest historical dividend yield.

NEED FOR THE STUDY

Always the dividend policy is debatable topic in finance. Some school of thought speaks about relevance theory and some school of thought speaks about irrelevance theory. This study supports relevance theory and this study deals with impact of dividend policy on market price of share. Investment financing of the business mainly depends on the dividend distribution and retention policy of company. Because of Agency problem, clients needs, Bird in hand theory which signals to potential investors, the companies are preferring to buy some Dividend though not liberally.

REVIEW OF LITERATURE

Sajid (2012) conducted a study on "The Relationship between Dividend Policy and Shareholders wealth" for a period of 6 years 2005 to 2010 considering 75 companies listed in Karachi Stock Exchange SHV (DPS) as Dependent value, DPS as explanatory variable. Also used lagged P/E ratio, RE as explanatory variables. The study shows that there is significant influence of DP on SHV, as far as the dividend paying companies are concerned. Lagged P/E ratio did not appear to have significant influence on Dependent Variable, whereas lagged MVE has a significant impact on MPS. The firm value is independent of its dividend policy according to Modigliani and Miller (1961), because it is determined by selecting its optimal investments. Thus a firm dividend policy doesn't influence the wealth of shareholder. The theory of bird in hand was presented by Gordon and Walter (1963), according to this theory due to minimum risk investors will prefer dividends over capital funds. Thus researchers are puzzled by the question? for many years. The future profitability of firms is assessed by the information regarding the cash dividends. Moreover, investors use such information for assess the price of firm's stock according to the theory of bird in hand.

Javid and Ahmed (2009) show the results from their study and conclude that the market capitalization and size of the firm have negative and significant effect on dividend payout ratio, thus the result shows clearly that the firm prefers to invest in their assets rather than dividends. If the firm pays dividend than it impacts on their investment policy and value of the firm effects.

Anil and Kapoor (2008) conducted a study on Determinants of Dividend payout ratio in which results show that the Cash flow from operation is most important factor in Indian Information Technology sector is dividend payout ratio and they conclude that firms which have high liquidity position gives more dividend and which have low gives no dividend. Beta of the firm share price is also significant.

Alzomania and Alkhadiri (2013) examined "The Factors Determining Dividend Policy represented by dividend per share for firms in the Saudi Arabia Stock Exchanges". They used regression model and used a panel data covering the period during 2004-2010 for 105 non-financial firms listed in the stock market. The

results consistently supported that Saudi Arabia non-financial firms rely on current earnings per share and past dividend per share of the firm to set their dividend payments

Ranti (2013) "Determinants of Dividend Policy": A study of selected listed Firms in Nigeria, this study investigated the determinants of dividends policy in the Nigerian Stock Exchange market. The paper was basically modelled to examine the effects of financial performance of firms, firm size, financial leverage and board independence on the dividend payout decisions of listed firms operating in the Nigerian Stock Exchange market using the regression analysis method.

Tsuji, (2010) examined "What Are the Determinants of Dividend Policy?" The Case of the Japanese Electrical Appliances Industry. This paper explores the determinants of the dividend policy of firms in the Japanese Electrical Appliances Industry. Empirical investigations reveal that in this industry, corporate managers do not cater to investors' demands in both their dividend initiation and continuation decisions.

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OBJECTIVES OF STUDY

1. To identify the relationship between DPS and MPS of the selected companies in Indian pharmacy sector.
2. To find the impact of DPS on MPS of the selected companies in Indian pharmacy sector.

HYPOTHESIS

- H01: This is no significant relationship between MPS and DPS of the selected companies in Indian pharmacy sector.
- H02: This is no significant impact of DPS on MPS of the selected companies in Indian pharmacy sector.

METHODOLOGY

The study is based on the secondary data. To analyse the impact of DPS on MPS, the researcher selected 18 Pharmaceutical companies (Indian and mnc's) 8 from large scale, 8 from Medium scale and 2 from small scale for a period of 10 years starting from FY 2006 up to the ending of FY 2015. Numerical and financial data were collected from the official website of money control and Bombay stock exchange. The number of companies selected in large, medium and small differed because of non availability of data.

SCOPE OF STUDY

This study is sector specific study targeting the pharma sector.

LIMITATIONS

The study has the following limitations with respect to various reasons as cited below.

1. The study is limited only to the Indian pharmacy industry in India.
2. It is limited to a period of 8 to 10 years starting from FY 2006 and ending on FY 2015 as per availability of data.
3. The study is purely confined to secondary data. No involvement of primary data and survey.

THEORETICAL CONCEPTS

BIRD IN HAND THEORY

According to this theory investor prefer dividends from the investments rather than capital gains as the latter possess inherent uncertainty. This theory is based on the age old proverb "A bird in the hand is worth two in the bush," meaning investors are very much interested in the dividends that are paid at present rather than substantial higher capital gains acquired at a later date. This theory was developed by Gordon and Lintner as a counter to dividend irrelevance theory developed by Modigliani Miller, which states that investors are indifferent to the returns coming from the stocks either dividends or the capital gains. The theory of Gordon and Lintner states that investors sought only stocks with high dividend payouts as consequently the market price of the stocks rises. An investor invests for capital gains largely on the conclusions drawn from incomplete information. A clever investor may reap capital gains by investing in stocks which are into observation and a research in the macro level has been done on the same, but the performance of the stock depends upon various other factors the control of which is not in the hands of the investor. This is the basis for the capital gains to be compared with "two in the bush" in the above mention age old proverb. Investors are in the hunt of the capital gains, as it makes them richer in less time, unknowing the fact that probability of high capital gains is very worse or even negative.

AGENCY COST AND THE FREE CASH FLOW THEORY

It is a conflict of interest inherent in relationship where a party is expected to act in another's best interests. In corporate finance, this agency problem usually refers to the conflicts of interests between a company's management and its investors. The management, acting as the agent for the shareholders, or principals, is supposed to make wise decisions that will help in the wealth maximization of the investors, though it is in the management's best interest to maximize its own wealth. Though this problem of agency cannot be wiped off completely, the investors can try and bring it down to certain extent by giving incentives based on the performance, compensation for meeting the targets in time and ensuring that right techniques are in place so as to maximize the output. This problem of agency exists only when there is relation between the principal and the agent. The principal may appoint an agent who has the better ability to do the work with the best skills and possess complete knowledge in the area for which he is been appointed. For example, if a principal hires a plumber as an agent to fix up all the unresolved plumbing issues at his place, it is the duty of the agent to do his work with utmost diligence and finish the work that gives the best results at least cost, though he has the ability to make his own money out of the given assignment. The problem of agency arises with the theme of incentives. There shouldn't be any factors motivating the agent to deviate from the given assignment and drop the principal in such unfavourable situations. If we take the earlier mentioned example, we can notice the plumber making his own money just by proposing an unnecessary service. The presence of making more money than it is actually required by the plumber is the factor giving rise to the issues of agency problems.

SIGNALING HYPOTHESIS THEORY

As Modigliani and Miller (1961), assumed that there will be exact knowledge at investors regarding operations of a firm, other researchers opposed him by explaining that the management will look after the management will have updated information about the operations of the firm compared to the knowledge held by outside investors. Therefore, a gap will be created between the opinions of managers and investors. So in order to fill the gap, the management uses the dividend policy as tool to convey the private information to shareholders. Pettit (1972) observed that great information about the prospectus of the firm will be carried with the help of the amount of dividend paid.

CLIENTELE EFFECTS OF DIVIDENDS THEORY

This clientele effect theory explains the movement in the stock price of the companies in accordance with the demands and goals of the investor's reaction to a particular tax structure. The very basic assumption of this theory is that investors are attracted towards the dividend policies of the company and when any change in the policy of the particular company takes place, they will adjust their stocks accordingly upon which the movement of the price of the stocks take place.

TABLE 1: SHOWING NO CORRELATION AND NEGATIVE CORRELATION BETWEEN DPS AND MPS AMONG THE FOLLOWING SELECTED COMPANIES.

sl.no	company	Adjusted r square value	p value	regression model fit
1	LUPIN	0.024	0.302	NO
2	CIPLA	-0.125	0.992	NO
3	AUROBINDO	-0.005	0.357	NO
4	ALKEM	-0.17	0.068	NO
5	MERCK	0.041	0.273	NO
6	GLENMARK	-0.135	0.615	NO
7	SHILPA	-0.165	0.924	NO
8	J.B CHEMICALS	-0.034	0.418	NO
9	AARTI LABS	0.068	0.233	NO
10	PFIZER	-0.124	0.934	NO
11	WOCKHARTZ	-0.22	0.771	NO
12	DISHMAN	-0.026	0.406	NO
13	AMRUTHANJAN	-0.027	0.408	NO
14	VIVIMED LABS	-0.157	0.685	NO

TABLE 2: SHOWING POSITIVE AND GOOD CORRELATION BETWEEN DPS AND MPS AMONG THE FOLLOWING SELECTED COMPANIES.

SL.NO	Company	Adjusted r square value	p value	regression model fit	regression equation
1	DR REDDY LAB	0.823	0	YES	$MPS = 100.199 + 121.92(DPS)$
2	CAPLIN	0.652	0.032	YES	$MPS = -136.059 + 88.147(DPS)$
3	SANOFI	0.489	0.015	YES	$MPS = 676.58 + 32.478(DPS)$

Source: Researcher's compilation.

OBSERVATION: However, a special feature noticed related to JUBILANT LIFE SCIENCES company having negative correlation but regression model fitted. Regression equation is $MPS = 736.392 - 200.179(DPS)$.

From above data, we can say that impact of DPS on MPS can be seen in four companies and there is no impact of DPS on MPS for fourteen companies.

CONCLUSION

The study was about the "RELATIONSHIP BETWEEN DPS AND MPS WITH RESPECT TO INDIAN PHARMACEUTICAL INDUSTRY". The study has been conducted among the 18 pharmaceutical companies operating in India in order to find out whether there is significant impact of DPS on MPS of selected companies. DR REDDY LABORATORIES, JUBILANT LIFE SCIENCES, CAPLIN, SANOFI companies have clearly shown that there is significant impact of DPS on MPS of company and remaining companies selected for sample are not showing significant impact of DPS on MPS of them.

RECOMMENDATIONS

The study suggests investors to think twice for making their investments in to the pharmacy companies operating in India. Because the study results show that the DPS is not having the significant impact on MPS. May be we have to consider other variables which has impact on MPS. The study also suggests the pharma companies to declare dividends to the investors such that the demand for the company shares increases because of signalling effect. These suggestions/recommendations are based on results obtained from the data relating to the selected companies. However, this may not be true for entire sector. As sector contains almost 200 companies. The sample is only 10% of the population.

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AGRICULTURAL MARKETING - CHALLENGES & CHANCES**M. SELVAMUTHU****STUDENT****DEPARTMENT OF COMMERCE - CA (PG)****KONGU COLLEGE OF ARTS & SCIENCE****KARUR****M. NAVEENKUMAR****STUDENT****DEPARTMENT OF COMMERCE - CA (PG)****KONGU COLLEGE OF ARTS & SCIENCE****KARUR****B. KIRUTHIKA****ASST. PROFESSOR****DEPARTMENT OF COMMERCE - CA (PG)****KONGU COLLEGE OF ARTS & SCIENCE****KARUR****ABSTRACT**

The increasing development of agricultural production has brought in its significance. Agriculture sector should face new challenges in terms of finding markets for the increased production. In some rural area they don't find market to sell their product. There is an inadequate information regarding price for their product. The issue of agriculture and agricultural marketing is dealt with both by the state as well as the central government in the country. Challenges and Chances that the global markets offer in the liberalized trade regime are also to be addressed. For the farming community to benefit from the new global market access opportunities, the internal agricultural marketing system in the country needs to be integrated and strengthened. Agricultural marketing reforms and the creation of marketing infrastructure has therefore been a prime concern of the government. There is a need to expand all the services that will develop agricultural marketing, relating to marketing system improvement, strengthening of marketing infrastructure, investment needs, possible sources of funds including that from the private sector, improvement in marketing information system using Information and Communication Technology (ICT), human resource development in agricultural marketing, and measures needed for promotion of exports.

KEYWORDS

APMCs, agriculture market, rural market, agmark.

1. INTRODUCTION

Agriculture is an important sector in contributing more revenue to Indian economy. With the greater importance agriculturist should have good marketing facilities as economy adopt new policies. Rural development is defines as balancing the rural and urban areas with the healthy competition among those which are results in nation's development. Rural development which much more implies on small farmers agricultural progress, encompasses efforts to raise both farm and non-farm rural real incomes through job creation, rural industrialization, and the increased provision of education, health, nutrition, social and welfare services. The increasing development of agricultural production has brought in its significance. Agriculture sector should face new challenges in terms of finding markets for the increased production. In some rural area they don't find market to sell their product. There is an inadequate information regarding price for their product. The issue of agriculture and agricultural marketing is dealt with both by the state as well as the central government in the country. Starting from 1951, various five – year plans laid stress on development of markets, on –farm and off – farm storage structures related to facilities for standardization and grading, packaging, transportation, etc. Most agricultural commodity markets generally operate under the normal forces of demand and supply. The organized marketing provides chances to agricultural commodities in the country through a network of regulated markets.

2. WHAT IS AGRICULTURAL MARKETING ?

Agricultural marketing is the study of all the activities, agencies and policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farms to the consumers. The agricultural marketing system is a link between the farm and the non-farm sectors.

3. DEFINITION OF AGRICULTURAL MARKETING

According to the National Commission on Agriculture (XII Report, 1976), "agricultural marketing is a process which starts with a decision to produce a saleable farm commodity, and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre- and post-harvest operations, assembling, grading, storage, transportation and distribution".

4. FUNCTIONARIES IN AGRICULTURAL MARKETING

Functionaries' involvement in agricultural marketing has categorized under three market stages. They are functionaries in:

- Primary market
- Secondary market
- Terminal or Export market

Primary market functionaries: The producer/farmer/cultivator, pre-harvest contractor, itinerant merchants, transport agents.

Secondary market functionaries: Financial agents, and processing agents are involved in secondary market in addition to primary market functionaries.

Terminal or Export market functionaries: in addition to primary and secondary market functionaries commercial analyst and shipping agents are also involved in this market stage.

5. FUNCTIONS OF AGRICULTURAL MARKETING

The major marketing functions involved in agricultural marketing are as per following:

Concentration: The foremost function to be performed in agricultural marketing is to collect the agro produce ready to sale in a central place for economic buying purpose.

Grading of Agro Produce: Grading is the process of segregating the huge amount produce into different categories on the basis of variety, quality, size, etc. This can help to establish standards for those produce.

Processing: It is the stage where the farm products are transformed into consumable products. For example: paddy into rice processing.

Warehousing: Warehousing is storing the products from production till its final consumption. This helps to preserve the products from spoil, contamination, etc.

Packaging: Packaging of products is another essential function for easy handling, preventing from deterioration, attracts customers, etc.

Distribution: The last function performed in all marketing is distribution of products from the place of warehouse to retail outlet for final consumption.

6. REGULATION ON AGRICULTURAL MARKETS

The rationale of state regulation of agricultural markets was to protect farmers from the exploitation of intermediaries and traders. It also aimed to ensure better prices and timely payment for their produce. After some years these markets have though acquired the status of restrictive and monopolistic markets, providing no help in direct and free marketing, organized retailing and smooth raw material supplies to agro-industries. The exporters, processors and retail chain operators cannot procure directly from the farmers as the produce licensed traders, which are supply chain management. There is, in the process, an enormous increase in the cost of marketing farmers end up getting a low price for their produce. Monopolistic practices and modalities of the state – controlled markets have prevented private investment in the sector.

7. AGRICULTURAL PRODUCE MARKETING COMMITTEES (APMCs)

The role of APMCs in India is very important one in giving opportunities to rural farmers to sell their Agro-product at good prices. To achieve an efficient system of buying of agricultural commodities, most of the state government and union territories have enacted several legislations to provide for regulation of the Agricultural Produce Markets. The basic purpose in the setting up of a network of physical markets has been to ensure reasonable gains to the farmers by creating a market environment, where there is fair play of supply and demand forces. To regulate market practices and to attain transparency in transaction there is need of APMCs. With growing agricultural production, the number of regulated markets has also been increasing in the country. There were 286 regulated markets in the country at the end of 1950; their number has increased to 7157 by 2010, this shows the positive sign to agriculture development. The purpose of a regulated market is to eliminate unhealthy market practices, to reduce marketing charges and to interests of farmers. To facilitate this all the state Agricultural produce Marketing Act for the establishment of regulated markets.

8. IMPORTANCE OF AGRICULTURAL MARKETING

- Break the vicious circle of poverty
- Optimum utilization of agricultural resources
- Enhance the standard of living
- Basis of employment opportunity
- Basis of industrial development
- Creation of utilization
- Basis of foreign trade
- Source of national revenue
- Create the environment for investment

9. CHANCES TO RURAL FARMER IN AGRICULTURE MARKETING

With the regulation on Agro-market government provided to rural farmer by such facilities like infrastructure development, private sector intervention, and improvement in marketing information system using ICT, human resources development in agricultural marketing, and measures needed for promotion of exports.

9.1 THE TERMINAL MARKETS

This scheme introduced to promote modern terminal markets for fruits, vegetables and the other perishables in important urban centres in India.

9.2 THE MARKETING EXTENSION

AGMARK quality control programmes as well as improvements in marketing practices and procedures are advertised through mass media. The information is disseminated through exhibitions, conferences, seminars and workshops.

9.3 THE MARKETING RESEARCH AND INFORMATION NETWORK (AG-MARKNET)

This is a central sector scheme that was launched by the department of Agriculture and Cooperation in March 2000. This includes networking of markets, development of regional portals, market-led extension activities and development of market atlas on Global Information Systems (GIS) platform, etc.

9.4 THE CONSTRUCTION OF RURAL GODOWN

The Department of Agriculture and Cooperation introduced a central sector scheme, the 'Grameen Bhandaran Yojana', in March 2002 to promote the construction of rural Godown.

9.5 GRADING AND STANDARDIZATION

The scheme for the development/strengthening of agricultural marketing infrastructure, grading and standardization was launched on 20th October 2004.

10. CHALLENGES IN AGRICULTURAL MARKETING

The challenges for rural farmer are:

- a). Inadequate storage facility of food grains,
- b). improper transportation,
- c). packaging facility problem,
- d). cold storage facility problem etc.,

Inefficiency in the wholesale markets result in a long chain of intermediaries, multiple handling, results in a long chain of intermediaries, multiple handling, loss of quality and increase in the gap between the producer and consumer prices. A large number of small retailers, each handling small quantities, create high overheads leading to a high marketing margin on the produce. The purpose of regulation of agricultural markets was to protect farmers from the exploitation of intermediaries and traders also to ensure better prices and timely payment for the produce. However, due to lack of development of an appropriate market infrastructure in tandem with changes in production, intermediation has tended to continue resulting in post-harvest losses at every stage thereby reducing the farmer's share in consumer's price. There is a strong need for providing an appropriate backward and forward integration to producers for ensuring primary value additions to the produce and enhance quality.

11. CONCLUSION

Agriculture is an important sector in contributing more revenue to the Indian Economy. With the greater importance agriculturist should have good marketing facilities as economy adopt new policies. Challenges and opportunities that the global markets offer in the liberalized trade regime are also to be addressed. For

the farming community to benefit from the new global market access opportunities, the internal agricultural marketing system in the country needs to be integrated and strengthened. There is a need to expand all the services that will develop agricultural marketing, relating to marketing system improvement, strengthening of marketing infrastructure, investment needs, possible sources of funds including that from the private sector, improvement in marketing information system using ICT, human resource development in agricultural marketing, and measures needed for promotion of exports.

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DETERMINATES OF PARTICIPATION IN MICROFINANCE INSTITUTION: THE CASE OF ZIWAY DUGDA AND MUNESA DISTRICTS IN ARSI ZONE OROMIA REGIONAL STATE OF ETHIOPIA

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ABSTRACT

The objective of the study was to analyze factors that influence participation of formal microfinance institution of Farm households in Ziway Dugda and Munesa district. Data was analyzed via both qualitative and quantitative techniques. In addition, a binary logit model was used to investigate determinant factors that affect smallholder farmer's participation in formal credit. The result showed that the proportion of participants and non-participants in any credit for production and consumption purposes during the last five years was equal (50%) for both woredas. 86.75% of the total households were male out of which 50.1% participated in credit and the rest 13.25% were female from which 49.1% participated in credit for production and consumption purposes. The result of binary logistic regression model revealed that the variables age of household, educational status, total family size, and soil fertility were influence the participation of small holder farmers in microfinance institution at the 5% level of significance. Therefore, it is recommended that participation in microfinance institution should recognize the socio-economic, situational and demographic factors to enhance better participation in microfinance institution and thereby increasing rates and their farm productivity and household income.

KEYWORDS

participation, microfinance institution(MFI), logit model.

BACKGROUND AND JUSTIFICATION

Promoting efficient, sustainable and widely accessible rural financial systems remains a major development challenge in most African countries (Onumah, 2003). With about 73% of Africa's population living in rural areas, and the high incidence of rural poverty, improved rural finance is seen as crucial in achieving pro-poor growth and poverty reduction goals. However, the development of rural financial systems is hampered by the high cost of delivering financial services to small, widely dispersed customers; as well as a difficult financial terrain characterized by high and covariant risks, missing markets for risk management instruments and lack of suitable collateral. The escalating food insecurity in Africa is other aspects that come to the fore in connection with the improvement of rural financial services in Africa. A particularly serious problem is that those in real need will have inadequate purchase power to acquire food even if the market succeeds in stimulating production. In the absence of employment opportunities which provide purchase power, the only solution for food deficit families is to produce their own food. These families are exactly those who are the first to be ignored by the financial market since they possess few resources, have no collateral, and involve high risks and high transaction costs. The numbers of these types of families are plenty in sub-Saharan Africa who will require assistance, including financial services, which are not determined by the market to secure self-sufficiency in food production (Shimelles T. and K.M. Zahidul I. 2009).

In countries like Ethiopia where agriculture is the mainstay of the majority of the population, the financial resource is a very important factor for economic development. However, in Ethiopia, among other things, lack of finance is one of the fundamental problems impeding production, productivity and income of the rural and urban households (Gebrehiwot, 2006).

The Ethiopian economy is supported by its agricultural sector, which is also a fundamental instrument for poverty alleviation, food security, and economic growth. However, the sector continues to be undermined by land degradation—depletion of soil organic matter, soil erosion, and lack of adequate plant nutrient supply (Grepperud 1996; Pender et al. 2006). There is, unfortunately, plenty of evidence that these problems are getting worse in many parts of the country, particularly in the highlands (Pender et al. 2001). Furthermore, climate change is anticipated to accelerate the land degradation in Ethiopia. As a cumulative effect of land degradation, increasing population pressure, and low agricultural productivity, Ethiopia has become increasingly dependent on food aid. In most parts of the densely populated highlands, cereal yields average less than 1 metric ton per hectare (Pender and Gebremedhin 2007). Such low agricultural productivity, compounded by recurrent famine, contributes to extreme poverty and food insecurity.

The rural credit market has also been subject to extensive state intervention. To stimulate the uptake of agricultural technology packages, all regional governments in Ethiopia initiated a 100 percent credit guarantee scheme in 1994. For instance, under this system, about 90 percent of fertilizer is delivered on credit at below-market interest rates. In order to finance the technology packages, credit is extended to farmers by the Commercial Bank of Ethiopia (a state-owned bank) through cooperatives, local government offices, and more recently microfinance institutions. Because farmers cannot borrow from banks due to collateral security problems, agricultural credit is guaranteed by the regional governments (Kassa 2003; Spielman et al. 2010, forthcoming).

Family size was found to have a positive and significant impact on the adoption decision of improved agricultural technology have reported by Birhanu, (1993); Asfaw et al., (1997) and Tesfaye, (2004) in its attempt to reduce poverty and ensure food security, the government of Ethiopia designed several development policies, strategies, and programs. Since 1992 the government has taken major economic as well as financial sector reforms (2020 Vision Network for East Africa, 2000 and Alemayehu et al., 2006). This was made to provide adequate financial services to smallholder farmers and the poor in general.

Until 1988 Development Bank of Ethiopia (DBE) was the main source of agricultural input credit and later, Commercial Bank of Ethiopia (CBE) also involved in the same (Worku, 1999). The banks delivered credit to the farmers through cooperatives and local government offices so as to purchase agricultural inputs. However, this approach was not effective due to default cases.

Due to the above problem, the government of Ethiopia favored the establishment of cooperatives and promotion of Microfinance Institutions (MFIs) (Tesfaye, 2005b). The overall aim of financial service provided by both MFIs and saving and credit cooperatives (SACCOs) are to contribute to successful poverty alleviation program of the country.

Microfinance is defined as the delivery of small loan, savings, insurance and other financial services to the poor so that they can generate income opportunities, build assets base, stabilize consumption and protect themselves against risk (Hammill, 2008).

The term 'microfinance' means providing very poor families with very small loans (microcredit) to help them engage in productive activities or develops their tiny businesses (The Microfinance Gateway, 2008). Microfinance, according to Otero (1999) is "the provision of financial services to low-income poor and very poor self-employed people". These financial services according to Ledgerwood (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. Microfinance as "the attempt to improve access to small deposits and small loans for poor households neglected by banks." Therefore, microfinance involves the provision of financial services such as savings, loans, and insurance to poor people, living in both urban and rural settings, who are unable to obtain such services from the formal financial sector. These individuals lack collateral, steady employment, and a verifiable credit history and therefore cannot meet even the least minimum qualifications to gain access to traditional credit.

Microfinance informal shape started out from Bangladesh in 1970's in a limited scale by Professor Dr. Mohammed Yunus. He has conceptualized microcredit intervention for its extensive use to eradicate poverty of millions of the world's poorest people. The mission of micro credit has been guided by four core themes: i/ reaching the poorest; ii/ reaching and empowering the woman; iii/ building financial self-sufficient institutions; iv/ ensuring a positive measurable impact on the lives of the clients and their families (Altar et al., 2009).

Access to financial services, especially credit is believed to have a significant impact on various aggregate and household levels outcomes, including agricultural productivity, technology adoption, food security, nutrition, health, and overall household welfare (Diagne, 1998; and Diagne & seller, 2001).

In this regards, microfinance program is generally perceived as one of the practical and attractive means for providing accessibility of the poor to credit and hence reducing poverty and achieving of sustainable livelihood (Bhuiyan et al., 2011a; 2011b).

Household family size: the influence of this variable can be understood in various ways. Households with many family members may encourage youths to migrate to the areas where they can work as laborers in order to generate additional income to support their families (YIRGA, 2007). On the other hand, large family size is usually associated with abundant labor endowment. According to CROPPENSTEDT *et al.*, (2003), households with large family size are more likely to adopt agricultural technology and use it efficiently at peak times. GODWIN (1998) reported that household size was positively related to the increase in household debt. Thus, the need to finance a larger amount of living expenses could be reflected in borrowing money from credit institutions.

Households headed by older individuals are more likely to have more experience in agricultural production accumulated over the years, which may account for higher levels of farm profit. However, the households headed by younger individuals are often associated with more risk-taking behavior than the elderly. Old age is the human capital that is frequently associated with non-adoption in most studies. Typically, older farmers have a tendency to stick to their old production techniques and that they are usually unwilling to accept change (SIMTOWE, and ZELLER, 2006).

Looking at the demand side of GDP of Ethiopia, one of the macroeconomic balances to be considered is the resource gap between savings and investment. In the growth and Transformation plan(GTP) period prudent macroeconomic management will be adopted to maintain this macroeconomic balance. At the end of the GTP period, total consumption is forecasted to reach 85% while domestic savings are targeted to increase from 5.5% in 2009/10 to 15% of GDP in 2014/15 and the five years average will be 11.9 % (GTP of FDRE, 2010).

It is clear that in Ethiopia economic growth is crucial for the eradication of poverty over time. For this reason, the GTP boldly aims to achieve the MDG (millennium Development Goals) target of halving extreme poverty and hunger by 2014/15, at the end of GTP period food insecurity headcount is expected to decrease from 28.2 in 2009/10(baseline year) 21.2 in 2014/15(plan target) (GTP of FDRE, 2010).

Oromia Credit and Saving Share Company (OCSSCO) is the major micro-finance institution that gives credit and saving service for the farm household in Oromia region in general and in Ziway Dugda and Munesa. Since its establishment, OCSSCO has been offering the following services: Credit Service at an affordable rate; Saving Service at an attractive rate; Micro-Insurance Service for loan clients; and Micro-Banking Service. OCSSCO provide need to be based micro financial services to strengthen the economic base of the low-income rural and urban people in Oromia through increased access to sustainable and cost efficient financial services.

STATEMENT OF THE PROBLEM

In rural areas, farmers have no direct access to commercial banks for credit as their lending terms and conditions constrain smallholder farmer's access to credit. As a result, the government of Ethiopia has given due attention to providers of finance service in rural areas, including Micro Finance Institution(s) (MFIs), and rural saving and Credit Cooperative (SACCOs).

In Ethiopia, there is a wide gap between owned and required capital to finance the agricultural activities of smallholder farmers since the income from subsistence agriculture does not yield much surplus beyond family consumption and other social obligations. The lack of access to capital in rural areas is one of the major factors which hinders the development of agriculture (Tefera, 2004).

Currently, OCSSCO is giving micro financial service in Arsi zone to strengthen the economic base of the low-income rural and urban people. OCSSCO give need to be based micro financial services to strengthen the economic base of the poor in Zuway Dugda and Munesa districts.

To narrow the gap between owned and required capita rural farm households have been accessing credit from formal and informal financial institutions. In the Ormya region, about 45.5% of the households had borrowed money for their livelihood in the last five years, but the rest 55.5% could not. 65% of the HHs got credit from informal financial institutions in rural areas, which provided a very small loan, for short period and especially for consumption. This indicates that the majority of the rural households could not borrow from the formal credit sources due to lack of access to these sources. This big share of credit covered by the informal sources of finance also indicates that there is a huge unmet demand for credit (BRD, 2011).

The non-formal credit unlike the formal credit sources as indicated by G/Yohannes (2000) has easy access to information about their borrowers with whom they have social relations. This permits credit contracts to play a more direct role in enforcing repayment. Also, the fact that collateral is rarely used in the informal sector enables it to flexibly satisfy financial needs that cannot be met by the formal financial institutions.

In the Oromia National Regional State, Ziway Dugda and Munesa Districts in Arsi Zone labor is in short supply and is expensive especially during peak weeding and harvesting periods. Farmers mostly use hired labor. This indicates that there is a high demand for cash during the peak periods for labor. Due to the fact that the formal sector is not in a position to satisfy the credit requirements of the farmers during the periods, they depend on the informal sector for their credit needs. Most informal lenders provide cash advance before the crop is harvested, farmers are then obliged to repay the loan in cash or in kind based on a previous commitment made by the lender. Theoretical and empirical evidence in the region show that in the past year's formal credit institutions failed to reach the very poor households. On account of this background this study was undertaken, to fill the information gap on the factors affecting smallholder farmers' access to formal credit in Ziway Dugda and Munesa Districts in Arsi Zone.

This study was intended to deal with the following research question; What are the determinant factors that are affecting access to formal credit by smallholder farmers?

OBJECTIVE OF THIS STUDY

To analyze factors that influence participation of formal microfinance institution on the Livelihoods of Farm households the case of Ziway Dugda and Munesa Districts in Arsi Zone.

METHODOLOGY

DESCRIPTION OF THE STUDY AREA

Arsi Zone is one of the 17 Zones of the Oromia National Regional State. It is located in the southeastern part of the country. It is also situated between 6045'-8058' latitude and 38032'-40050' longitude. It has a surface area of about 23,821 kilometer per squarer and divided into 25 districts and 501 kebeles. Asella is the capital town of the Zone and is located at the distance of 175 Km from Addis Ababa (AZARDO, 2013).

Arsi Zone is divided into four traditional agro-ecological zones, of which 29.10% is Kolla (refers to relatively hot climate/lowland), 27.5% is Woinadega (refers to a weather condition which is midland/temperate), 39.7% is Dega (highland) and 3.7% is classified as Wurch (refers to relatively too cold). The altitude ranges from 500 to 3300 meter above sea level (m.a.s.l). The annual rainfall ranges from 700 to 2000 mm while the annual temperature ranges from 100c-250c (AZARDO, 2013).

According to the 2007 Population and housing Census results, the population of the Zone was about 2,635,515 million. The share of the rural and urban population was 2,329,146 and 306,369 respectively. The population density of the Zone is 135 persons per kilometer per squarer.

In Arsi zone there are eight food insecure districts. Ziway Dugda is one of food insecure districts of Arsi zone. Whereas Munesa is a one of food secure district in the zone (AZARDO, 2013).

[illegible]

TABLE 1: THE FOLLOWING DISTRICTS ARE RANDOMLY SELECTED DISTRICTS FOR THIS STUDY

Districts	Borrowers from OCSSCO	Total population	Number of households
Munesa	7058	166414	34670
ZiwayDugda	5756	120987	25206
Total	12814	287401	59876

Source: CSA (2007) and OCSSCO

The information to be collected in the survey include data on household demographics, land tenure, agricultural production, livestock ownership, asset ownership, and credit and saving.

Focus group discussions were conducted with borrowers, non-borrowers and general managers of financial institutions at district and zone level.

Personal observations are also made on the houses and enterprises of the selected borrowers and non-borrowers.

TABLE 2: HOUSEHOLDS SAMPLE SIZE

Districts	Sample size	
	Borrowers	Non-borrowers
Munesa	100	
"		100
Z/Dugda	100	
"		100

METHODS OF DATA ANALYSIS

Both qualitative and quantitative techniques were used to analyze the data. Qualitative data that were obtained by observation, focus group discussion, and group interview was organized in the field. Quantitative data were analyzed using descriptive statistics such as percentage, tabulation, ratio and frequency distribution. In addition, a binary logit model was used to investigate determinant factors that affect smallholder farmer's participation in formal credit.

SPECIFICATION OF THE LOGIT MODEL

This study was intended to analyze which and how much the hypothesized regressors were related to the smallholder farmers' access to formal credit. As already noted, the dependent variable is a dummy variable, which takes a value of zero or one depending on whether or not smallholder farmers use formal credit. However, the independent variables were both continuous and discrete.

There are several methods to analyze the data involving binary outcomes. However, for this particular study, a logit model was selected over discriminant and linear probability models. If the independent variables are normally distributed the discriminant analysis estimator which follows ordinary least square procedures (OLS) is the true maximum likelihood estimator (MLE) and therefore asymptotically more efficient than the logit model which requires maximum-likelihood method. However, if the independent variables are not normal, the discriminant analysis estimator is not consistent, whereas the logit MLE is consistent and therefore more robust (Maddala, 1983; Amemiya, 1981).

The linear probability model (LPM) which is expressed as a linear function of the explanatory variables is computationally simple. However, despite its computational simplicity, as endorsed by Pindyck and Rubinfeld (1981), Amemiya (1981), and Gujarati (1988), it has a serious defect in that the estimated probability values can lie outside the normal 0-1 range. Hence logit model is advantageous over LPM in that the probabilities are bound between 0 and 1. Moreover, logit best fits the non-linear relationship between the probabilities and the explanatory variables.

In the analysis of studies involving qualitative choices, usually, a choice has to be made between logit and probit models. According to Amemiya (1981), the statistical similarities between logit and probit models make the choice between them difficult. The justification for using logit is its simplicity of calculation and that its probability lies between 0 and 1. Moreover, its probability approaches zero at a slower rate as the value of explanatory variable gets smaller and smaller, and the probability approaches 1 at a slower and slower rate as the value of the explanatory variable gets larger and larger (Gujarati, 1995).

Hosmer and Lemeshew (1989) pointed out that the logistic distribution (logit) has got an advantage over the others in the analysis of dichotomous outcome variable in that it is extremely flexible and easily used model from the mathematical point of view and results in a meaningful interpretation. Hence, the logit model is selected for this study.

In estimating the logit model, the dependent variable is credit service participation, which takes the value of 1 if a household participated in the credit service and 0 otherwise.

In order to have a clear picture of the quantitative demographic, socio-economic, institutional and communication variables which differentiate between formal credits users from the non-users. However, in the logit model analysis, we emphasize on considering the combined effect of variables between formal credit user and non-user farm households in the study area.

Therefore, the predictor variables used in this research were, age of the household head (agehh), literacy level of the household (litlhh), total family size (tfsiz), fertility of soil (soilfert), marital status of the household (mrtshh), sex of household (sexhh), woreda, access to mass media (mmaccess), distance from microfinance institutions (dismicfin), income from off or nonfarm (incoffornonfrm), Remittinc and Total expenditure for agricultural input (inexpdp). R Statistical software was used for the data analysis.

RESULTS AND DISCUSSION

The main objective of this study has been to analyze factors that influence participation of formal microfinance institution on the Livelihoods of Farm households in the case of Ziway Dugda and Munesa Districts in Arsi Zone.

The result displayed in Table 3. showed that the proportion of participants and non-participants in any credit for production and consumption purposes during the last five years was equal (50%) for both woredas. 86.75% of the total households were male out of which 50.1% participated in credit and the rest 13.25% were female from which 49.1% participated in credit for production and consumption purposes. Considering the marital status of respondents, 50.4%, 37.5% and 40.0% of married, divorced and widowed households respectively participated in credit during the last five years. The result also revealed that 55.0% and 44.9% of households owned fertile soil and no fertile soil respectively was participated in credit services. 84.25% of respondents had access to media out of which 51.6% participated in credit services and the left 17.75% of respondents had no access to media of which 41.3% took part in credit services.

TABLE 3: DISTRIBUTION OF RESPONDING HOUSEHOLDS SOCIO-ECONOMIC, SITUATIONAL AND DEMOGRAPHIC CHARACTERS

Variables		Participation to any credit for production and consumption purposes during the last five years				Total	
Independent	Dependent	Not participated		Participate		Frequency	Percent-age
		Frequency	Percentage	Frequency	Percentage		
Woreda	ziway Dugda	100	50%	100	50%	200	50%
	Munesa	100	50%	100	50%	200	500%
Sex of respondent	Female	27	50.9%	26	49.1%	53	13.25%
	Male	173	49.9%	174	50.1%	347	86.75%
Marital status respondent	Married	192	49.6%	195	50.4%	387	96.75%
	Divorced	5	62.5%	3	37.5%	8	2%
	Widowed	3	60.0%	2	40.0%	5	1.25%
Fertility of soil	Fertile	109	55.1%	89	44.9%	198	49.5%
	Not fertile	91	45%	111	55.0%	202	50.5%
Access to mass media	Yes	37	58.7%	26	41.3%	63	15.75%
	No	163	48.4%	174	51.6%	337	84.25%

Source: own data

Deviance Residuals:

Min	1Q	Median	3Q	Max
-1.95456	-0.92264	0.00009	0.99123	2.15626
Coefficients:				
	Estimate	Std. Error	z value	Pr(> z)
(Intercept)	9.074e-01	9.869e-01	0.919	0.35786
agehh	-9.467e-02	1.334e-02	-7.095	1.3e-12 ***
mrtshh	7.092e-02	2.793e-01	0.254	0.79958
woreda	-4.544e-02	2.389e-01	-0.190	0.84913
sexhh	2.218e-02	3.410e-01	0.065	0.94814
litlhh	9.354e-01	3.295e-01	2.839	0.00453 **
soilfert	4.522e-01	2.280e-01	1.984	0.04728 *
incoffornonfrm	2.056e-04	1.458e-04	1.410	0.15847
tfsiz	1.927e-01	9.018e-02	2.137	0.03264 *
mmaccess	3.483e-01	3.110e-01	1.120	0.26275
dismicfin	1.682e-02	2.816e-02	0.597	0.55028
Remittinc	-4.833e-03	2.390e-01	-0.020	0.98387
inpxpd	-3.464e-05	1.422e-04	-0.244	0.80753

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

(Dispersion parameter for binomial family taken to be 1)

Null deviance: 554.52 on 399 degrees of freedom

Residual deviance: 463.24 on 387 degrees of freedom

AIC: 489.24

Number of Fisher Scoring iterations: 15

As it can be seen from the output of the model, age of the household head (agehh), literacy level of the household (litlhh), fertility of soil (soilfert) and total family size (tfsiz) were significantly related to participation in credit services.

VARIABLE SELECTION

Variable selection can be done either by computer algorithm or manually by discarding the variable with the largest p-value, greater than the specified level of significant. However, for this study, we used the backward selection computer algorithm using R version 3.0.3 (2014-03-06). Thus we found that the variables; agehh age of the household head (agehh), literacy level of the household (litlhh), fertility of soil (soilfert) and total family size (tfsiz) and Remittinc should be included in the model. The model output looks the following:

```
glm(formula = pomf ~ agehh + litlhh + soilfert + incoffornonfrm + tfsiz + Remittinc, family = binomial, data = Data2)
```

The best model output

Deviance Residuals:

Min	1Q	Median	3Q	Max
-1.93708	-0.93905	0.00007	0.99066	2.17546
Coefficients:				
	Estimate	Std. Error	z value	Pr(> z)
(Intercept)	1.4327170	0.6627130	2.162	0.0306 *
agehh	-0.0954321	0.0126154	-7.565	3.89e-14 ***
litlhh	0.9257458	0.3274872	2.827	0.0047 **
soilfert	0.4523378	0.2260510	2.001	0.0454 *
incoffornonfrm	0.0002138	0.0001463	1.462	0.1437
tfsiz	0.1852158	0.0881352	2.101	0.0356 *
Remittinc	-0.0048638	0.2369016	-0.021	0.9836

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

(Dispersion parameter for binomial family taken to be 1)

Null deviance: 554.52 on 399 degrees of freedom

Residual deviance: 464.94 on 393 degrees of freedom

AIC: 478.94

Number of Fisher Scoring iterations: 15

Odds ratio

Agehh, litlhh, soilfert tfsiz incoffornonfrm Remittinc

.9089 2.523 1.57 1.203 1.000 0.995

As can be understood from the above output age of the household head (agehh), literacy level of the household (litlhh), fertility of soil (soilfert) and total family size (tfsiz) were found to have a significant effect on the participation in credit services at the 5% level of significance since their p-value is less than $\alpha=0.05$.

DISCUSSION

The age of household head had a significant negative relationship with participation implying that as household head got old they rarely participate in MFI. This variable is significant at 5% probability level and negatively associated with participation in MFI this indicates that the odds ratio in favor of the probability of being participation decrease with an increasing age by 0.9089 for age implies that other things being constant. Conversely speaking, households headed by younger heads had better participation in MFI in the rural areas than households headed by a head who is older. However, the households headed by younger individuals are often associated with more risk-taking behavior than the elderly. Old age is the human capital that is frequently associated with non-adoption in most studies. Typically, older farmers have a tendency to stick to their old production techniques and that they are usually unwilling to accept change (Simtowe and Zeller, 2006).

Education had a positively and significantly influenced on participation in microfinance; and the model result indicated that those rural farm households head, who were literate have a higher probability of being more accessible and utilization of formal credit and saving institution than those who were illiterate. Keeping other factors constant, the probabilities of participation in MFI by the literate household heads were found to be in high participation by 2.524 times that of illiterate farm households head. A Higher level of education is believed to be associated with access to sources of information on agricultural technology (Norris and Batie, 1987). Some studies indicated that a high level of education contributes significantly to the level of agricultural profitability of the households (Oyedele *et al.*, 2009; FOLTZ, 2003). Therefore, households with higher education levels are able to get credit from formal institutions and more likely to manage their businesses successfully.

Family size appeared to be highly significant in determining household's participation microfinance institution in the study area. This variable is significant at 5% probability level and negatively associated with participation in MFI. The negative/ positive relationship indicates that the odds ratio in favor of the probability of being participation increase/decrease with an increase family size. The odd ratio of 0.24 for family size implies that other things being constant, the odds ratio in the favor of being participation increase or decrease by factors of 0.24 a family size increase by one person. The possible explanation can be those households with many children could face food insecurity because of high dependence burden. This show that those farmers with a large economically nonactive member in the family tend to be food insecure than those with small family size. This agrees with the finding of GODWIN (1998) reported that household size was positively related to the increase in household debt. Thus, the need to finance a larger amount of living expenses could be reflected in borrowing money from credit institutions

Fertility status of the soil (soilf) has a negative relationship with the dependent variable showed that households having more fertile soil do not need credit. The odds in fevers of access of credit use decrease by a factor of 0.066 for the farmers who owned more fertilized soil compared to the farmers who owned poor soil. The inverse relationship between land fertility and fertilizer credit use is that land with higher soil fertility states requires little or no application of fertilization (which is acquired through credit) and vice versa. This result is very much comparable with Birhanu (1993) which revealed that land fertility was significantly negatively related to fertilizer consumption.

CONCLUSION AND RECOMMENDATION

This part concludes the main findings obtained based on the research questions of the study.

The main objective of this study was to investigate the factors that influence participation of formal microfinance institution on the Livelihoods of Farm households. Thus the following conclusions are made.

The finding revealed that 86.75% of the total households were male out of which 50.1% participated in credit and the left 13.25% were female from which 49.1% participated in any credit for production and consumption purposes. The logistic regression analysis results showed that among twelve explanatory variables, which were included in the model, only four variables were statistically significant since their p-value is less than $\alpha=0.05$ while the remaining nine variables were less powerful in explaining the variation.

In this respect, the result showed that the most important influential factors for the participation of microfinance institution were the age of household head, literacy level of the household, soil fertility and Family size looking at the final logit model.

Family size (tfsiz) is found to have influential factors on the participation of microfinance institution. Due to less economic opportunities available in rural areas, people of rural areas do not have appropriate jobs. So, most of them are jobless in rural areas. Large family size is a burden on household heads, so rural farmers increase participation due to large family size. The results show that due to an increase of one family member in household participation is increase by 1.203 on average. Our results are consistent with the study of Bendig *et al.* (2009).

Educating the household was found to have a positive and significant relationship with participating of the microfinance institution. implying the importance of participating formal microfinance institution. The level of formal education in the household was very important variables affecting participating of the micro-finance institution. this underscores the importance of human capital development in increasing the probability and intensity of participation formal microfinance institution. Promoting farmers household to participate in education through formal and non-formal programs is one of the vital issues to enable farmers to have more benefit from the MFI equally. Major stakeholders of the rural areas, mainly Ministries of Education, MFI, Agriculture and other pertinent organizations may have to consider in working together, in order to create a conducive learning environment for the community.

Dynamic incentives offered by the microfinance institutions to older household had a positive significant relationship with the loan.

Building perception and awareness related to soil rehabilitation program among the local community is important in the study area. It is important to communicate to the farmers about the long term effect of fertilizer application of agriculture fields. Decrees soil fertility farmers need to be fertilizer to get production. Policy makers need to address alternative soil rehabilitation activities for their food security in the study area. Farmers need much more credit to parches fertilizer policy makers should also highlight the need to create a balance between soil protection and access to MFI.

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AWARENESS AND ACCEPTANCE OF GOLD AS AN INVESTMENT AVENUE AMONG WOMEN EMPLOYEES IN TECHNO PARK

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ABSTRACT

The study focuses on the women employees in Techno Park in Trivandrum city. It covers the extent of awareness of the employees about the various gold investment alternatives and their acceptance level of gold as an investment avenue. The study revolves around the new schemes of gold monetisation and sovereign gold bond. It also focuses on other investment avenues preferred by the employees. The research methodology relies upon collection and analysis of both primary and secondary data. The findings help to conduct future related studies.

KEYWORDS

gold monetisation scheme, investment avenues and sovereign gold bond scheme.

INTRODUCTION

Investment is an activity that is engaged in by people, who have savings, that is, investments are made from savings, or in other words people invest their savings but all savings are not investment. In the financial sense, investment is the commitment of a person's fund to derive future income in the form of interest, dividend premium, pension benefit, or appreciation, in the value of their capital. Purchasing of shares, debentures, post office saving certificates, insurance policies etc are considered as investment in financial sense. In the economic sense, investment means the net addition to the economy's capital stock which consists of goods and services, that are used in the production of other goods and services. New constructions of plants and machines, inventories etc are examples. Investment is a planned method of safely putting ones savings into different outlets to get a good return. The essential quality of an investment is that it involves waiting for a reward. Investment involves long term commitment. Investment is a commitment of a person's fund to derive future income in the form of dividend, rent, interest etc.

Investment may be defined as "commitment of funds made with the expectation of some positive rate of return." Expectation of returns is an essential element of an investment. Since the return is expected to be realised in future, there is a possibility that the return actually realised is lower than the return actually expected to be realised. This possibility of variation is known as investment risk. Thus, every investment involves risk and return. There is a positive relationship between return and risk. The success of every investment activity depends upon the ability and knowledge of an investor to invest in the right scheme at the right time without any loss.

LITERATURE REVIEW

Large number of studies has been carried out during the past decades, regarding gold investments. Some of the reviews about investment in gold are summarised below:

Ms. K. Sudhai, Ms. R. Buvaneswari, Ms. P. V. Pothigaimalai, Ms. N. Subasri (2014) in their research paper "A Study on Investment Pattern Investors of Jewellery at Pattukkottai Town" published in the International Journal of Engineering research, 2014, Observed the investment pattern of investors in jewellery and the investment decisions are driven by number of factors such as income of the family, economic conditions, tax considerations etc. The study concluded that the investors are ready to invest in the long term and less risky product because they are aware about consequences of short term investment plan.

Dr M Nishad Nawaz (June 2013) in his article "Study on various forms of gold investment" He highlighted the need for encouraging investment in new gold alternatives. He ensures that gold becomes tradable and generates revenue rather than lying idle as a dead investment.

Dr. D. Harikanth and B. Pragathi (Nov 2012), in their paper on behavioral finance concluded that Income level and occupation plays very important role in the selection of investment avenues. They also observed that factors like security, periodic returns, tax benefit, secured future play a vital role in the decision making process and that male investors are ready to take more risk as compared to female investors

Anli Suresh (2011) observed that the mindset of the Indian's towards gold (being more than status symbol) has changed but still the demand for gold has not decreased in spite of ever increasing price and also did a comparative study between people's quest for real income, savings and price of gold to decide which factor actually impacts the demand for Gold. The author concluded that the demand for gold is a product of savings and people's quest for real income and that the long lasting cultural and socio economic trends will remain to be the underlying reasons for the demand.

Dr. Jalpa Thakkar, Sheenamgogia and Vatsalia Manjunathan (2010) in their article "An Empirical study on Gold Investment Range Among Professionals" published in international journal of research and management, pointed out that different avenues of gold investment available in the market and also tried to find out the awareness and attitude towards the alternative methods of gold investment among the selected investors in the Pune region.

Mitchell Ratner and Steven Klein (2008), studied the impact of holding gold as an investment for US investor based on the data for the years 1975 to 2005 in two situations- gold as a standalone asset and gold as a part of global investment portfolio and concluded that as a standalone asset, there was extra ordinary appreciation in gold in certain periods of time however in a long run the US stock market Index surpassed the gold advantage by simple method of BUY and Hold. The other conclusion was that there exists a low correlation between US Stock and Gold and that adding gold to the portfolio results in marginal long term benefits to the US investors.

NEED OF THE STUDY

In India, different modes of investment avenues are available. From the safety point of view, liquidity point of view, and the like, investments can be categorized. One of such investment mode is investment in gold. Earlier people used to invest their money in banks. Now things have been changed. There are tremendous changes happening in the financial sector. Securities with innovative features are available for making investment.

Investment in gold is a new trend existing in our economy. Gold plays an important role in our society. The occasion of the marriage, gold is an inevitable element. Compared to other states, Kerala concentrates more on, investment in gold. Now, large number of gold investment alternatives is available. Hence it is necessary to check the awareness level of people regarding these investment alternatives and their acceptance level on the same.

STATEMENT OF THE PROBLEM

Gold has always been considered a sacred item in life, for Indians. In India, people tend to invest in gold. There are so many gold investment alternatives available in the present scenario. Moreover, our government has introduced two schemes in the union budget 2015, namely gold monetisation scheme and sovereign gold bond scheme, in order to improve the saving habit and investment behaviour of people. Therefore, there is a need to check on the awareness and acceptance level of gold, as an investment avenue. Hence the study focuses on the acceptance and awareness of gold as an investment avenue, among women employees working in Techno Park and also points out the various gold investment alternatives available to them.

OBJECTIVES

1. To check the awareness level of women employees in Techno Park, on the various gold investment alternatives.
2. To examine the acceptance level of gold, as an investment avenue.
3. To analyse the impact of the new schemes introduced in 2015 union budget.
4. To identify other investment avenues preferred by women employees.

RESEARCH METHODOLOGY

***Research Design:** The study is analytical as well as descriptive in nature.

***Sample Design:** Women employees working in Techno Park which is situated in the Trivandrum city constituted the population for the study. The sample size for the study consisted of fifty women employees working in different companies in Techno Park. Judgemental sampling method was adopted to select the sample.

***Data Collection:** The study was based on both primary and secondary data.

***Data Analysis:** All data were tabulated and analyzed with the help of statistical tools. For analysis, mathematical tools, Percentage and Weighted Mean were used and for presentation, Pie-charts, Doughnut charts and Column charts were used.

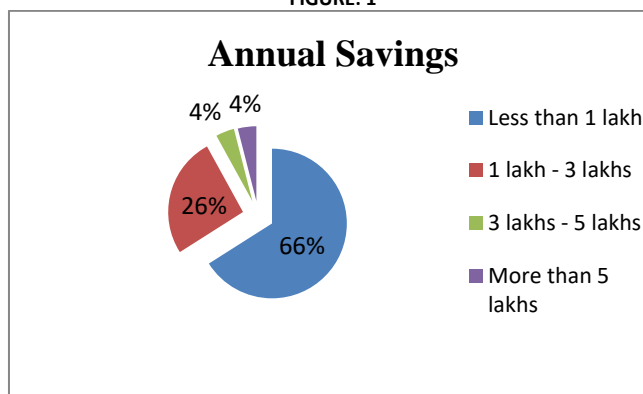
DATA ANALYSIS AND INTERPRETATION

In order to conduct the study, primary data were collected from 50 women employees working in Techno Park, using questionnaires. The data collected were analysed and the results are discussed in this chapter.

TABLE 1: ANNUAL SAVINGS

Annual savings	No. of respondents	Percentage
Less than 1 Lakhs	33	66
1 Lakhs - 3 Lakhs	13	26
3 Lakhs - 5 Lakhs	2	4
More than 5 Lakhs	2	4
Total	50	100

Source: primary data

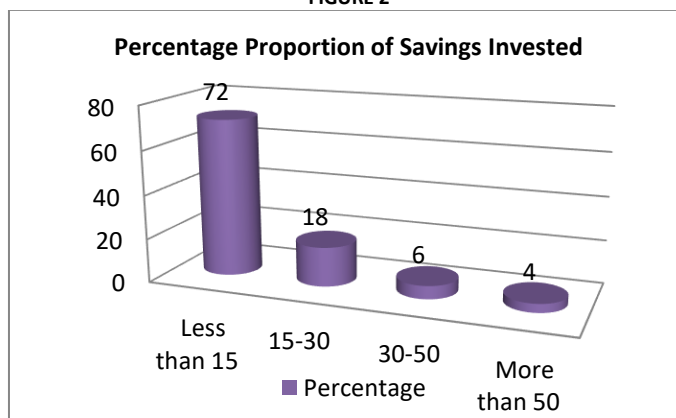
FIGURE 1

It is evident from the above table and figure, out of the 50 respondents, 66 percent of respondents have annual savings below 1,00,000 rupees and 26 percent of them have annual savings between 1,00,000- 300,000 rupees. This means only a few of the respondents have annual savings ranging from 3,00,000 to 5,00,000 rupees and above that.

TABLE 2: PERCENTAGE OF SAVINGS INVESTED

Percentage proportion	No. of respondents	Percentage
Less than 15	36	72
15-30	9	18
30-50	3	6
More than 50	2	4
Total	50	100

Source: primary data

FIGURE 2

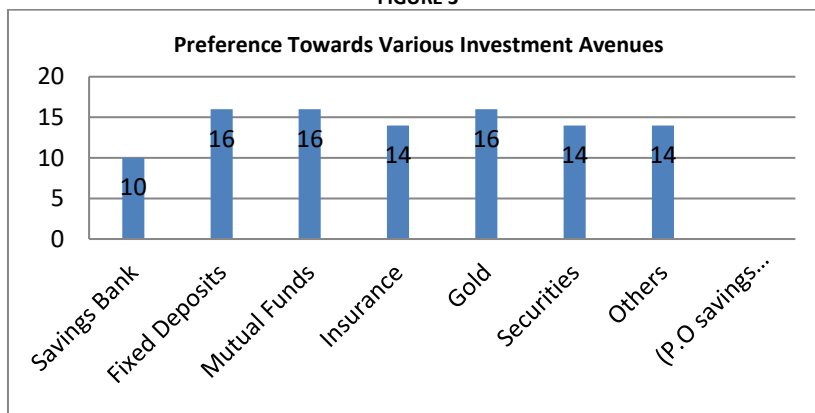
It is observed from the above table and figure that, about 72 percent of the total respondents invest, less than 15 percent of their total annual savings in various investment avenues and 18 percent of them invest 15-30 percent of their annual savings. It is clear that only few of them set aside more than 50 percent of savings for investment purpose.

TABLE 3: PREFERENCE TOWARDS VARIOUS INVESTMENT AVENUES

Particulars	Weighted mean	Percentage
Savings Bank	5	10
Fixed Deposits	8	16
Mutual Funds	8	16
Insurance	7	14
Gold	8	16
Securities	7	14
Others (P.O savings, Real Estate)	7	14
Total	50	100

Source: primary data

FIGURE 3



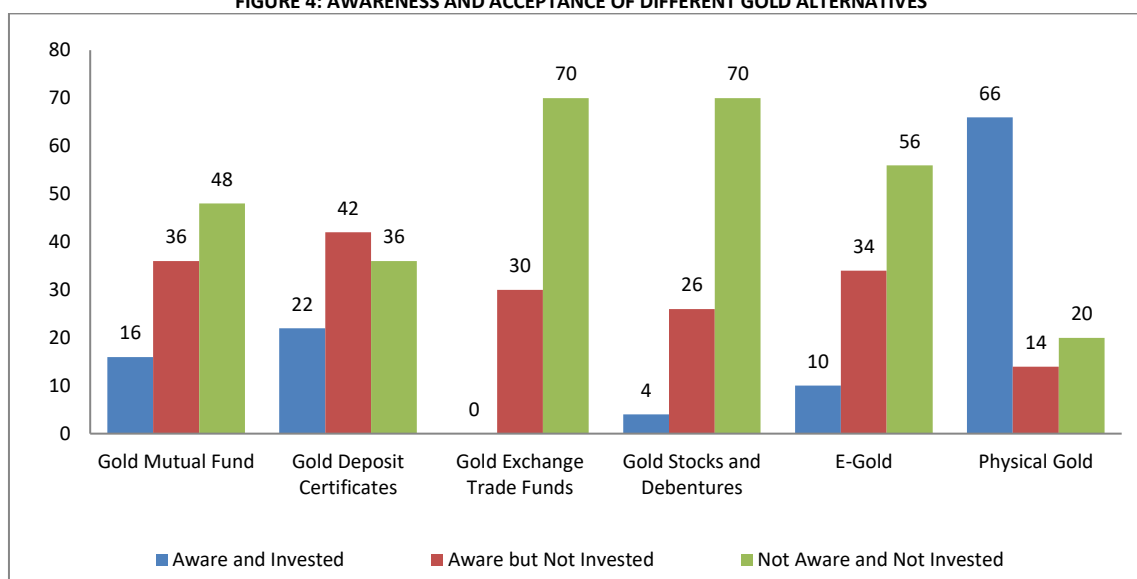
It is understood from the table and chart that, majority of the respondents prefer investment avenues like fixed deposits, mutual funds and gold.

TABLE 4: AWARENESS AND ACCEPTANCE OF DIFFERENT GOLD ALTERNATIVES

Items	Aware & invested		Aware but not invested		Not aware & not invested	
	Response	Percent	Response	Percent	Response	Percent
Gold Mutual Fund	8	16	18	36	24	48
Gold Deposit Certificates	11	22	21	42	18	36
Gold Exchange Trade Funds	0	0	15	30	35	70
Gold Stocks and Debentures	2	4	13	26	35	70
E-Gold	5	10	17	34	28	56
Physical Gold	33	66	7	14	10	20

Source: primary data

FIGURE 4: AWARENESS AND ACCEPTANCE OF DIFFERENT GOLD ALTERNATIVES



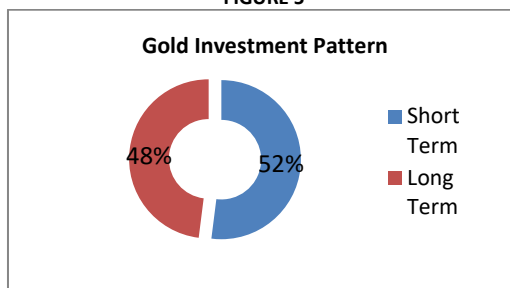
Majority of the respondents are aware and have invested in physical gold like gold coins, bullions and jewellery; they are aware of the gold certificate but only a few of them have invested in it. On the other hand, it can be seen that people are not even aware of the gold mutual funds, gold exchange trade funds, gold stocks and debentures and E-gold

TABLE 5: GOLD INVESTMENT PATTERN

Patterns	No. of respondents	Percentage
Short term	17	52
Long term	16	48
Total	33	100

Source: primary data

FIGURE 5



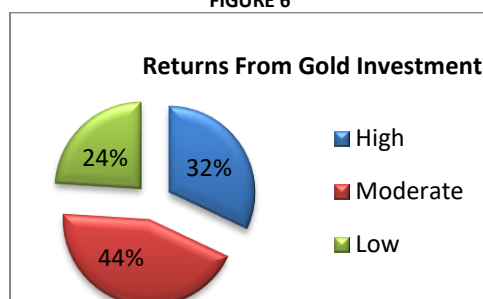
It is stated that out of the total 33 respondents, 52 percent prefer short term investments in gold while others prefer long term investments in gold. Most of the respondents adopt short term investment pattern while making investment in gold.

TABLE 6: RETURNS FROM GOLD INVESTMENT

Opinion	No. of respondents	Percentage
High	16	32
Moderate	22	44
Low	12	24
Total	50	100

Source: primary data

FIGURE 6



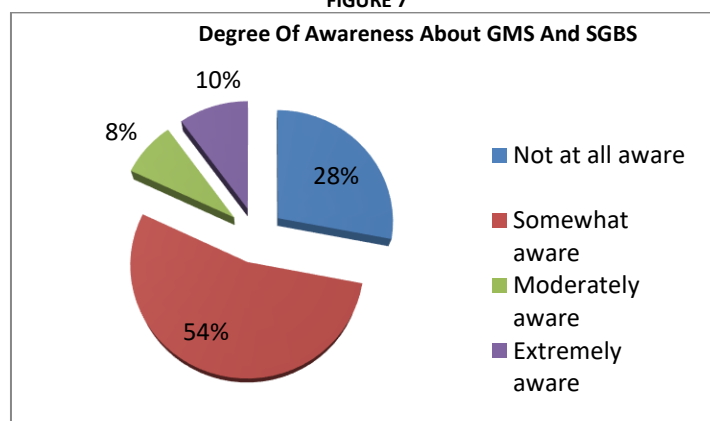
From the above table and figure it is clear that, 32 percent of the total respondents are of the opinion that the return from gold investment is high while 44 percent feels that it offers moderate return on investment. This means least of them states that it offers low return.

TABLE 7: AWARENESS ABOUT "GOLD MONETISATION SCHEME AND SOVEREIGN GOLD BOND SCHEME"

Level of awareness	No. of respondents	Percentage
Not at all aware	14	28
Somewhat aware	27	54
Moderately aware	4	8
Extremely aware	5	10
Total	50	100

Source: primary data

FIGURE 7



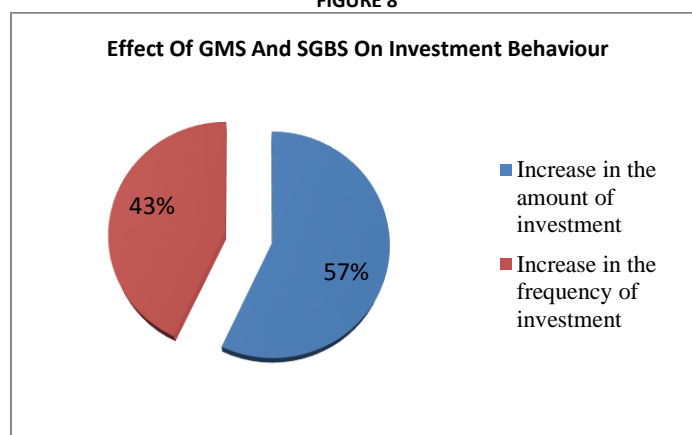
It can be found from the above table and figure that about 54 percent of the total respondents are somewhat aware of the new schemes introduced in the union budget 2015 while 28 percent of them do not have any idea about these schemes. On the other hand, it is also evident that some of them are extremely aware while the others are moderately aware of the schemes. This shows that most of the respondents have only a vague idea about the schemes introduced in 2015.

TABLE 8: EFFECT OF NEW SCHEMES ON INVESTMENT BEHAVIOUR

Effect	No. of respondents	Percentage
Increase in the amount of investment	4	57
Increase in the frequency of investment	3	43
Total	7	100

Source: primary data

FIGURE 8



The table and chart indicate that about 57 percent of the 7 respondents are of the opinion that the new schemes resulted in the increased amount of their investment and the remaining states that these schemes helped to increase the frequency of investment. Most of the respondents are of the opinion that the new schemes helped to increase their investment amount.

TABLE 9: FACTORS RESTRICTING FROM MAKING GOLD INVESTMENT

Restricting factors	No. of respondents	Percentage
High risk	2	12
Low return	5	29
Lack of knowledge	10	59
Total	17	100

Source: primary data

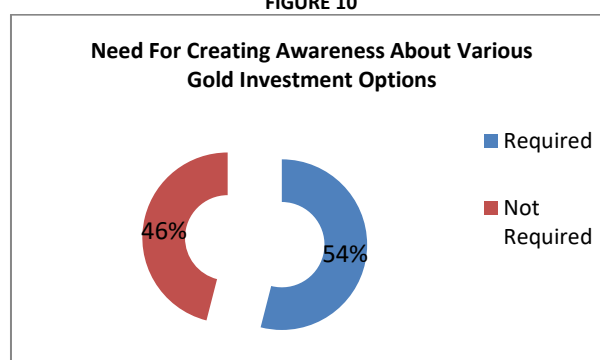
It is clear from the table that out of the 17 respondents, who haven't made any investment in gold, 59 percent states that it is the lack of knowledge which restricts them from making gold investment while 29 percent are of the opinion that gold investment provides low return and minority states that it carries high risk. Lack of knowledge is the most important reason for not making any investments in gold in the case of majority of respondents.

TABLE 10: OPINION ON, "NEED FOR CREATING AWARENESS ABOUT THE VARIOUS GOLD INVESTMENT OPTIONS"

Opinion	No. of respondents	Percentage
Required	27	54
Not Required	23	46
Total	50	100

Source: primary data

FIGURE 10



About 54 percent of the respondents are of the opinion that, there is a need to create awareness among the public regarding the various gold investment options, while others are of the opinion that there is no need of such awareness. This indicates that most of them are in favour of the awareness programmes.

FINDINGS

1. Most of the respondents have annual savings below 100,000 rupees.
2. Only a few respondents set aside more than 50 percent of their annual savings for investment purpose.
3. Investment avenues like fixed deposits, mutual funds and gold are highly preferred by the respondents and are given equal priority.
4. Majority of the respondents are aware and have invested in physical gold like gold coins, bullions and jewellery. The respondents are aware of the gold certificate, but only a few of them have invested in it. Only a few of the respondents are aware of the gold investment alternatives like, gold mutual funds, gold exchange trade funds, gold stocks and debentures and E-gold.
5. The investors prefer short term investment to long term investment pattern as they think it is safer than the latter.
6. Most of the respondents have a moderate opinion about the returns from gold investment.

7. Only a few of the respondents are aware of the new schemes, gold monetisation scheme and sovereign gold bond scheme, introduced in the union budget 2015.
8. The schemes have made a positive change in some of the respondents in such way that it encouraged them, to invest more funds and to increase the frequency of investment.
9. Lack of knowledge is one of the most important reasons, why some people are not making any investments in gold.
10. Almost all the respondents are of the opinion that, there is a need to create awareness among the public regarding the various gold investment options.

SUGGESTIONS

Some of the respondents have not made any investments in gold. This is mainly due to:

- The lack of knowledge about, the various gold investment alternatives available in the financial market and the schemes offered by the government and other regulatory bodies.
- The risk factor imbibed in the volatile market.
- High return, low risk, liquidity and safeness offered by other investment avenues.

The following suggestions may be helpful to solve the problem to certain extent:

- a) Authorities should come forward with innovative techniques to help the investors to overcome the fear of investing in gold.
- b) Every respondent has to acquire specific knowledge about various kinds of gold investment opportunities available in the financial market and appraisal of the investment has to be made for avoiding loss.
- c) Awareness about various gold investment alternatives, need to be substantially enhanced in order to attract more prospective investors.
- d) If proper awareness is created among the people, it might have a positive effect on their investment pattern and their frequency of investment.
- e) The investors must be given proper education and they must be made aware of the new schemes, gold monetisation scheme and sovereign gold bond schemes, so as to encourage their investment behaviour.

CONCLUSION

Numerous investment opportunities are available in our economy which offers various benefits to the prospective investors. Besides fixed deposits and mutual funds, Indian investors have preference towards gold as a viable investment avenue. Gold remains to be a favourable investment avenue in India. It is an investment mode which is attractive to all classes of people. But unfortunately, majority of the investors are not fully aware of the gold investment alternatives available in the financial markets and the schemes put forward by the regulatory bodies. Some of the investors are still stuck with other forms of investments which are not as attractive as gold. So, adequate measures should be taken to drive them to gold investment.

This study brought into lights, the awareness and acceptance level of gold investors, the factors that restrict them from making gold investment, the need for creating awareness among the public about the schemes offered and the other investment avenues preferred by the investors.

LIMITATIONS

1. Exactness and correctness of the information collected cannot be relied as the data collected were more of private nature.
2. The study was confined to women employees of Techno Park in Trivandrum city.

SCOPE FOR FUTURE WORK

1. A study can be done on the impact of demonetisation on the investment pattern.
2. A study can be done on the factors affecting the investment behaviour among women.
3. A study can be done on the awareness programs conducted to educate people about the various gold investment schemes.

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FOOD SAFETY KNOWLEDGE AND PRACTICES OF MOTHERS OF ANGANWADI SCHOOL CHILDREN IN THOOTHUKUDI DISTRICT

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ABSTRACT

Throughout the world, mothers are the principal guarantors of food safety and quality of food at the house hold level. They are the ones who most often purchase, produce, handle, prepare and serve food for the family. Mothers are the final line of defence against food borne illnesses. Though mothers know that washing of hands and, cleanliness of surrounding are the necessary perquisites of food safety, they do not follow these practices at home because they are not aware that, these unsafe practices leads to viable micro-organism growth in food and malnutrition. ICDS has served as a flagship program for India's healthcare system. The Anganwadi centres play an important role in preparing food to the children belonging to below middle class and BPL family. They are the focal points for imparting food safety education to the mothers. This paper gives a comprehensive picture on the role of Anganwadi centres in improving the food security for mothers and children of Thoothukudi district and also the food safety practices of mothers of Anganwadi school children to prevent food borne illness. A sample of four hundred and twenty mothers is selected from Thoothukudi district using convenience sampling method for the purpose of research. Appropriate findings and suggestions are given in the paper.

KEYWORDS

food safety, anganwadi, mothers.

INTRODUCTION

In pursuance to the national policy for children, the Government of India launched the Integrated Child Development Services (ICDS) Scheme, which was introduced on experimental basis on 2nd October 1975. ICDS today represents one of the world's largest programmes for early childhood development. ICDS services are provided as a vast network of ICDS centres, it is known as Anganwadi. The word Anganwadi is developed from the Hindi word Angan which refers to the courtyard of a house. In rural areas an Angan is where people get together to discuss, meet, and socialize. The Angan is also used occasionally to cook food or for household members to sleep in the open air. This part of the house is seen as the heart of the house. ICDS has served as a flagship program for India's healthcare system, and has received financial and technical support from UNICEF and the World Bank. Anganwadi centres were not that much popular as expected for this might be due to poor relationship between Anganwadi worker and community members. But in spite of the ongoing direct nutrition interventions like ICDS, India still contributes to about 21 percent of the global burden of child deaths before their fifth birthday. The three important factors playing major role in the incidence of food poisoning especially with regard to food handlers and mothers are Knowledge, Attitude and Practice. Mothers lack knowledge about food safety while purchasing foods items. On the other hand, knowledge, attitude and practice of Anganwadi workers with respect to growth monitoring, supplementary nutrition and immunization are quite satisfactory.

STATEMENT OF THE PROBLEM

According to reports of National Family Health Survey III 2005-2006, 42.5 per cent of children in India are underweight. The ICDS is perhaps one of the better concerned programmes, yet on travels around country one realises that there is a huge gap between what is expected of the programme and the ground situation. Malnutrition was found to be inversely linked to father's income, maternal occupation, mother's increased decision making power, better access to health care and higher household income. Unfortunately, mothers in general did not regard medical care as an appropriate intervention for malnutrition. Various studies in recent past had reflected unsatisfactory implementation of growth monitoring practices by Anganwadi workers under ICDS. The Anganwadi centres and mother of the child play an important role in preparing food to the children belonging to below middle class and BPL family. As per the previous report from various organizations and WHO, the children in these sections suffer from frequent water borne and food borne diseases in Tamil Nadu. Hence the researcher has made an attempt to understand the food safety practices of the mothers of Anganwadi school children and the reasons for their diseases and its impact on the health.

OBJECTIVES OF THE STUDY

1. To study the awareness of food safety knowledge and practices of food handlers at Anganwadi and home.
2. To identify the practical execution and attitudes of food handlers at Anganwadi and at home.
3. To analyse the influence of demographic factors in causing the water borne and food borne diseases among Anganwadi school children.

HYPOTHESIS

1. Education does not influence the general practices of mothers.
2. Education does not influence the basis of buying food by mothers of Anganwadi school children.
3. Food allergy does not depend on the reasons for food borne diseases of the children going to Anganwadi school.

RESEARCH METHODOLOGY

RESEARCH DESIGN

Since the present study has its own predetermined objectives and methodology, it is both descriptive and analytical in nature. The study has made an attempt to explain the food safety knowledge and practices of mothers of Anganwadi school children in Thoothukudi district. The present study covers the Thoothukudi district of Tamil Nadu. It deals with mothers of Anganwadi school children.

SAMPLING DESIGN

By convenience sampling method respondents were selected from various parts of Thoothukudi district. The sample size of this study is 420. Structured interview schedule was used to collect the relevant data among the mothers of Anganwadi school children in Thoothukudi District.

SOURCE OF DATA

The present study is based on both primary data and secondary data. Primary data were collected through interview schedules. Secondary data were collected through websites, articles, books and journals.

RESULTS AND DISCUSSION

For analyzing the data from the respondents, relevant statistical tools were used to fulfill the objectives of the study. Statistical package for the Social Science (SPSS) software package version 20 was used to analyze the data. The tools include Percentage Analysis, Chi-square test, Kruskal Wallis test and Multiple Regression. This section shows the analysis and interpretation of data used for the study.

TABLE 1: DEMOGRAPHIC PROFILE OF THE MOTHERS OF ANGANWADI SCHOOL CHILDREN

Variables	Classification	No. of mothers	Percentage
Age	Below 25 years	133	31.7
	26-30 years	181	43.1
	31-35 years	76	18.1
	Above 35 years	30	7.1
	Total	420	100.0
Education	Illiterate	22	5.2
	Read And Write	75	17.9
	School level	268	63.8
	College level	36	8.6
	Others	19	4.5
	Total	420	100.0
Occupation	Employed	26	6.2
	Self employed	8	1.9
	Home maker	355	84.5
	Cooli	31	7.4
	Total	420	100.0

Source: Primary data

In Table 1, the first section shows the age wise classification of the mothers' of children attending Anganwadi centres. Majority of the mothers' 43.1 per cent are in the age group of 26-30 years, 35.1 per cent are below 25 years, 18.1 per cent are from 31-35 years and the remaining 7.1 per cent of them are above 35 years. Majority of the mothers are from 26-30 years.

The second section shows the education wise classification of the mothers. Majority of the mothers' 63.1 per cent have school level education, 17.9 per cent know to read and write, 8.6 per cent have college level, 5.2 per cent are illiterates and the remaining 4.5 per cent belong to other category of education. Majority of the mothers have school level education.

The third section shows the occupation wise classification of the mothers. Majority of the mothers' 84.5 per cent are home makers, 7.4 per cent are cooli, 6.2 per cent are employed and the remaining 1.9 per cent are self-employed. Majority of the mothers are home makers.

TABLE 2: CHI-SQUARE TEST ON EDUCATION AND GENERAL PRACTICES OF THE MOTHERS

Variables	Chi-square value	df	Sig. value	Result
Using unclean bottles, nipples, bowls and spoons	117.720	16	0.001*	Significant
Feed unclean fruits and vegetables	117.687	16	0.001*	Significant
Feed uncovered food	146.030	16	0.001*	Significant
Feed food from hawkers	47.179	16	0.001*	Significant
Feed fast food	73.010	16	0.001*	Significant
Feed junk food	63.844	16	0.001*	Significant
Feed without washing hands	134.823	16	0.001*	Significant
Feed chewed food from mothers to infants	159.252	16	0.001*	Significant

*Significant at 5 per cent level

Table 2 shows the association between education and general practices of mothers. As per the rejection of null hypothesis ($p < 0.05$), education of the mothers is significantly associated with their general practices. Using unclean bottles, nipples, bowls and spoons, feed unclean fruits and vegetables, Feed uncovered food, Feed food from hawkers, Feed fast food, Feed junk food, Feed without washing hands and Feed chewed food from mothers to infants are influenced by the education of the child's mother. The mothers with different levels of education follow different general practices in handling baby food.

TABLE 3: KRUSKAL WALLIS TEST ON EDUCATION AND BASIS OF BUYING FOOD BY MOTHERS

Variables	Education of mother	N	Mean Rank	Chi-square value	Sig. value	Result
Nutritional value	Illiterate	22	112.39	29.565	0.001*	Significant
	Read and Write	75	184.99			
	School level	268	228.66			
	College level	36	194.75			
	Others	19	198.55			
	Total	420				
Certified food	Illiterate	22	150.89	24.052	0.001*	Significant
	Read and Write	75	222.47			
	School level	268	220.88			
	College level	36	199.94			
	Others	19	105.82			
	Total	420				
Attractive packages	Illiterate	22	157.00	8.768	0.067*	Insignificant
	Read and Write	75	212.41			
	School level	268	214.65			
	College level	36	228.83			
	Others	19	171.71			
	Total	420				
Childs' age and preference	Illiterate	22	147.27	15.669	0.003*	Significant
	Read and Write	75	219.81			
	School level	268	220.80			
	College level	36	184.71			
	Others	19	150.47			
	Total	420				
Free gifts	Illiterate	22	161.52	10.019	0.040*	Significant
	Read and Write	75	212.19			
	School level	268	210.72			
	College level	36	248.11			
	Others	19	186.21			
	Total	420				

*Significant at 5 per cent level

Table 3 shows the relationship between education of the mothers and their basis on buying baby food. As per the acceptance of null hypothesis ($p > 0.05$), the variables Attractive packages is not significantly associated with the basis of buying baby food. In other variables of Nutritional value, Certified food, Childs' age and preference and Free gifts, as per the rejection of null hypothesis ($p < 0.05$), there is a significant association between education and basis of buying food by mothers. Awareness of food safety is significantly related with the education of mothers. Consumers with high level of literacy and education have more awareness on buying proper food for children.

TABLE 4: MULTIPLE REGRESSION ON FOOD ALLERGY AND REASONS FOR FOOD BORNE DISEASES OF THE CHILDREN

Variables	Unstandardized Coefficients		Standardized Coefficients	t value	Sig. value
	B	Std. Error	Beta		
(Constant)	1.092	.131		8.322	.000*
Practicing bad personal hygiene	-.080	.065	-.116	-1.221	.223
Unsafe drinking water	-.122	.057	-.186	-2.135	.033
Unsafe food handling practices	.444	.043	.585	10.350	.000

*Significant at 5 per cent level

Dependent Variable : Food allergy
 Independent Variable : Practicing bad personal hygiene
 Unsafe drinking water :
 Unsafe food handling practices :
 Multiple R : 0.469
 R square : 0.220
 Adjusted R square : 0.215
 F statistics (5,414) : 39.196
 Sig. value of ANOVA : 0.001

Table 4 reveals the multiple regression used to access the ability of three control measures (Practicing bad personal hygiene, Unsafe drinking water and Unsafe food handling practices) that predicts its impact on food allergy. R value (0.469) indicates the amount of variability explained by independent variables of Practicing bad personal hygiene, Unsafe drinking water and Unsafe food handling practices for 46 per cent of variance in the dependent variable of food allergy i.e., the remaining 54 per cent is by some other unknown variable and the problem is not taken into account. Adjusted R^2 indicates whether there any insignificant factor. It should always be less than or equal to R^2 . Here R^2 (0.220) and adjusted R^2 (0.215) are very close to each other. This indicates a good model. $p=0.000$ (less than 0.05) shows there is no statistically significant difference and indicates all the independent variables Practicing bad personal hygiene, Unsafe drinking water and Unsafe food handling practices have significance on food allergy of the children. The variable Unsafe food handling practices with $\beta=0.585$, $t=10.350$ and $p=0.000$ ($p < 0.000$) is the most predominant factor that causes food allergy among the Anganwadi school children. The mothers who do not follow safe food handling practices prone their children to various health problems including food allergy.

TABLE 5 - IRREGULAR FOOD DISTRIBUTION AND MOTHER'S PERCEPTION ON THE ACTIVITIES AT ANGANWADI CENTRES – MULTIPLE REGRESSION

Variables	Unstandardized Coefficients		Standardized Coefficients	t value	Sig. value
	B	Std. Error	Beta		
(Constant)	0.045	0.019		2.383	0.018*
Anganwadi worker not attending anganwadi centers regularly	-0.149	0.024	-0.146	-6.222	0.000*
Non-co-operation from anganwadi workers	0.434	0.041	0.409	10.507	0.000*
No fixed time in opening anganwadi centre	0.509	0.027	0.519	19.141	0.000*
Food is not cooked properly	0.207	0.024	0.214	8.702	0.000*
Lack of proper infrastructure	-0.005	0.009	-0.006	-0.596	0.551*

*Significant at 5 % level

Dependent Variable : Irregular food distribution at Anganwadi centre

Independent Variable : Lack of proper infrastructure

Anganwadi worker not attending Anganwadi centers

No fixed time in opening Anganwadi centre

Food is not cooked properly

Non co-operation from Anganwadi workers

Multiple R : 0.990

R square : 0.980

Adjusted R square : 0.980

F statistics (5,414) : 4024.934

Sig. value of ANOVA : 0.000

Table 5 reveals the multiple regression used to access the ability of five control measures (Lack of proper infrastructure, Anganwadi worker not attending Anganwadi centers, no fixed time in opening Anganwadi centre, Food is not cooked properly and Non co-operation from Anganwadi workers) that predicts its impact on Irregular food distribution at Anganwadi centre. R value (0.990) indicates the amount of variability explained by independent variables of Practicing bad personal hygiene, Unsafe drinking water and Unsafe food handling practices for 99 per cent of variance in the dependent variable of food allergy i.e., the remaining 1 per cent is by some other unknown variable and the problem is not taken into account. Adjusted R² indicates whether there any insignificant factor. It should always be less than or equal to R². Here R² (0.980) and adjusted R² (0.980) are equal. This indicates a good model. These values indicate the explanatory power of independent variables. It is also clear that four control measures Anganwadi worker not attending Anganwadi centers (beta=-0.146, t=-6.222, p=0.000), No fixed time in opening Anganwadi centre (beta=0.519, t=19.141, p=0.000), Food is not cooked properly (beta=0.214, t=8.702, p=0.000) and Non co-operation from Anganwadi workers (beta=0.409, t=10.507, p=0.000) are statistically significant. The variable No fixed time in opening Anganwadi centre (beta=0.519, t=19.141, p=0.000) is highly conducting to determine the food distribution at Anganwadi centres.

FINDINGS OF THE STUDY

- Majority of the mothers (43.1 per cent) are from 26-30 years. Majority of the mothers (63.8 per cent) have school level education. Majority of the mothers (84.5 per cent) are home makers.
- As per the rejection of null hypothesis ($p < 0.05$), education of the mothers is significantly associated with their general practices. Using unclean bottles, nipples, bowls and spoons, Feed unclean fruits and vegetables, Feed uncovered food, Feed food from hawkers, Feed fast food, Feed junk food, Feed without washing hands and Feed chewed food from mothers to infants are influenced by the education of the child's mother.
- Attractive packages are not significantly associated with the basis of buying baby food. Nutritional value, Certified food, Child's age and preference and Free gifts show that there is a significant association between education and basis of buying food by mothers. Consumers with high level of literacy and education have more awareness on buying proper food for children.
- There is no statistically significant difference and indicates all the independent variables Practicing bad personal hygiene, Unsafe drinking water and Unsafe food handling practices have significance on food allergy of the children. Food allergy is mainly caused by unsafe food handling practices of the mothers. Unsafe food handling practices with beta=10.350 and p=0.000 ($p < 0.000$) is the most predominant factor that causes food allergy among the Anganwadi school children.
- No fixed time in opening Anganwadi centre (beta=0.519, t=19.141, p=0.000) is highly conducting to determine the food distribution at Anganwadi centres. The irregular food distribution at Anganwadi centres is mainly due to the non-maintenance of a fixed time in opening Anganwadi centre by the workers.

SUGGESTIONS AND CONCLUSION

Anganwadis provide nutritious food is available every day, regular health services are provided, and even the preschool education program is in good shape. However, Anganwadi workers are paid a very abysmal amount, probably leading to poor performance. State governments have to bring a paradigm shift in tackling this issue and with bottom-up approach. Mothers should possess the knowledge of checking the food products in the time of buying are essential for protecting the health of the infants. In this study, most of the mothers have completed only their school level education. The study has revealed the need on the part of the mothers for having access to educational facilities to improve their inefficient purchasing behaviours. Therefore, government should take necessary steps in educating the mothers and care-givers about food safety and basic principles in purchasing and preparation of safe food for their infant to prevent food borne and water borne diseases. The mothers with low educational background and income levels are exposed to food safety risk when compared to other groups. Therefore, Government and Non – Voluntary Organization should take necessary steps to implement effective education program about food safety among the mothers repeatedly with specific intervals to ensure that learnt information is turned into attitudes and behaviours.

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INFUSE FLAME TO INDIAN BUSINESS WORLD THROUGH WOMEN ENTREPRENEURS

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ABSTRACT

India is shining with the remarkable stories of women. Women entrepreneurs of India stand straight from rest of the mob and are praised for their achievements in every field. These women entrepreneurs are decisive, hardworking, determining and willing to take risks. They governed to survive and conquered in tough competition with their effort, zeal and determination. Capability to learn quickly from her knowledge, skills, her decisiveness, ability to solve problem, capability to lead people, willingness to take risk, knowing how to conquer and lose delightfully are the features of the women entrepreneurs in India. In recent study it is found that the Indian women entrepreneurs are creating more wealth than women entrepreneurs' rest of the world. The fundamental features required for entrepreneurs and the fundamental demeanour of Indian women, disclose that, ample capabilities are exist among the Indian female on their enterprising ability. This capability is to be identified, brought out and opened for employment in service and production sectors for the growth of the country.

KEYWORDS

India, women, entrepreneur.

INTRODUCTION

Women entrepreneurs refer to the female or a group of female who commence and operate a business enterprise. Women entrepreneurs have indulged in all the functions in which a male indulged. They should search the potential of commencing new business; taking risks, inception of new innovations, leadership, administration and control of enterprise and providing sound coordination in business as a whole. Indian government has explained women entrepreneurs as a business/enterprise owned and control by women possessing at least 51% of the capital and providing at least 51% of employment, originated in the organization, to women.

There is increasing graph of women entrepreneurs in almost all the countries of the world. The concealed business capabilities of women have been rising with the increasing sensitivity to the position and importance in the society. The hard work, diligence and knowledge of business are the basic causes for women entrepreneurs to come ahead into business enterprises. Women entrepreneurs indulge in business as a result of push and pull factors which provide dependence to women to have an independent occupation and make her self-standing. Women entrepreneur is an individual who accepts risky role to fulfill her unique desires and turn out to be self-dependent. A prominent want to do positive is a significant feature of women entrepreneur who is capable of contributing norms in both family and societal life. Women are aware of their own abilities, rights and also responsibilities through media awareness. The shackles are shattered and female are found engaged in every aspect of business form papad to telecommunication.

Right efforts in right direction in all aspects are mandatory in the growth of women entrepreneurs and their active participation in the enterprising activities.

OBJECTIVES

The main object of the paper is to study the impact of female entrepreneurs in developing India as a successful economy. The study also deals with major hurdles faced by women entrepreneurs of India. After that we had discussed about a few successful Indian women entrepreneurs.

RESEARCH METHODOLOGY

The study is based on secondary data. Published and unpublished article, ongoing academic working paper and internet are used extensively as a source of information.

LITERATURE REVIEW

Das, 2000 made a study in context of two states i.e. Tamil Nadu and Kerala on women entrepreneurs of Small and Medium Enterprises. The challenges faced by female entrepreneurs are quite similar to those confronted by female in western nations. Although, women entrepreneurs of India confronted lower level of work-family challenged and are different from their duplicates in western nations based upon the operating and managing the business. The statistics depicted that the ration of business setup and managed by women entrepreneurs is lower than the data found in western nations.

Singh, 2008, recognizes the causes and affecting factors leading to entry of female in entrepreneurship. He stated the features of their business enterprises and also the hurdles. He described the problems in the development of women entrepreneurship are chiefly lack of communication with efficient entrepreneurs, social non-acceptance as women entrepreneurs, gender biasness, family problems, less preference given by banks to grant loan to female entrepreneurs. He emphasized on advocating small enterprises and releasing business framework etc.

Lall & Sahai, (2008), made a comparative analysis of multi-dimensional issues and problems relating to female entrepreneurship and family business. The study recognized psychographic factors like, degree of determination, business problems and plan for growth based upon demographic factors. The data have been obtained from female entrepreneurs working in Lucknow, city. The study recognized business entrepreneur's features as self confidence, self respect and Entrepreneurial potency for development. The study discussed that, there has been eminent growth in number of female working in family owned business after that they still have lower position and confront more difficulties in running business.

Greene et.al. (2003), examine the research in the field of women entrepreneurship. The study classified many journal and research based upon certain criterion related with female entrepreneurship like personal traits, gender biasness, financial problems etc.

WOMEN: AS ENTREPRENEUR

Women possessed business ventures are highly rising in almost all the countries of the world. The concealed business capabilities of women have been rising with the growing sensitivity to the position and importance in the society. Women entrepreneur is an individual who accepts risky role to fulfill her unique desires and turn out to be self-dependent. A prominent want to do positive is a significant feature of women entrepreneur who is capable of contributing norms in both family and societal life. Women are aware of their own abilities, rights and also responsibilities through media awareness. The shackles are shattered and female are found engaged in every aspect of every type of business from papad to telecommunication. The opportunities and problems provided to female entrepreneur of modern era are growing rapidly that job seekers are shifting into job maker. They are blooming as manufactures, exporters, designers, publishers, interior decorator, garment manufacturers searching new access of entrepreneurial participation. Even though female made huge part of total population, after that professional world is still a male dominated one. Women in leading countries are identified and are more eminent in the business world.

CHALLENGES FACED BY INDIAN WOMEN ENTREPRENEURS

Deficit of confidence – Generally, female lose confidence in their firmness and capability. The members of the family and the society are hesitating to stand behind their entrepreneurial development. Although, the position of female as women entrepreneurs is changing, leading to rising the rate of growth of women entrepreneurs.

Motivational factors – Self motivation can be getting through an attitude for a fruitful enterprise, perception to take up risk and responsibility towards the business society. Other variables are Government rules and regulations, financial help family assistance from public and private undertakings and also the atmosphere adequacy for female to establish business ventures.

Knowledge in Business Administration – Women must be literate and trained regularly to attain the ability and expertise in all the aspects of business management. This help female to proficient in decision making process and create a sound entrepreneurial network.

Socio-cultural barriers – Sometimes female personal and family responsibilities make a great hurdle for succeeding in professional career. A few female are able to manage both family and business efficiently, dedicating enough time to do all their responsibilities efficiently.

Awareness about the financial aspect – Many institutions in the financial area expand their full assistance in the form of subsidy, loans, plans etc. After that every female entrepreneur may not be familiar of all the help provided by these institutions. So the serious endeavor taken towards female entrepreneurs may not access the entrepreneurs in backward and rural areas.

Market-oriented risks – Cut throat competition in the market and lack of confidence of female make the reliance of women entrepreneurs on middleman necessary. Many women entrepreneurs find it challenging to acquire the market and make their products and services famous. They are lack of awareness regarding changing market conditions leading to difficulties in managing business enterprises.

Training programs - Training programs, conference, workshop and seminars for each and every type of entrepreneur is provided by the social and welfare institutions, based upon time period, skill and the object of the training program. Such training and workshops are really helpful to novice, rural and inexperienced entrepreneurs who intend to develop a business unit on their own.

Recognizing the feasible resources – Female are hesitant to search out the access to pamper their requirement in the areas of finance and marketing. Instead rapid development of institutions and the government schemes from the government side, female are not energetic and intense to optimize the resources in the mode of reserves for mankind, assets etc.

Highly qualified and professionally sound female should be inspired for operating their own business, instead dependent on wage deployment outlets. The hidden talents of young entrepreneurs can be recognized, trained and utilized for different types of enterprises to extend the productivity in the business sector. A suitable environment is required for every woman to infuse enterprising values and indulge greatly in business activities.

SUCCESSFUL WOMEN ENTREPRENEURS IN INDIA

Educated female do not bind to limit their life in four walls of the home. They want equal right and respect from their life partners. Therefore, Indian female have to cross difficult way to attain equal respect and right due to old ritual, norms and tradition in Indian society. Instead of all social and family hurdles, various women have become successful in various fields. These successful women have made name and fame for themselves with their determination, potential, will power and capability. Following is the list of few successful Indian women entrepreneurs in India:

CHANDA KOCHAR

With an acute acumen for accountancy, Chanda Kocher is the MD and CEO of ICICI Bank, largest private bank of India. She has born in Rajasthan. She completed her master degree from Jamnalal Bajaj Institute of Management Studies, Mumbai. In the year 2001, 2003, 2004 and 2005, ICICI won the 'Best Retail Bank in India' award for their contribution in banking sector. Kocher personality awarded 'Business Women of the year 2005' by the Economic Times and 'Rising Star Award' by Retail Banker International.

INDRA NOOYI

With strong-will power and strong financial knowledge, Indra Nooyi is the CFO and President of Pepsi- Co. Her strong knowledge about business has assisted the garner company as much as thirty billion dollars worth of significant deals in the last years. Indra Nooyi completed her master degree in public management from Yale University and also master degree in Marketing and Finance from IIM, Kolkata. Indra Nooyi presides over various senior positions at Motorola Company and Asea Brown Boveri before joining the position in PepsiCo.

VANDANA LUTHRA

Vandana Luthra, a housewife, commenced her professional journey in 1989 when her two kids are very small in age i.e. three years old. She has born in Kolkata, this beautician got dexterity in the field of beauty, skincare, fitness and food and nutrition during pursuing higher education in United Kingdom, Germany and France after completing a course from New Delhi, Polytechnic Institute for women. In 2015, Fortune India listed her as 33rd most powerful women entrepreneur in India. She also awarded 'Padma Shri' in 2013 for her significant contribution.

INDU JAIN

Indu Jain is multi talented women used to be the Chairman of The Times Group – the successful and the largest media house of India. She is known by different personalities such as entrepreneur, an educationalist, an art lover, humanist, spiritualist but her most significant role has been that of Chairman of the Times Group.

RASHMI SINHA

Rashmi Sinha has born in Lucknow and completed her bachelor and master degree from Allahabad University, India. She owns a Ph.D. in neuropsychology from the Brown University. She co-founded 'Slide Share' with her husband, a site to share online presentations. In 2012, this site was acquired by LinkedIn for a worth of \$100 million. She listed one of the world's top 10 women influencers by Fast Company. Fortune also listed her at 8th position in Most Powerful Women Entrepreneurs list.

CONCLUSION

For attaining the aim of sustainable development, full participation of women entrepreneurs is essential. Full participation is made possible through women empowerment by removing the hurdles coming in the way of development of women. In addition to training programs, conference, newsletters, seminar, trade fairs, exhibitions, workshop and mentoring also can be a source for entrepreneurial values. As a result, the required outcomes of the business enterprises are quickly attained and more of fruitful opportunities are found in the area of business. Here after, motivating entrepreneurship among female is definitely a short-cut way of quick economic development and growth. Let us try to remove gender biasness, family and social problems and thus 'women' to be an entrepreneur equal with men.

A nation economic and social development depends upon successfully using one's manpower, both male and female. In spite its recent economic growth and developments, India's gender equality for entrepreneurship remains the lowest in the globe. Improving the gender equality is a significant step for India's balanced growth and its achievement of huge economic development and gender balance. Unblocking women entrepreneurship will promote a vast dynamic nation with overall balanced economic growth. Indian people required to create a sound understanding of how this gender networks effect economy as a whole efficiently.

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SELFIE ADDICTION AMONG YOUTH IN KOLLAM CITY

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ABSTRACT

Selfie addiction among youth is a matter which needs to be seriously addressed. It has both positive and negative impacts. The negative impacts can cause irreparable damage to a person's character, personality, attitude and his way of living. There are several instances where numerous lives have been claimed due to selfie accidents. The carelessness, ignorance and vibrant spirit of youth have often resulted in these accidents. Several restrictions are followed in many places to regulate the use of taking selfies in dangerous places. Thus the study on "Selfie addiction among youth" helps to analyse and determine the levels of selfie addiction.

KEYWORDS

selfie, selfie addiction.

INTRODUCTION

A picture is worth a thousand words. In recent times, selfies have gained immense popularity among youth, celebrities and people from all walks of life. It has become a phenomenon which is used as a lifestyle statement. People take selfies to document the amount of risks they have undertaken as well as to post it on social networking sites to cherish the good times they have had. Selfies have become a trend equally among youth as well as the older generation. Selfies may be taken either individually or as a group.

Selfie addiction among youth is a matter which needs to be seriously addressed. It has both positive and negative impacts. The negative impacts can cause irreparable damage to a person's character, personality, attitude and his way of living. Insomnia, relationship problems, anxiety, depression and poor academic performance are consequences as well as symptoms of the problem. Youth tend to take their selfies in hazardous locations and these often cause accidents. It is at this point that the study on selfie addiction among youth becomes relevant.

There are several instances where numerous lives have been claimed due to selfie accidents. The carelessness, ignorance and vibrant spirit of youth have often resulted in these accidents. Several restrictions are followed in many places to regulate the use of taking selfies in dangerous places. The use of social media can be a great way for teenagers to relate to their peers and to express themselves but excessive internet use can have serious negative consequences. Studies began linking the photo-taking habit to narcissism, addiction and other mental health issues.

A less obvious but equally important "currency" that selfies can be bartered for is that which is appreciated by marketing professionals and social media junkies: the currency of "followers", "likes" and "shares". From large corporations to small businesses, and from prime ministers to your next-door neighbour, everyone has discovered that selfies are a quick and efficient way to increase one's social media presence.

Thus with smart phones gaining entry into every person's pocket and selfies becoming the newest trend to catch the attention of the virtual world, the most unsettling fact is that these platforms have more negative effect on young minds. The selfie trend is still in its nascent stages, and it will take a few years before its deeper impact on society is understood.

STATEMENT OF THE PROBLEM

Selfie addiction has become an alarming phenomenon especially among youth. It often leads to excessive narcissism, isolation, depression and anxiety. Selfie accidents are reported frequently which have resulted in loss of numerous lives. Of late, parents are finding it a challenge to handle strange behavioural problems of their children. The most common complaint that tops the list is selfie addiction. The glamour of the virtual world is literally pushing the youth to take selfies and post them online and secure the maximum number of likes. Thus the study on "Selfie addiction among youth" helps to analyse and determine the levels of selfie addiction.

SIGNIFICANCE OF THE STUDY

The growing trend of taking smart phone selfies is linked to mental health conditions that focus on a person's obsession with looks. The reasons why people posted selfies on social networking sites ranged from capturing the moment when they look their best to communicating their mood instead of updating their profile status - but most common was to get attention from likes and comments. Selfie addiction can leave serious harmful impacts on the character and personality of a person. Selfie addiction affects the self-worth, personality and behavior of a person. The study on selfie addiction among youth helps to know the levels of selfie addiction among youth. The study helps to know the mentality and attitude of youth in taking a selfie.

SCOPE OF THE STUDY

This particular study was conducted in Kollam city. In this survey, upto 100 respondents were studied. The study shows the degree of selfie addiction among youth. It helps to determine the attitudes, intention and purpose of taking a selfie.

OBJECTIVES OF THE STUDY

1. To determine the degree of selfie addiction among youth.
2. To analyze the frequency of taking a selfie.
3. To know the interest among respondents in taking a selfie in risky/adventurous spots.
4. To evaluate the intention behind taking a selfie
5. To determine whether respondents use special smart phone applications to take a selfie.

RESEARCH METHODOLOGY**SAMPLING DESIGN**

The validity of any research is based on the systematic method of data collection and analysis of the data collected. The study is based on the data collected from college students. The students are selected by random sampling technique.

SAMPLE SIZE

The study is based on responses of 100 college students.

HYPOTHESES

The following hypotheses have been framed for the study:

- There is a significant difference between gender and interest to take selfie in risky/adventurous spots.
- There is a significant difference between gender and frequency of taking selfies.

STATISTICAL TOOLS

The following statistical tools are used to analyze and interpret the data collected:

- Data representation
- Table
- Percentage
- The data is analysed by using the following statistical technique:
- Chi-Square test.

DATA ANALYSIS AND INTERPRETATION**GENDER OF RESPONDENTS**

Gender of respondents helps to analyse the usage of mobile phones and tendency to take selfies among both male and female students

TABLE 1: GENDER

GENDER	NO OF RESPONDENTS	PERCENTAGE
MALE	52	52
FEMALE	48	48
TOTAL	100	100

Source: Primary Data

There is almost equal gender composition with 52% male and 48% female respondents. This comprises of 100 respondents as the sample size for the study. This ensures almost equal proportion of opinions.

POSSESSION OF SMART PHONE

This helps to know to the percentage of students possessing a smart phone.

TABLE 2: POSSESSION OF SMART PHONES

RESPONSE	NO OF RESPONDENTS	PERCENTAGE
YES	100	100
NO	0	0
TOTAL	100	100

Source: Primary Data

All the respondents possess a smart phone. This shows that all the respondents have equal opportunity to use a smart phone and take a selfie.

FREQUENCY OF TAKING A SELFIE

A survey was made among the respondents about the frequency of taking a selfie. It indicates the time spent on taking a selfie.

TABLE 3: FREQUENCY OF TAKING SELFIE

TIME PERIOD	NO OF RESPONDENTS	PERCENTAGE
DAILY	12	12
WEEKLY	24	24
MONTHLY	10	10
OCCASIONALLY	54	54
TOTAL	100	100

Source: Primary Data

About 54% of the respondents take selfies occasionally. Respondents who take selfies on a daily and weekly basis give a combined total of 36%. Whereas only 10% are interested in taking selfies on a monthly basis. This shows that there is no specific time period for taking a selfie and most of the respondents prefer taking selfies at various occasions or events.

INTEREST TO TAKE SELFIE IN RISKY/ADVENTUROUS SPOTS

This helps to know the level of interest among the respondents to take selfies in risky /adventurous spots.

TABLE 4: INTEREST TO TAKE SELFIE IN RISKY/ADVENTUROUS SPOTS

RESPONSE	NO OF RESPONDENTS	PERCENTAGE
YES	35	35
NO	65	65
TOTAL	100	100

Source: Primary Data

65% of the respondents prefer taking selfies in risky/adventurous spots. Whereas 35% of the respondents are not interested in it. This shows that most of the college students are willing to visit adventurous spots and take a selfie without considering the risk factors associated with it.

INTENTION BEHIND TAKING A SELFIE

A survey was done to analyse the reasons for taking a selfie.

TABLE 5: INTENTION BEHIND TAKING A SELFIE

RESPONSE	NO OF RESPONDENTS	PERCENTAGE
FOR FUN	30	30
SELF SATISFACTION	22	22
TO CHERISH THE MOMENT	48	48
TOTAL	100	100

Source: Primary Data

About 48% of the respondents take selfies to cherish the moment. 30% and 22% of the respondents take selfies for fun and self satisfaction respectively. This shows that youth prefer taking a selfie to capture the moment so that they can go through it and enjoy it later.

HESITATION TO TAKE SELFIE ON HEARING ABOUT SELFIE ACCIDENTS

A survey was conducted to know if respondents are hesitant to take a selfie on hearing about selfie accidents.

TABLE 6: HESITATION TO TAKE SELFIE ON HEARING ABOUT SELFIE ACCIDENTS

RESPONSE	NO OF RESPONDENTS	PERCENTAGE
YES	26	26
NO	74	74
TOTAL	100	100

Source: Primary Data

About 74% of the respondents are not hesitant to take a selfie on hearing news of selfie accidents. Whereas the balance 26% are hesitant to do so. Thus a major portion of the respondents are unaffected by news of selfie accidents.

SELFIE ADDICTION

This helps to know the degree of selfie addiction among respondents.

TABLE 7: SELFIE ADDICT

RESPONSE	NO OF RESPONDENTS	PERCENTAGE
YES	48	48
NO	52	52
TOTAL	100	100

Source: Primary Data

48% population agree that they selfie addicts. Whereas 52% are not selfie addicts. Therefore, even though majority of the youth prefers to take selfies they are not addicted to it. They simply want to capture the picture perfect moment and cherish it later.

USAGE OF MOBILE APPLICATIONS TO TAKE SELFIES

A survey is conducted to know if the respondents use mobile phones applications to take selfies.

TABLE 8: USAGE OF MOBILE APPLICATIONS TO TAKE SELFIES

RESPONSE	NO OF RESPONDENTS	PERCENTAGE
YES	79	79
NO	21	21
TOTAL	100	100

Source: Primary Data

79% of the population use mobile phone applications to take selfies. 21% of the respondents take selfies without it. It shows that youth are more conscious of their selfies that prefer editing and modifying their selfies using various mobile applications.

TESTING OF HYPOTHESIS

"There is a significant relationship between gender and interest to take selfie in risky/adventurous spots".

To test the above hypothesis chi square test has been used.

TABLE 9

GENDER	INTERESTED	NOT INTERESTED	TOTAL
MALE	30	22	52
FEMALE	12	36	48
TOTAL	42	58	100

Source: Primary Data

TABLE 10: CHI-SQUARE TEST

O	E	O-E	(O-E) ²	(O-E) ² /E
30	21.84	8.16	66.59	3.05
22	30.16	-8.16	66.59	2.21
12	20.16	-8.16	66.59	3.30
36	27.84	8.16	66.59	2.39
			TOTAL	10.95

DEGREES OF FREEDOM

$$V = (r-1)(c-1)$$

$$V = (2-1)(2-1)$$

$$V = 1$$

At 1 degree of freedom, 5% level of significance is 3.841

The calculate value (10.95) is more than the table value. So hypothesis is rejected

CONCLUSION

Hence it is concluded that "there is no significant relationship between gender and interest to take selfie in risky/adventurous spots".

TESTING OF HYPOTHESIS

"There is a significant difference between gender and frequency of taking selfies".

OBSERVED FREQUENCY

TABLE 11

TIME PERIOD	MALE	FEMALE	TOTAL
DAILY	4	8	12
WEEKLY	18	6	24
MONTHLY	7	3	10
OCCASIONALLY	45	9	54
TOTAL	74	26	100

Source: Primary Data

TABLE 12: CHI-SQUARE TEST

O	E	O-E	(O-E) ²	(O-E) ² /E
4	8.88	-4.88	23.81	2.68
18	17.76	0.24	0.06	0.00
7	7.4	-0.4	0.16	0.02
45	39.96	5.04	25.40	0.64
8	3.12	4.88	23.81	7.63
6	6.24	-0.24	0.06	0.01
7	7.24	-0.24	0.06	0.01
3	2.6	0.4	0.16	0.06
9	14.04	-5.04	25.40	1.81
			TOTAL	12.86

Degrees of Freedom

$$V = (r-1)(c-1)$$

$$V = (4-1)(2-1)$$

$$V = 3$$

3 degrees of freedom 5% level of significance is 7.815

The calculate value (12.86) is more than the table value. So hypothesis is rejected.

Conclusion

Thus it is concluded that there is no significant relationship between gender and frequency of taking selfies.

FINDINGS AND SUGGESTIONS OF STUDY**FINDINGS OF STUDY**

The following are the findings of study:

1. There is almost equal gender composition with 52% male and 48% female respondents. This comprises of 100 respondents as the sample size for the study.
2. All the respondents possess a smart phone. This shows that all the respondents have equal opportunity to use a smart phone and take a selfie.
3. About 54% of the respondents take selfies occasionally. Respondents who take selfies on a daily and weekly basis give a combined total of 36%. Whereas only 10% are interested in taking selfies on a monthly basis.
4. 65% of the respondents prefer taking selfies in risky/adventurous spots. Whereas 35% of the respondents are not interested in it.
5. About 48% of the respondents take selfies to cherish the moment. 30% and 22% of the respondents take selfies for fun and self satisfaction respectively.
6. About 74% of the respondents are not hesitant to take a selfie on hearing news of selfie accidents. Whereas the balance 26% are hesitant to do so.
7. 48% population agree that they selfie addicts. Whereas 52% are not selfie addicts.
8. 79% of the population use mobile phone applications to take selfies. 21% of the respondents take selfies without it.
9. Chi-square test has been used to test the significant relationship between gender and interest to take selfie in risky/adventurous spots. The hypothesis has been rejected. There is no relationship between gender and interest to take selfie in risky/adventurous spots.
10. Chi-square test has been used to test the significant relationship between gender and frequency of taking selfies. The hypothesis has been rejected. There is no relationship between gender and frequency of taking selfies.

SUGGESTIONS OF STUDY

The following are the suggestions of the study:

1. Awareness needs to be generated about the risks of taking selfies in risky /adventurous spots.
2. Boards with signs such as 'No selfie zone' should be put up in risky/dangerous areas or tourist spots.
3. The countless hours spent to perfect a selfie should be diverted towards other productive activities. This is necessary as there is a tendency to be self-conscious and narcissistic while taking selfies which affects the mental health.
4. Selfie addiction can be reduced to a great extent by switching off the mobile phone for a couple of hours and focusing on other means of entertainment such as playing outdoor games, chess etc.
5. Keeping the mind occupied with other activities is another solution to reduce selfie addiction.
6. Other different ways must be pursued to get the experience of connection, power, and self-worth rather than depending on the number of likes a picture gets on social media. Facing fears, helping the less privileged are some ways to attain self worth.

CONCLUSION

The rise in selfie culture is a product of technology and modern era. The trend of taking pictures of oneself could cause narcissism, addiction and mental illness. A large section of the youth has fallen prey to selfie addiction due to lack of awareness about such a disorder as well as the weak legal implementation framework. Apart from the desire for attention, image management has also become a necessity now. People are trying to project positive images of themselves while having fun or doing something dangerous.

The psychology behind clicking so many selfies and uploading them on social media is the negative self-esteem and self-image of a person. In order to attract attention and get maximum likes and comments on social media, youth are engaging in this type of behaviour. The number of likes or comments goes some way into improving their self-image. Social acceptance and gaining it through social media has many pitfalls. People are getting into the habit of relating more with their smartphones than with real people. This addiction is a product of culture and there is a need to sensitize people of the risks involved.

Awareness needs to be generated about the risks of taking selfies in risky /adventurous spots. Boards with signs such as 'No selfie zone' should be put up in such areas or spots. The countless hours spent to perfect a selfie should be diverted towards other productive activities. Selfie addiction can be reduced to a great extent by switching off the mobile phone for a couple of hours and focusing on other means of entertainment such as playing outdoor games, chess etc. Other different ways must be pursued to get the experience of connection, power, and self-worth rather than depending on the number of likes a picture gets on social

media. Facing fears, helping the less privileged are some ways to attain self worth. Thus selfies have a huge impact on the overall personality and lifestyle of a person. It affects the perceptions and opinions which one holds about life.

Many selfies are intended to present a flattering image of the person. Thus selfie addiction is a matter which needs to be given serious consideration. The solution is not to stop taking selfies and posting them online because that still leaves one's desires unfulfilled. It is to fill those desires in other ways so that one need not depend on selfies and thus their importance diminishes.

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