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STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

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ENCOMPASSING KANO'S MODEL TO AUGMENT CUSTOMER EXPERIENCE FOR THE INDIAN DTH INDUSTRY**DR. SUJATA JOSHI****ASST. PROFESSOR****SYMBIOSIS INSTITUTE OF TELECOM MANAGEMENT****SYMBIOSIS KNOWLEDGE VILLAGE****LAVALE****DR. SANJAY BHATIA****DIRECTOR****SBG sTECH (PROGRAMME LEAD – INNOVATION & IP PROTECTION)****AMDOCS (INDIA)****CYBERCITY, MAGARPATTA, HADAPSAR, PUNE****ARNAB MAJUMDAR****STUDENT****SYMBIOSIS INSTITUTE OF TELECOM MANAGEMENT****SYMBIOSIS KNOWLEDGE VILLAGE****LAVALE****ARCHIT MALHOTRA****STUDENT****SYMBIOSIS INSTITUTE OF TELECOM MANAGEMENT****SYMBIOSIS KNOWLEDGE VILLAGE****LAVALE****ABSTRACT**

The purpose of the research was to develop a solution which would help the Direct to Home service providers to enhance the levels of customer experience and help in attaining customer satisfaction. This study modifies the Kano's model within the context of the Direct to Home industry and segregates the attributes that affect customer experience into the various quadrants as identified by Noriaki Kano as Exciters, Satisfiers, Dissatisfiers, and Indifference attributes. Data analytics and then modeling the data to provide insightful information was the core process followed. For obtaining Primary Data for the service parameters and customer information, a questionnaire was formed and an assisted survey of 440 consumers was carried out. Secondary research was carried out to build the data model. The questionnaire could quantitatively capture voice of customers on a scale of 1-7. A crosstab correlation was performed using SPSS, which promotes the fact that the considered attributes in developing the model have positive influence on enhancing the overall Customer Experience. The results show that there is a significant relationship between customer experience and the attributes defined under exciters, satisfiers and Must Be's. A broader segment can be opted for the survey to get better results, also the move to rural areas can be considered. The study will help DTH operators to perform efficient parameter profiling & understand the customer's mindset. The operator can then build on its Quality of Service & increase customer satisfaction and loyalty by delivering the perceived customer experience. The work has been able to express experience quantitatively. The research was based on unconventional and logical thoughts on how to analyze and model the data which could be used for strategic decision making by the service providers.

KEYWORDS

Customer Experience, Customer satisfaction, KANO'S Model, DTH industry.

1. INTRODUCTION

India happens to stand third in terms of subscriber base of TV market with 155 million subscriber households in 2012, with US and China being the first two contenders. In India, as of date, the TV signals are distributed in three formats, analog, digital, and terrestrial. In India, the analogue TV services are being provided by cable operators and the digital TV services are being provided by direct to Home operators. Direct to Home (DTH) refers to Direct to Home Television. DTH can be defined as receiving satellite programs in the house using a personal dish by an individual user. DTH eliminates the local cable operator by enabling direct contact between the broadcaster and the consumer. The cable operators are able to receive satellite programs which in turn are distributed to individual homes of customers.

The Cable Television Networks (Regulation) Act was reformed by the Indian government in 2011 whereby it was decided to digitize Pay TV services in a phased manner such that the implementation would be complete by end of 2014. The main reasons driving the growth of Direct to Home services are the progress in technology, increased overall value proposition, and simplified yet enhanced consumer's television viewing experience. One more major driver for growth of DTH industry is customer service as it acts as a major differentiator for the DTH players. A few challenges faced by the Direct to Home Industry are low Average Revenue per user (ARPU), high customer acquisition costs and high churn rate. DTH Service Providers consider superior service experience as the key differentiator that will help them acquire new customers and manage churn as well. Currently the rate of churn for the DTH industry is 14-16%. Thus, it is essential to develop effective methods to retain the existing which can be achieved by managing the customer experience. Customer experience is defined as the sum of all experiences that a customer has at every touch-point of the customer-company relationship. It is an intentional effort on the part of the company to develop and maintain good experience which is differentiated from the competition, consistent at every touch point and most importantly valued by the customer. The objective of the paper is to use the Kano's model of customer satisfaction in order to enhance customer experience for DTH customers. This study modifies the Kano's model within the context of the Direct to Home industry. The attributes which affect customer experience for DTH services have been identified in this study and are then segregated into the various quadrants as identified by Noriaki Kano as Exciters, Satisfiers, Dissatisfiers, and Indifference attributes. The segregation will help managers to focus on those attributes which will yield in creating value for the customers.

2. LITERATURE REVIEW

2.1 IMPORTANCE OF CUSTOMER EXPERIENCE

Various authors have stressed on the importance of customer experience. Pine and Gilmore 1998 and 1999, Shaw and Ivens 2002, Voss 2003, Prahalad and Ramaswamy 2004, Meyer and Schwager 2007 opine that customer experience can be used as a source of competitive advantage. According to Liljander and Strandvik 1997, customer experience has an effect on customer satisfaction. As per Yu and Dean 2001, Pullman and Gross 2004, Mascarenhas *et al.* 2006, customer experience leads to customer loyalty. Johnson and Mathews 1997, Flanagan *et al.* 2005 advocate that customer experience can influence expectation of customers. Flanagan *et al.* 2005 feel that customer experience helps to build confidence of customer towards a brand, and Grace and O'Cass 2004 Berry and Carbone 2007 opine that customer experience actually supports in brand building which is also supported by Pullman and Gross 2004 who opine that good experiences helps to create emotional bonding with customers.

2.2 CUSTOMER EXPERIENCE DEFINED

Pine and Gilmore (1998, 1999) were amongst some of the early writers to research on the concept of customer experience. One of their observations was on commoditization of services which they felt was the main reason why companies now had to compete on basis of better experience to customers. Research done by Pine and Gilmore, 1998; Prahalad and Ramaswamy, 2004 Johnston and Kong, 2011; clearly reflects the trend of creating a differential advantage by giving better experiences to the customer.

Experience has been increasingly discussed since the beginning of 2000 (Caru and Cova 2007), but it is rarely defined. Sundbo and Hagedorn-Rasmussen (2008) defined Customer Experience as the customer's direct and indirect experience of the service process, the organization, the facilities and how the customer interacts with the service firm's representatives and other customers. According to them, Customer experience is one of the major factors influencing the consumer's process for purchase decision. Customer experience has been defined by Meyer and Schwager (2007) as the response of a customer at any direct or indirect touch point of a company, which may be internal or subjective in nature. Customer experience, as perceived by Zomerdijs and Voss (2009), is a holistic concept which is a combination of the combined aspects of a product/service offering of a company.

In the opinion of Davidson (1992) customer experience is a method of creating a competitive advantage for achieving sustenance and for establishing customer's loyalty. Barlow and Maul (2000) have suggested that as per the experience economy philosophy, customers expect a positive, emotional and memorable experience at every touch-point or transaction with an organization. According to O'Sullivan and Spangler (1998), customer experience economy includes all those companies or individuals whose prime aim is to give customers a wonderful and different experience.

2.3 CUSTOMER EXPERIENCE AND CUSTOMER SATISFACTION

Previous studies by researchers by Bolton, 1998; Fornell, 1992 have proven that customer satisfaction leads to increase in revenue for an organization. Reichheld and Sasser, 1990 opine that customer satisfaction leads to reduction in the transactional costs. As per Anderson and Sullivan, 1993 it also decreases in rate of customer defection in cases when quality has not been delivered at times. As per Kotler 2006, customer satisfaction plays an important role as it is not affected by changes in costs or seasonal changes or other organizational practices. Hence customer satisfaction is considered by researchers as one of the best indicators of a company's profits.

Oliver (1980) has defined customer satisfaction as a feeling of pleasure or disappointment which occurs after an individual evaluates the services delivered by an organization with his individual expectations of the same. Fornell (1992) has defined customer satisfaction from post purchase perspective as how a service is evaluated by a customer after he buys the service. Cadotte, Woodruff and Jenkins 1987 define it from experience perspective as the evaluation of a customer based on the usage experience that he gets from the service. The same perspective has been emphasized by Day 1984 wherein they define customer satisfaction as a resultant of the evaluation of a service by a customer based on actual service received versus customer's prior expectation from that service. Churchill and Surprenant 1982 view customer satisfaction as an outcome of purchase and usage i.e. customers' expectation with respect to product attributes and evaluation of the same post usage. According to Swan, Trawick and Carroll 1980 it is a feeling of customer towards a product/service: whether the product or service performed as expected or it performed poorly. Howard and Sheth 1969 interpreted it as the cognitive response of buyer and whether buyer feels adequately rewarded for sacrifices he has undergone for purchasing the product. W. Boulding, K. Ajay, S. Richard, A.Z. Valarie (1983) divide customer satisfaction as twofold: transaction specific satisfaction or cumulative satisfaction. Transaction specific satisfaction has been described by C. Cook, B. Thompson (2000) as a customer's individual experience with respect to a particular service encounter with an organization. Cumulative satisfaction has been described by I. M. Tahir, N. M. Abu-Bakarcon (2007) as the overall experience of a customer with an organization from the beginning till date.

According to Hongxiang (2011) experience quality is one of the exceedingly important factors for creating a satisfied customer. As per statistical information, it has been proven that approximately 82% of users either leave or move to another service provider's network because they are not satisfied with the quality of the service provider's offerings.

The research done by Belk *et al.* (1989) stresses on the importance of understanding the factors affecting experience of the modern consumer. Similarly, Thompson *et al.* (1990) have also reiterated the fact that researchers should do a study on customer experiences. Experience, according to Michela Addis (2005), is what a customer experiences during consumption of a product or service. Katz (1968), and Van Der Wagen (1994) are of the opinion that different customers may have different perception of experiences for a given product or service because each customer is unique in his understanding and analysis given the fact that each one of them comes from a different educational, cultural background. Blythe (1997) reiterates a similar opinion by saying that consumers analyze their purchase decisions as a result of their previous positive experiences.

From the above literature review we can summarize that positive experiences are essential in order to achieve customer satisfaction. However, there is little guidance in practical terms regarding designing of experiences. Shaw and Ivens (2005) have pointed out the fact that companies are now utilizing customer experience as a way to attain sustainable competitive advantages. Pine and Gilmore (1998) feel that this may lead to customer experience becoming the next competitive for companies to battle upon.

As per Kotler 2006, the antecedents and consequences of customer satisfaction have been discussed in several articles. But the use of Kano's model for creating better value for customers has not been discussed especially in the context of customer experience. According to Hsiu-Yuan Hu1, Ching-Chan Cheng, Shao-I Chiu and Fu-Yuan Hong "the antecedents of this model can be replaced by different quality attributes", which will help managers to improve levels of customer satisfaction and create value for customers.

Hence, this study uses the Kano's model to study how overall customer experience associates with various attributes of service quality for the DTH services. The purpose of the research was to capture service attributes for the DTH service & segment them to realize the focus areas of Customer Experience in the Indian DTH consumer's mindset.

3. MODEL NARRATIVE

3.1 KANO'S QUADRANTS

The Kano's quadrants are a depiction of an excellent model of customer satisfaction. The quadrants emerge from the responses of the customers & define the service attributes & statements into various categories. This model can be used an insightful tool for the service providers to check out the focus areas & work upon them to provide better customer experience & build customer loyalty. The quadrants defined by Noriaki Kano are as follows:-

- 1. Exciters:** Are services that are unexpected. For example an attendant offering one's phone to the customer or a service call from the operator for the plan that fits customer needs. These are basically those experiences which create delight & customer wants to return to the DTH operator for another purchase.
- 2. Satisfiers:** These are the 'the more the better' parameters which drive customer satisfaction. Higher the "Satisfier" higher the experience. Experience will suffer if these parameters are low. Directly proportional is the loyalty factor better experience greater are the chances of loyalty.
- 3. Dissatisfiers:** These are the attributes which if not provided can cause customer to dislike the product but the provision of which may not necessarily result in raising customer experience. For example, a Wi-Fi access point at an unexpected location by the operator that the customer is using. These should be worked upon to better experience fundamentals for the customers.

4. Indifference: These do not make any impact one way or another. These create the secondary opportunity areas to be tapped upon by the DTH service operators & create unexpected experience enhancement & enhance loyalty & WOM.

4 RESEARCH METHODOLOGY

4.1 RESEARCH OBJECTIVE

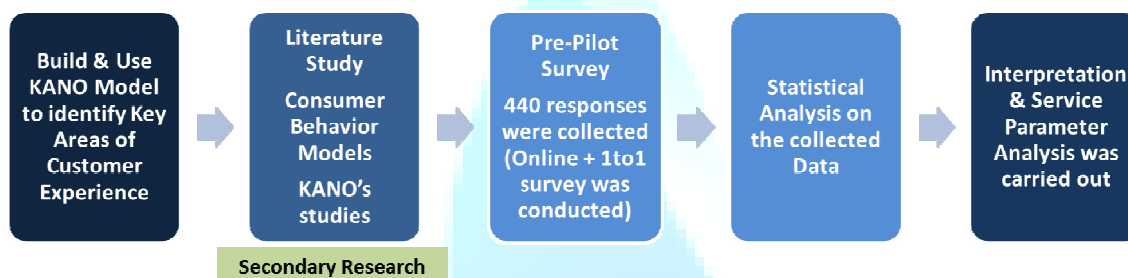
The objective of the paper is to use the Kano's model of customer satisfaction in order to enhance customer experience for DTH customers. This study modifies the Kano's model within the context of the Direct to Home industry. The attributes which affect customer experience for DTH services have been identified in this study and are then segregated into the various quadrants as identified by Noriaki Kano as Exciters, Satisfiers, Dissatisfiers, and Indifference attributes. The segregation will help managers to focus on those attributes which will yield in creating value for the customers.

4.2 RESEARCH DESIGN

The purpose of the research was to capture service attributes for the DTH service & segment them to realize the focus areas of Customer Experience in the Indian DTH consumer's mindset. Hence for obtaining Primary Data for the service parameters and customer information, a questionnaire was formed and an assisted survey of 440 consumers was carried out. Secondary research was carried out to build the data model. The questionnaire could quantitatively capture voice of customers on a scale of 1-7. A Scale reliability test based on the responses was carried out for initial validation. These analyses were carried out to prove the considered hypothesis and achieve the research objective.

4.3 RESEARCH FLOW

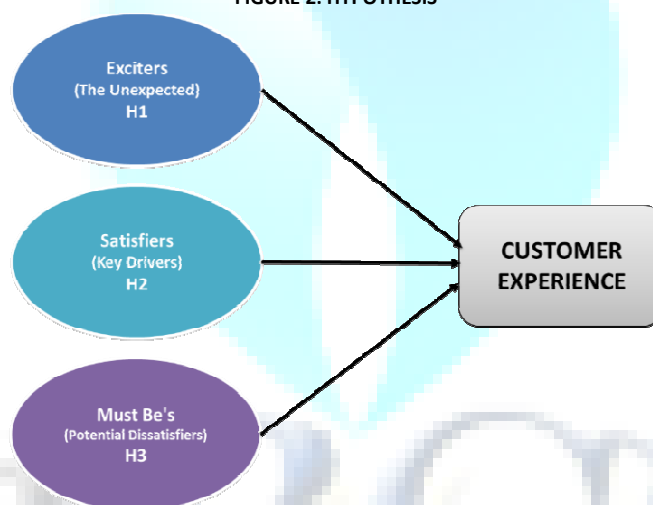
FIGURE 1: RESEARCH PROCESS



5. CONCEPTUAL FRAMEWORK

For designing the framework, a thorough literature review was done to determine the set of 25 parameters contributing to customer experience. These parameters were clubbed up in 4 different quadrants in accordance to the KANO's Model. To obtain quantitative inputs, a questionnaire was prepared containing questions related to these buckets. The response was measured on a scale of 1-7. Secondary literature review was carried out to help build data model which would later on provide a view of customer experience. Both the primary and secondary inputs helped in carrying out the research which aimed at the classification of service attributes.

FIGURE 2: HYPOTHESIS



6. HYPOTHESIS FORMULATION

The review of literature gave deeper insights into the attributes or parameters affecting customer experience for DTH services. For hypotheses formulation in this study researcher has considered:-

- H1:** There is a significant relationship between the Exciter attributes and Customer experience.
- H2:** There is a significant relationship between the Satisfier attributes and Customer experience.
- H3:** There is a significant relationship between the Must Be attributes and Customer experience.

7. SOLUTION PRESENTATION

7.1 CROSS TAB CORRELATION OF ATTRIBUTES TO CUSTOMER EXPERIENCE

The service attributes of the DTH service provider need to be characterized & adjudged into various segments so as to bring out what factor affects the experience. The loyalty of the customers further depends upon as to how proficiently & effectively these service statements are being delivered by the DTH provider. Kano's classification of parameters gives a pertinent solution to such proposals for the business.

The distribution of various parameters into various segments of the grid is arrived at by creating a plot between (X-axis as Stated Importance; Y-axis as Derived Importance). The following table indicates the Stated Importance & the Derived Importance values. The derived importance is arrived at by performing a cross-tab correlation between the overall experiences of the customer with the 25 service attributes considered.

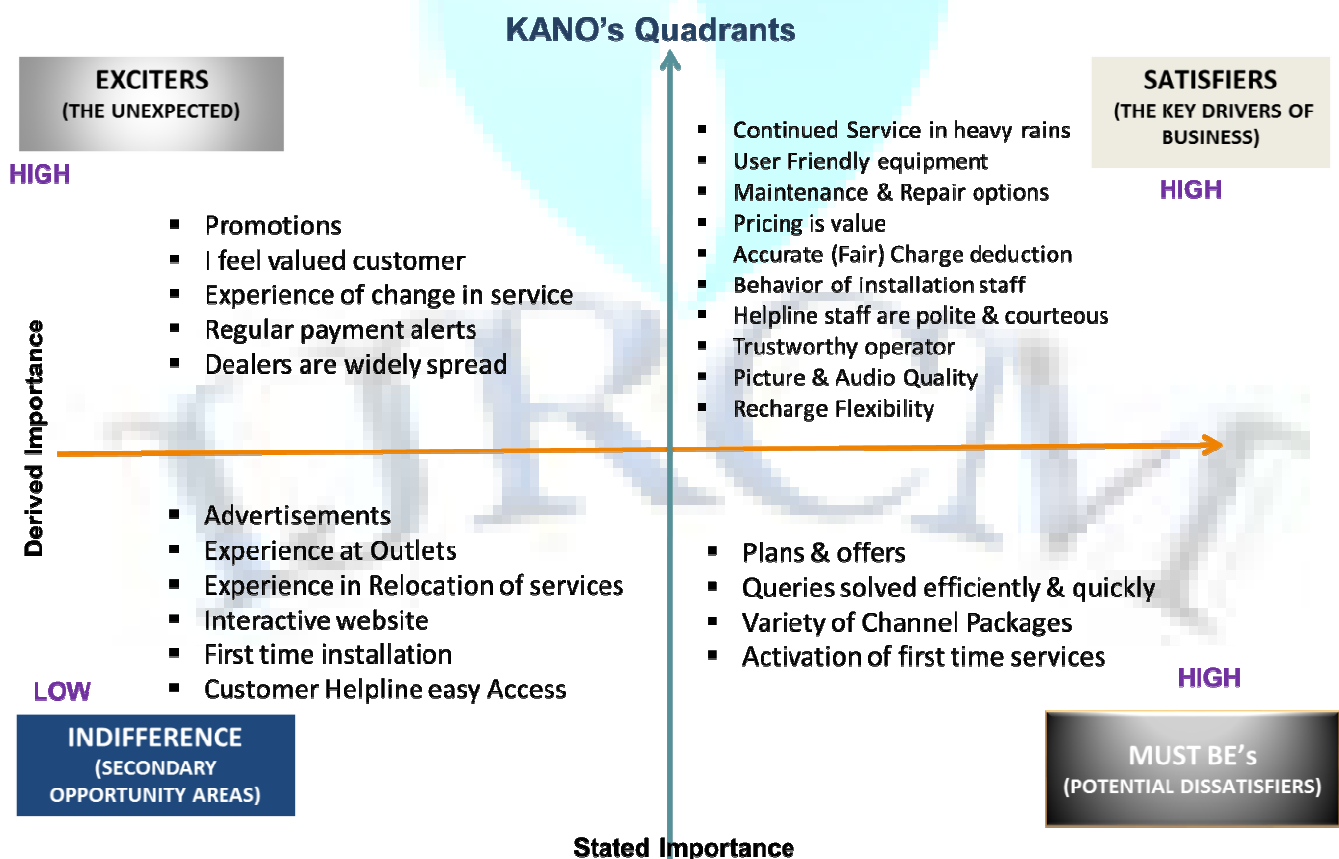
TABLE 1: SERVICE PARAMETERS WITH CORRESPONDING VALUES OF STATED & DERIVED IMPORTANCE

Parameters	Stated Importance	Derived Importance
Advertisements	0.71	0.15
Promotions	0.74	0.22
Plans & offers	0.81	0.20
Pricing is value	0.81	0.27
Trustworthy operator	0.81	0.31
Variety of Channel Packages	0.83	0.01
I feel valued customer	0.74	0.25
First time installation	0.79	0.12
Activation of first time services	0.82	0.20
Behavior of installation staff	0.80	0.23
Picture & Audio Quality	0.84	0.31
Continued Service in heavy rains	0.79	0.26
User Friendly equipment	0.79	0.23
Experience of change in service	0.77	0.22
Experience in Relocation of services	0.77	0.17
Dealers are widely spread	0.78	0.31
Experience at Outlets	0.74	0.20
Interactive website	0.77	0.18
Customer Helpline easy Access	0.79	0.15
Helpline staff are polite & courteous	0.81	0.26
Queries solved efficiently & quickly	0.80	0.21
Maintenance & Repair Options	0.81	0.27
Accurate (Fair) Charge deduction	0.81	0.22
Regular payment alerts	0.78	0.27
Recharge Flexibility	0.82	0.30

7.2 KANO's QUADRANTS

The Kano's construct is a metric that classifies service parameters and their impact on creating customer delight. When implemented statistically the KANO's grid is formulated simply in Excel worksheet by making a Bubble Plot, between the stated importance and the derived importance of all the considered parameters. The stated importance is captured in the questionnaire on a scale of 1-7. The derived importance is a cross-tab correlation between the performance of all the parameters and the overall experience. The correlation values fall between -1 to 1. So the stated importance values were brought down to the range of 0-1. The origin for the grid is reached at by the average of averages method the average of stated importance (25 parameters) i.e. the X-Axis (0.79) & the average of derived importance (25 parameters) i.e. Y-Axis (0.22). Considering the service parameter as Advertisements, the average importance value i.e. 0.71 was calculated from all the surveyed responses. The derived importance i.e. 0.15 was calculated from a cross tab correlation between the average performance score of the parameter and the overall experience. The same was done for all the parameters to construct the plot.

FIGURE 3: PARAMETER DISTRIBUTION IN QUADRANTS



8. HYPOTHESIS TESTING

Correlation was performed using SPSS, which promotes the fact that the considered attributes in developing the model have significant relationship with the overall Customer Experience. The proof of hypothesis considered can be aptly depicted by the following tabular representation.

TABLE 2

EXCITERS (THE UNEXPECTED)	Correlation with CE
Promotions	0.604
I feel valued customer	0.734
Experience of change in service	0.748
Dealers are widely spread	0.744
Regular payment alerts	0.743

The correlation values of 0.604 for Promotions, 0.748 for Experience of Change in service & others show that there is a noteworthy relationship between Exciter attributes & Customer Experience. The statistical value of Pearson's correlation coefficient ranging between 0.7 to 0.9 on the positive side indicates a good positive association. Hence evidencing the **Hypothesis H1**: *There is a significant relationship between the Exciter attributes and Customer experience.*

TABLE 3

SATISFIERS (KEY-DRIVERS)	Correlation CE
Pricing is value	0.662
Trustworthy operator	0.732
Behavior of installation staff	0.712
Picture & Audio Quality	0.709
Continued Service in heavy rains	0.661
User Friendly equipment	0.674
Helpline staff are polite & courteous	0.770
Maintenance & Repair options	0.754
Accurate (Fair) Charge deduction	0.743
Recharge Flexibility	0.746

The Pearson's correlation coefficient window between +0.7 to +0.9 gives an insight of a strong level of connection between Satisfier attributes & Customer Experience. The **Hypothesis H2**: *There is a significant relationship between the Satisfier attributes and Customer experience*; is proven by the values such as 0.770 for Helpline staff are polite & courteous, 0.754 for Maintenance & Repair options & others.

TABLE 4

MUST BE's (POTENTIAL DISSATISFIERS)	Correlation with CE
Plans & offers	0.683
Variety of Channel Packages	0.674
Activation of first time services	0.726
Queries solved efficiently & quickly	0.754

Hypothesis H3: *There is a significant relationship between the Must Be attributes and Customer experience*; is substantiated by the association levels depicted by correlation values ranging from 0.60 to 0.75 in the table. The correlation values give a clear interpretation that a moderate to strong association exists between the Potential Dissatisfiers & the Customer Experience.

9. MANAGERIAL IMPLICATIONS

DTH operators can effectively focus & manage decisions based on the above classification and enhance the customer experience for TH customers.

- The Performance Attributes i.e. trustworthy operator, picture & audio quality, recharge flexibility, behavior of customer care staff are important for the customer & feature as key drivers that give higher satisfaction levels & build loyalty.
- Parameters like promotions; value to the customers & regular payment alerts provide additional delight to the customers & make the customers more loyal to the brand, as these showcase brand value & also bridge the gaps in services that customers perceive.
- The Potential Dissatisfier Attributes, like Accurate billing, plans and offers, channel packages are the mandates for customers. They must provide a higher service experience or else would upshot the chances of churn & negative word of mouth & decreased loyalty.
- Interactive website, Relocation of service, Advertisements may have an impact on decision making but do not formulate a measurable part of the customer's black box.

Increased quality of service will give rise to better experiences. Greater level of experiences in turn enhances customer's trust leading to customer satisfaction & increased loyalty towards the brand.

10. LIMITATIONS OF THE RESEARCH

- 1) **Sample size** -- The number of the units of analysis was relatively small. Open to more advanced & wider data collection.
- 2) **Availability of data** -- Reliable and sufficient data from the DTH service providers will give a more clear understanding of the trends in the services and experiences.
- 3) **Limited Demographics** -- The study was limited to students, professional & employees, only in Pune area. An increase in sample size and varied demographics would provide a more heterogeneous sample.
- 4) **Rural coverage** -- The rural areas have not been covered & would formulate a wider scope for future research.

11. SCOPE FOR FUTURE RESEARCH

- 1) The survey and analysis can be completed on a larger scale to include more customer & industry insights.
- 2) This tested study can further be applied to other telecom verticals such as broadband & mobile.
- 3) Can be used as a consulting solution for service providers.

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WOMEN AND CHILD TRAFFICKING**ARJUMAND BANO****RESEARCH SCHOLAR****DEPARTMENT OF BUSINESS ADMINISTRATION****DEEN DAYAL UPADHYAY GORAKHPUR UNIVERSITY****GORAKHPUR****DR. SANJAY BAIJAL****PROFESSOR****DEPARTMENT OF COMMERCE****DEPARTMENT OF BUSINESS ADMINISTRATION****DEEN DAYAL UPADHYAY GORAKHPUR UNIVERSITY****GORAKHPUR****ABSTRACT**

Human Trafficking is the most heinous crime where a person is treated as commodity and sold in the market. It is shame on humanity. Traffickers deceive women, men and children from all corners of the world and force them into exploitative situations every day. While the best-known form of human trafficking is for the purpose of sexual exploitation, hundreds of thousands of victims are trafficked for the purposes of forced labor, domestic servitude, child begging or the removal of their organs. The major victims of human trafficking are women and children. The most common form of human trafficking detected by national authorities is trafficking for the purpose of sexual exploitation. Women make up two thirds of the world's human trafficking victims. The vast majority of these female victims are young women who are lured with false promises of employment and then raped, drugged, imprisoned, beaten or threatened with violence, have debt imposed on them, have their passport confiscated and/or are blackmailed. Children are exploited for the purposes of forced begging, child pornography or sex. Children are sometimes favored as laborers. Terrorists are also using them as human shield. Poverty is a major driver of the human trafficking industry. Those trapped in poverty are keen to obtain a better life for themselves and their families, and these vulnerable people are preyed on by unscrupulous people offering jobs, training, opportunities, remuneration and better life prospects. Recently youth is showing keen interest in profession in television and movies. Glamour, money and fame attract them. Traffickers are now using the intense desire as their trap. The other reason which is responsible for trafficking is deteriorating standards of morality and ethics in the society. Now people care for money and prosperity and ignore the moral aspects of earning it. The paper shall try to explore the determinants of human trafficking and try to find out the ways of creating awareness in order to save people from it.

KEYWORDS

Human trafficking, forced labor, domestic servitude, child begging, sexual exploitation, child pornography, human trafficking industry.

1. INTRODUCTION

Human Trafficking is the most heinous crime where a person is treated as commodity and sold in the market. It is shame on humanity. Traffickers deceive women, men and children from all corners of the world and force them into exploitative situations every day. While the best-known form of human trafficking is for the purpose of sexual exploitation, hundreds of thousands of victims are trafficked for the purposes of forced labor, domestic servitude, child begging or the removal of their organs. The major victims of human trafficking are women and children. The most common form of human trafficking detected by national authorities is trafficking for the purpose of sexual exploitation.

Women make up two thirds of the world's human trafficking victims. The vast majority of these female victims are young women who are lured with false promises of employment and then raped, drugged, imprisoned, beaten or threatened with violence, have debt imposed on them, have their passport confiscated and/or are blackmailed.

Children are exploited for the purposes of forced begging, child pornography or sex. Children are sometimes favored as laborers. Terrorists are also using them as human shield.

Poverty is a major driver of the human trafficking industry. Those trapped in poverty are keen to obtain a better life for themselves and their families, and these vulnerable people are preyed on by unscrupulous people offering jobs, training, opportunities, remuneration and better life prospects.

Recently youth is showing keen interest in profession in television and movies. Glamour, money and fame attract them. Traffickers are now using the intense desire as their trap. The other reason which is responsible for trafficking is deteriorating standards of morality and ethics in the society. Now people care for money and prosperity and ignore the moral aspects of earning it.

Gorakhpur district is a place which shares its border with Nepal and Bihar. Both the places are facing problems related to poverty, education and unemployment and that makes the places easy target for traffickers. The migration rate is high in these areas. People of such areas are less prepared and more vulnerable to deceiving schemes by traffickers. The wish for a better life puts millions of people at risk of exploitation. Trafficking when carried out from one place to another involves transit places. The major hubs of such transit are railway junctions, bus stops, ports, borders entry posts etc.

2. CURRENT SCENARIO

After more than six decades of independence the nation is still facing the heinous crime of human trafficking. Despite of adequate legal provisions it continues to thrive. Human trafficking has been defined as the commercial trade of human beings, who are subjected to involuntary acts such as begging, prostitution or forced labor. On the one hand poverty and hunger and on the other hand fast wealth and fast fame make the society highly vulnerable to human trafficking. Article 23 under Part -3 (Fundamental Rights) of the Indian constitution prohibits trafficking of human beings in the territory of India. There are also more than 20 provisions in the Indian Penal Code, 1860 which deal with various aspects of human trafficking. But despite all this, there is an inexplicable apathy in the approach of law enforcement agencies when it comes to dealing with human trafficking. To combat human trafficking, several short-term and long-term measures are needed to be taken up at all levels. There is an urgent need to create awareness among the public about human trafficking. Institutionalized system of co-ordination between the law enforcement agencies and nongovernmental organizations (NGOs) and greater coordination between different states could be an effective measure for combating the naked truth of society.

Gorakhpur is one of the most sensitive transit hubs for human trafficking in the country. Social activist, Jatashankar, Manav Seva Sansthan, says, "Human trafficking is the world's third largest illegal activity after smuggling of drugs and weapons. In India there are five major transit hubs, Muzaffarpur, Katihar, Gorakhpur, Lucknow and Tanakpur. Gorakhpur is sensitive place as it is not only connected to Bihar and Nepal but also connecting point for most of the areas of Porvanchal. According to our study 93% human trafficking is interstate and only 7% is cross border. We rescued 25 people belonging to Gorakhpur Mandal with the help of then district magistrate Aseem Arun. They were being sent to Malaysia. Counseling of victims is not easy as smugglers very aptly mould them with

the greed of money and better life. We have a set questionnaire for them that we make them fill and our counselors try to make them aware of the truth. We call their parents and family members on the spot and hand them over. I'm happy that after a decade of struggle we are able to create some awareness but we require more awareness and more coordination and support of the police and administration. We received Star award from Star foundation, UK, for our work in the area of human trafficking."

Human Trafficking is a well organized illegal trade which has a vast network. In the name of employment and career traders lure young people. Dharendra Mishra, victim's brother shares, "my brother is in Saudi Arabia in a very pathetic condition. He is deprived of basic necessities. He took training from an institute at Khajanchi Chauraha in the city. After the training the institute asked him Rs. 1 lakh and 60 thousand as they were sending him to Saudi Arabia on the job of a fitter for a salary of 800 Riyal with food and lodging free but his dreams are shattered as he was forced to work without salary for nine months. 72 people are there from the same institute praying to come back to their country. I asked help from the administration and praying for his safe and secure comeback but I know these people have very strong network."

Illiteracy, poverty, ignorance and globalization are the causes of flourishing monstrous trade in our country. Rajeshmani, social activist and director of a world renowned NGO explains, "Children, women of 15 to 25 years in age and young lads are mostly smuggled. In the era of globalization, more connected world has helped indirectly in organizing criminal groups and networks as they are better equipped with new information and communications technologies, and are becoming diversified and connected in their illicit operations. Fast money and desire of fame and glamour push young people towards unfortunate destinations. We found four boys of well-off families as victims. They were ready to move in the hope of acting in TV serial. We try to tell these kinds of people that mobility for career is good but it should be safe and secure. In 2002 when I started working in this area I was shocked that even police men were not aware of the term 'human trafficking'. We organized various awareness workshops. I'm happy that since 2002 the case of human trafficking has reduced to 4-5 from 10-12 cases per month. But still we have a long way to eradicate noxious practice from our society. In 2009 as per Govt. of India every district should have anti-trafficking cell but we require more effective cell."

3. PRE-ANTI HUMAN TRAFFICKING CELL ESTABLISHMENT PERIOD

In the pre anti human trafficking cell period NGO's were active to curb the social menace in Gorakhpur district and the places adjoining the borders including Nepal and Bihar. According to the data provided by a major NGO working in the area, Manav Seva Sansthan, from the year 2002 to 20012, total 167900 people were counseled by the NGO as they were victims of human trafficking.

TABOLE 1.0: SOUNAULI – BHAIRAWAN- 2002- AUGUST 2012

Details	Male	Female	Total
1. Total Number of Persons Counseled			
1.1 Number of person less than 16 years of age	1310	1264	2574
1.2 Numbers of person 16-18 years of age	1762	1361	3123
1.3 Number of persons above 18 years of age	2378	2460	4838
1.4 Numbers of person counseled	60000	86000	146000
2. Total Number of persons returned to Nepal			
2.1 Number of persons less than 18 years of age	103	117	220
2.2 Numbers above 18 years of age	131	149	280
2.3 Numbers of persons returned to Nepal	234	266	500
3. Break-Up of the Returned persons with respect to their relationships			
3.1 Number of Victims returned		65	65
3.2 Number of suspects (suspected traffickers) returned	35		35
3.3 Number of trafficking cases/ITPA	3	4	7

TABLE- 1.1: THUTIBARI – MAHESHPUR-2002- AUGUST 2012

Details	Male	Female	Total
1. Total Number of Persons Counseled			
1.1 Number of person less than 16 years of age	328	316	644
1.2 Numbers of person 16-18 years of age	441	340	781
1.3 Number of persons above 18 years of age	595	615	1210
1.4 Numbers of person counseled	15000	21500	36500
2. Total Number of persons returned to Nepal			
2.1 Number of persons less than 18 years of age	26	29	55
2.2 Numbers above 18 years of age	33	37	70
2.3 Numbers of persons returned to Nepal	59	67	126
3. Break-Up of the Returned persons with respect to their relationships			
3.1 Number of Victims returned		16	16
3.2 Number of suspects (suspected traffickers) returned	9		9
3.3 Number of trafficking cases/ITPA	3	0	3

TABLE- 1.2: GORAKHPUR- 2002- AUGUST 2012

Details	Male	Female	Total
1. Total Number of Persons Counseled			
1.1 Number of person less than 16 years of age	1507	1454	2961
1.2 Numbers of person 16-18 years of age	2026	1565	3591
1.3 Number of persons above 18 years of age	2735	2829	5564
1.4 Numbers of person counseled	69000	98900	167900
2. Total Number of persons returned to Nepal			
2.1 Number of persons less than 18 years of age	118	135	253
2.2 Numbers above 18 years of age	151	171	322
2.3 Numbers of persons returned to Nepal	269	306	575
3. Break-Up of the Returned persons with respect to their relationships			
3.1 Number of Victims returned		75	75
3.2 Number of suspects (suspected traffickers) returned	40		40
3.3 Number of trafficking cases/ITPA	9	3	12

TABLE-1.3: RAXAUL – BIRGANJ- 2002-AUGUST 2012

Details	Male	Female	Total
1. Total Number of Persons Counseled			
1.1 Number of person less than 16 years of age	917	885	1802
1.2 Numbers of person 16-18 years of age	1233	953	2186
1.3 Number of persons above 18 years of age	1665	1722	3387
1.4 Numbers of person counseled	146700	32000	46670
2. Total Number of persons returned to Nepal			
2.1 Number of persons less than 18 years of age	72	82	154
2.2 Numbers above 18 years of age	92	104	196
2.3 Numbers of persons returned to Nepal	164	186	350
3. Break-Up of the Returned persons with respect to their relationships			
3.1 Number of Victims returned		46	46
3.2 Number of suspects (suspected traffickers) returned	25		25
3.3 Number of trafficking cases/ITPA	10	16	26

4. POST-ANTI HUMAN TRAFFICKING CELL ESTABLISHMENT PERIOD

On 9th September 2012, Anti Trafficking Cell was established in Gorakhpur district. Surprisingly only two human trafficking cases are registered in the cell till date and the cell authorities are not able to tell about the number of cases counseled in the cell. In both of the cases the victims belong to Jhangha in Gorakhpur district. In Thoonthibari the total number of cases registered is 19 whereas in Sonauli the registered cases are 38. In Raxaul the cases registered are 52. The data concerned with pre establishment period from 2002 to August 2012, attained from various NGO's the average number of cases per year in Gorakhpur was 16790, in Thoonthibari 3650, in Birganj- Raxaul 4667 and in Sonauli 14600.

The cases per year in post establishment period are comparatively very less in number. It shows that either the anti trafficking cell is very effective or the actual number of cases is not registered in the cell. But the flip side of the picture became clear when various NGO's were contacted for the data in post anti cell trafficking cell period.

5. DETERMINANTS OF HUMAN TRAFFICKING

After viewing the seriousness of the matter a study is conducted with empirical approach in which through exhaustive questionnaire and personal interview of victims, an attempt of finding out the major causes of human trafficking. For this purpose 50 victims were interviewed from Gorakhpur district, Maharajganj and Birganj.

The major findings concerned with human trafficking could be understood by the table given below:

ADULT AND MINOR VICTIMS

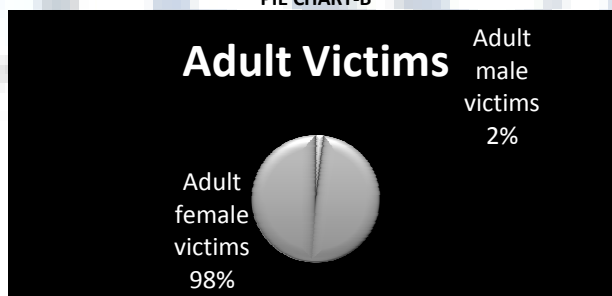
Adult victims	55%
Minor victims	45%

PIE CHART-A



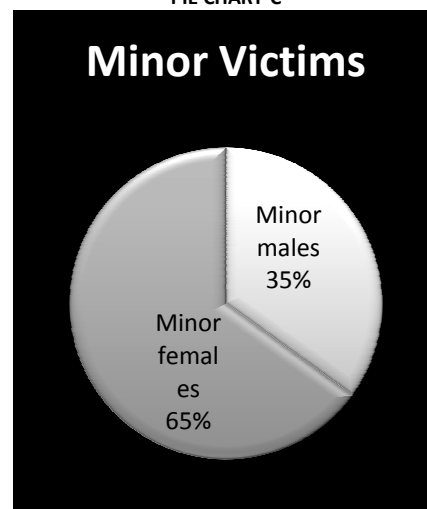
Adult male victims	2%
Adult female victims	98%

PIE CHART-B



Minor males	35%
Minor females	65%

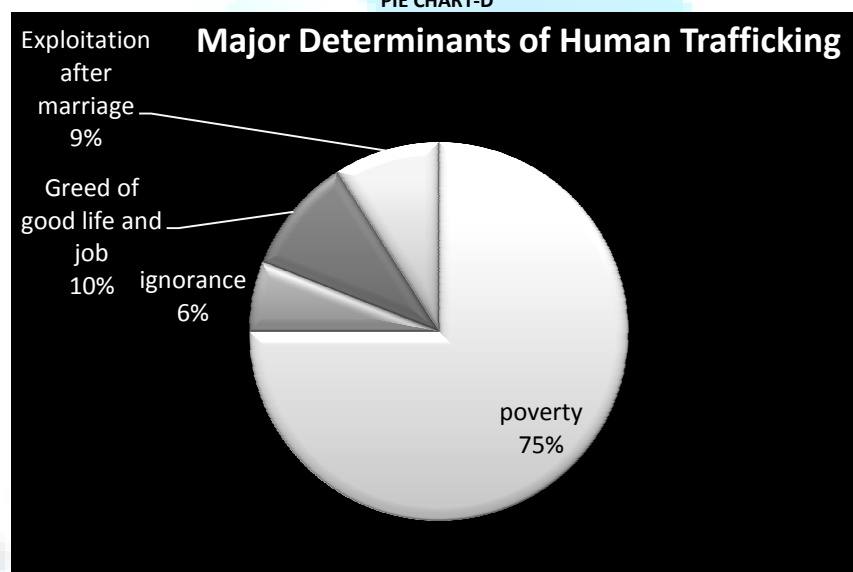
PIE CHART-C



MAJOR DETERMINANTS OF HUMAN TRAFFICKING

Particulars	Percentage
poverty	75%
Greed of good life and job	10%
Exploitation after marriage	9%
ignorance	6%

PIE CHART-D



6. CONCLUSION

Human Trafficking is social evil which is expanding its tentacles all over the world and in the last fifty years it has grown up into a well structured and synchronized trade. The story of human trafficking is very old as from centuries people were used as bonded labor and women were exploited for sex but the irony is that the trade is still continuing in stronger and more organized way in the so-called civilized society. The areas which are hit by poverty, problems of immigration and natural calamity becomes the most sort out spot for traffickers as they get easy prey from such places.

In Poorvanchal especially the area around Gorakhpur district faces Interstate and cross border trafficking as the place shares borders with Nepal and also with Bihar. The entire area is hit by poverty, unemployment, low literacy level and ignorance. The major victims are women and children. Approximately 79% of trafficking is done for sexual exploitation and 18% is for labour exploitation.

In this Paper we investigate the major determinants of human trafficking and also tried to find out the structure of victims. In our analysis we found out that 55% are adult victims and 45% are minor victims. Among adult victims only women are found whereas among minor victims 35% were males and 65% were females.

It is seen that poverty is the major determinant for trafficking and unemployment is other major reason that provide easy prey to traffickers. In the hope of good job and good life people get trapped in the net of traffickers. Clever traffickers use marriage for trafficking. with beautiful and fairy tale dreams parents and girls get trapped in net of marriage and their so-called husbands exploit them for sex trade and use them as bonded labour. Ignorance is the other reason of trafficking as people unknowingly become victim of trafficking.

It is important to create and spread awareness about the facts of human trafficking for saving people from the malice trap of traffickers. The efforts of creating awareness should start from school level as children constitute a big portion among the victims of human trafficking. Similarly workshops, seminars, lectures and nukkad natak should be organized in the villages to create awareness against the world's heinous crime, human trafficking.

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OBSTACLES IN GROWTH OF ENTREPRENEURSHIP**MOHAN BHAGWAT BHOSALE****ASST. PROFESSOR****KARMAVEER BHAURAO PATIL INSTITUTE OF MANAGEMENT STUDIES & RESEARCH
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SATARA****ABSTRACT**

Entrepreneurship has been considered for long as a process primarily aimed at creating one's own business ventures and contributing to economic development and employment generation. It is not just about management, ideas, or shortage of funds, the focus need to be on the product. In the 21st century, the opportunities for growth, profits, success and the pace of development is increasing globally and the ability to adapt to change and willingness to adopt best practices, will acquire new value. Present paper highlights on hurdles in growth of entrepreneurship and reasons for failure of entrepreneurship. Researcher undergone reviews of literature and indentify the reasons of entrepreneurship failure and hurdles to become an entrepreneur. After the study researcher conclude that entrepreneurship education and support by family members will help to minimize the hurdles in growth of entrepreneurship.

KEYWORDS

Entrepreneur, Entrepreneurship, Business, Management Education, Entrepreneurship Development.

INTRODUCTION

Entrepreneurship is considered to be a prime mover in development. The nations, regions and communities that actively promote entrepreneurship development, demonstrate much higher growth rates and consequently higher levels of development than nations, regions and communities whose institutions, politics and culture hinder entrepreneurship. Entrepreneurship education seeks to provide students with the knowledge, skills, and motivation to encourage entrepreneurial success in a variety of settings. Variations of entrepreneurship education are offered at all levels of schooling from primary or secondary schools through graduate university programs. Entrepreneurship education distinctive is its focus on realization of opportunity, where management education is focused on the best way to operate existing hierarchies. Both approaches share an interest in achieving "profit" in some form (which in non-profit organizations or government can take the form of increased services or decreased cost or increased responsiveness to the customer/citizen/client).

REVIEW OF LITERATURE**HURDLES IN GROWTH AND REASONS FOR FAILURE OF ENTREPRENEURSHIP**

'It was found out that due to absence at right orientation it become difficult for the entrepreneurs to sustain the business. Problem lies in Indian education system and more so in social system'. (Shekhar).

'Despite the attention given to upgrading managerial skills, there are many variables, which are beyond the control of the small business manager. Among these are increased competition, inflation, large business power, declining productivity, union power, cost of capital, tax rates, and legislation. Rather than having more control over these variables than others possess, the rural entrepreneur may, in fact, encounter greater difficulty in coping with the business environment than other small business managers. The study concluded that market related problems and lack of administrative expertise appear to be the most significant types over which the industrial owner/manager has some control. Financial problems were also considered important, but only "somewhat" influenced by added knowledge of the area. Small business managers seem to feel they have the power to deal with these three problem areas and are thus open to advice, which will improve their marketing, management, and financial abilities. Other problems viewed as largely uncontrollable are those relating to government regulations and economic conditions. The external nature of these problems seems to frustrate management attempts to overcome them. Entrepreneurs cite these issues as major problems inhibiting the successful operation of their businesses, yet do not seek outside help in these areas (C., Theme Article)'. 'Paper describes the theoretical and historical support, where three pedagogical models are compared, including two alternative experiential methods: simulations and the contingency approach. The contingency model, as introduced, utilizes Piaget's concept of equilibration, and is asserted to provide both cognitive tools and flexibility in accommodating unanticipated environmental factors faced by future entrepreneurs'.

CURRENT SCENARIO OF ENTREPRENEURSHIP

'Several management schools in India now have at least one course in entrepreneurship, many have a more complete curriculum, and a few integrate entrepreneurship throughout their educational approach. In the last few years, some management schools in India have taken certain steps by making entrepreneurship a part of their activity. The Indian School of Business, Hyderabad, has instituted a .Wadhvani Centre for Entrepreneurial Development.; the Indian Institute of Management Bangalore has a Nadadur S Raghavan Center for Entrepreneurial Learning. The more traditional management curricula in India predominantly focus on functional and strategic management of commercial, corporate, and organized sectors. However, the need for a more efficient and professional entrepreneurship culture that is likely to socially impact sectors such as energy, power, transport, irrigation, telecom, education, health, and development especially poverty reduction, is being increasingly recognized in many informed circles. The reason has to be that if more individuals start business ventures in these sectors, not only can the quality of life of people in general improve, but the efficiency, productivity, and profitability of these sectors also stand to gain. Entrepreneurs increase competitive pressure, forcing other firms to react by improving efficiency or introducing innovation. Increased efficiency and innovation within firms, whether in organization, processes, products, services, or markets, enhance the competitive strength of an economy as a whole. Offers consumers benefits through greater choice and lower prices the concern to foster entrepreneurial drive becomes more important as the rate of growth of employment /jobs in Indian large organizations / corporate sector is much lower compared to the number of graduates coming out of management schools'.

(Venkatachalam Balaji V., 2005).

(Anjan, 2005)'Study orates that while entrepreneurial inclination is strong in India, support from the educational system in fostering entrepreneurship seems to be lagging behind. It needs to be addressed to make Indian business schools excel in entrepreneurship education. If urgent and immediate action is taken by the Indian academic community, the window to a huge educational opportunity can be unfolded, ultimately resulting in substantial benefits to the economy and society.'

'Entrepreneurship A self-employment career', entrepreneurs play an importance role in triggering socio economic change and development. Entrepreneurial competencies can be developed by the understanding what a particular by the means and with such a competence one would be able to recognize the competence when someone else exhibits the same. Parents have now become more aware about the need and importance of self employment and an entrepreneurial career.' (Burke Ronald, 2010).

ENTREPRENEURSHIP DEVELOPMENT

'Choice and attitude towards business as an occupation were predicted from the components of instrumentality theory (Mitchell, 1973). The results supported the theory. There also was a strong indication that the reasons for not choosing business were more related to the instrumentality component of the theory than to the evaluation component. Analysis of entrepreneurial programs helped to develop a range of technical, behavioural, managerial, and enterprise-building skills, leading to small business development and resource generation among youths.' (Muyia, 1998)

A Model of entrepreneurship is designed to accomplish two primary aims: (1) the separation of factors into discrete divisions, and (2) the portrayal of the complexity of the decision process that results in the initiation of an entrepreneurial venture (F., Theme Article). It provides a new construct of precise entrepreneurial descriptors and a more exacting, richer model for the chronology of enterprise initiation.

'Political, social, and business leaders and a team spirit in the community are all critical to encouraging entrepreneurship. Such Support influences perceptions that starting a business is desirable and that doing so is feasible Author believes that Entrepreneurs are made, not born. They are made through a perception-driven enactive process that begins with forging a potential for entrepreneurship. As educators, as consultants, and as policy advisers we can assist this process through helping empower potential entrepreneurs who will be better able to seize opportunities when the environment presents them'. (Kureger Norris F., 1994)

'Strong internal control is emphasized by those entrepreneurs who have less work experience. Entrepreneurs with very versatile work experience in production, marketing and product development scored lower on the indicator of internal attributing. The indicator of internal attributing also separates typical owner entrepreneurs from professional managers. Entrepreneurs are people who believe that by their own action they are able to influence their environment or the event that befall them. The findings support the acceptance of the hypothesis that internal control expectation is usually associated with entrepreneurial characteristics. Study demonstrates that the indicator of strategic locus of control is no more sensitive to changes in the environment when adapted to the entrepreneurial context than the indicator of internal locus of control.' (Esa, 2000)

'Internal LOC correlates with the expansion plans of those who either started and manage or only manage a small business. The results suggest that an internal LOC person is willing to plan for expansion of their small business despite high unemployment and interest rates in the immediate economic environment.' (Edward, 1993).

Entrepreneurs' working style and its influence the entrepreneurship but need arises to know about the details. (Nur, 1993) 'Kirton Adaption Innovation Inventory appears to be a reliable and valid tool for distinguishing innovative entrepreneurs from adaptive entrepreneurs. It provides a technique for classifying the problem-solving orientation of business initiators and can be useful to consultants in advising entrepreneurs.' In case of sustainable entrepreneurship. 'People with insight and zeal have accomplished great things and look forward for long-term benefits and concern about the environment. The operation model indicates that the organization can achieve the needs and choice of the individual and the requirement of the community. The entrepreneur combines various aspects to develop sustainable business with the strong urge to keep ahead in the competitive world.' (Viju, 2009).

CONCLUSION

After analyzing the previous work done by researcher it can conclude that to maintain business growth, Indian entrepreneurs need to segregate operating control of the business from beneficial ownership, mitigating business and family succession risks. However, in a male-centric culture, people are reluctant to relinquish operating control and institutionalize processes. Consequently, there are few large, structured, and professionally managed institutions in India. Indian businesses need to move from an entrepreneurial-driven, unstructured culture to one dominated by professional managers. Management control should rest with professionals, as they are able to perform more efficiently; beneficial ownership can continue to rest with the owners, who can still provide the vision and connections, and enjoy the fruits of efficient management.

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A STUDY OF CONSUMERS' ATTITUDES AND PURCHASE INTENTIONS TOWARDS ENVIRONMENTAL: FRIENDLY PRODUCTS IN FMCG SECTOR IN INDIA

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ABSTRACT

Owing to the increased environmental concerns and concerted efforts of governmental and non-governmental organizations, the last decade has witnessed a spectacular boost in environmental awareness worldwide. The rapid economic growth in the past years and reckless consumption pattern are causing environmental deterioration and over utilization of natural resources worldwide. As consumers, people can reduce the impact of their purchase behaviour on environment and make a difference through their purchase decision. They have the power to create an opportunity for businesses that are using "eco-friendly" or "environmental-friendly" as an element of their value proposition. The aim of this study is to examine factors which influence the purchase of environmental-friendly products in FMCG (Fast Moving Consumer Goods) sector in India and to exhibit the factors used by companies from the marketing-mix elements (the product, the price, the place and the promotion) that have an influence on green purchase attitudes and to examine if some factors are more important than others. Also, the others factors from the view point of the consumer like word of mouth and satisfaction will be examined. The study utilizes a quantitative research design which involves data collection based on a survey and the further analysis and testing of data using simple correlations, multiple regression and ANOVA. The results of the study indicate that satisfaction (through past experience), advertising/promotion and word of mouth influence the purchase decisions of consumers towards environmental-friendly products. The research would be of great help to the companies in FMCG sector as they get an idea about the best marketing strategies that they can adopt to understand the consumers' attitudes and purchase intentions towards environmental-friendly products. Also, these companies will have insight about how to profile environmental-friendly consumers in India and to develop effective messages that will functionally and emotionally appeal to their target customers.

KEYWORDS

Consumer behaviour, Green Marketing, Environmental-friendly products, Marketing Strategies, India.

INTRODUCTION

 wing to the increased environmental concerns and concerted efforts of governmental and non-governmental organizations, the last decade has witnessed a spectacular boost in environmental awareness worldwide. "Green Marketing" and "Environmental Marketing" emerge often in the press and media. Several governments around the world have become so concerned about green marketing activities that they have attempted to regulate them. One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental or green marketing. This increase in environmentalism is also driving the consumers to demand the so called "green" or "environmental friendly" products (Sheu, 2010) and as such the green product market is expanding at an incredible rate. Social marketing literature views green consumer behavior as a form of ethically oriented consumer behavior that is motivated not only by consumers' own personal needs, but also by their concern for the welfare of society in general (Diamantopoulos et al., 2003). While consumers' environmental concerns have moved into mainstream marketing, it is useful from a marketing perspective to investigate how consumers make informed choices about green products (D'Souza et al., 2006). Shrewd business firms today view green developments as market opportunities rather than simple regulations and policies to be conform to (Pickett-Baker and Ozaki, 2008). The rapid economic growth in the past years and reckless consumption pattern are causing environmental deterioration and over utilization of natural resources worldwide. The consequences of environmental degradation are global warming, depletion of stratospheric ozone layer, pollution of sea and rivers, noise and light pollution, acid rain and desertification (Ramlogan, 1997). A general deterioration in the physical environment is motivating people to bring changes for the betterment of the current state of the environment. As consumers, people can reduce the impact of their purchase behavior on environment and make a significant divergence through their purchase decision. They have the power to create an opportunity for businesses that are using "eco-friendly" or "environmentally friendly" as an element of their value proposition. With an increase in the social and political pressures, profit driven firms embrace green marketing strategies and exploit these environmental issues as a source of competitive advantage (Chen & Chai, 2010). As per a recent "Green Buying Behaviour: Global Online Survey" conducted in 2012 on the relatively affluent groups of Brazilian, Chinese and Indian consumers, it is observed that while "quality" and "price" are still the overriding factors driving shoppers' buying decisions, green descriptors are also playing a greater role now than ever before. Shoppers are more interested in the way their food is produced, especially in the face of the negative publicity surrounding modern, efficiency-driven production processes. As a result, retailers and manufacturers are quick to use green attributes as a point of differentiation. From beauty products to household goods and groceries, terms such as "natural", "organic", "locally sourced", and "fair trade", have begun to feature increasingly on labels and ingredient lists, and many consumers are willing to pay a premium for them. Another study about the European attitudes towards sustainable consumption (based on a sample of 26,500 respondents) made in April 2009 demonstrated that more than 80% of European citizens thought that "a product's impact on the environment is an important element when deciding which products to buy".

A number of research studies have been conducted in developed and developing nations that study the consumers attitude and behavior towards buying environment-friendly/green products but most of them focus upon one or two marketing-mix elements and these do not discuss the factors that companies use

to encourage consumers buy environment-friendly products. For example the impact of price, quality, and brand loyalty have been examined in many studies. But there is a very thin literature that takes into account other factors such as the promotion of the eco-friendly products or word of mouth influence on the purchase decision. Also, in context of India, the studies concerning the green consumers' attitudes or purchase intentions especially relating to FMCG (Fast Moving Consumer Goods) sector are also insignificant. Most of Indian studies relate to determining the level of consumers' awareness about green products and the factors influencing the consumer attitude and behavior towards these products. Keeping this in mind, the aim of the present study is to examine factors which influence the purchase of environmental-friendly (EF) products in FMCG sector and to exhibit the factors used by companies from the marketing-mix elements (the product, the price, the place and the promotion) that have an influence on green purchase attitudes and to examine if some factors are more important than others. Also, the others factors from the view point of the consumer will be examined. The research focuses on the purchase of environmental-friendly products in the fast moving consumer goods (FMCG) sector also called consumer packaged goods (CPG) sector. FMCG are the non-durable products mainly sold in retail stores, having a short useful life, that consumers regularly buy and use right away, for example food items, health care products, cosmetics etc.

OBJECTIVES OF THE STUDY

1. To investigate the factors/elements from the marketing-mix used by the FMCG companies in India to influence the consumers' purchasing attitudes towards environmental-friendly (EF) products.
2. To know the extent of the influence of these factors on the purchase of EF products in India.
3. To examine the effect of other factors like word of mouth and satisfaction on their purchase decisions.
4. To study the relationship between positive attitude towards EF products and purchase intention in context of FMCG sector companies in India.

MARKETING-MIX

Marketing mix is composed of four elements i.e. the 4Ps - product, price, promotion and place (Kotler and Keller, 2009). Marketing-mix modeling permits marketers to understand in which way they have to invest in the 4Ps, such as "what strategies they have to elaborate?" "How to allocate resources for each factor?" in order to satisfy customers' expectations (Kotler and 2009). The present study aims to reveal that each of these four elements (product, price, promotion and place) influence consumers' attitudes and hence their decisions to buy environmental-friendly products. Our study focuses on 'Quality' aspect regarding 'Product' element; 'Willingness to pay extra price' regarding 'Price' element; 'Advertising' aspect regarding 'Promotion' and 'Ease of availability/ Knowledge of its location' regarding 'Place' element.

Word of Mouth

The word of mouth is the transmission of ideas, comments, opinions, and information between two people in an informal way, neither one of which is a marketer. It has a great role in promoting the product (including the green products) by influencing the purchase decision. The study proposes to test the hypothesis that the family and friends can influence consumers in their purchase decision of environment-friendly products.

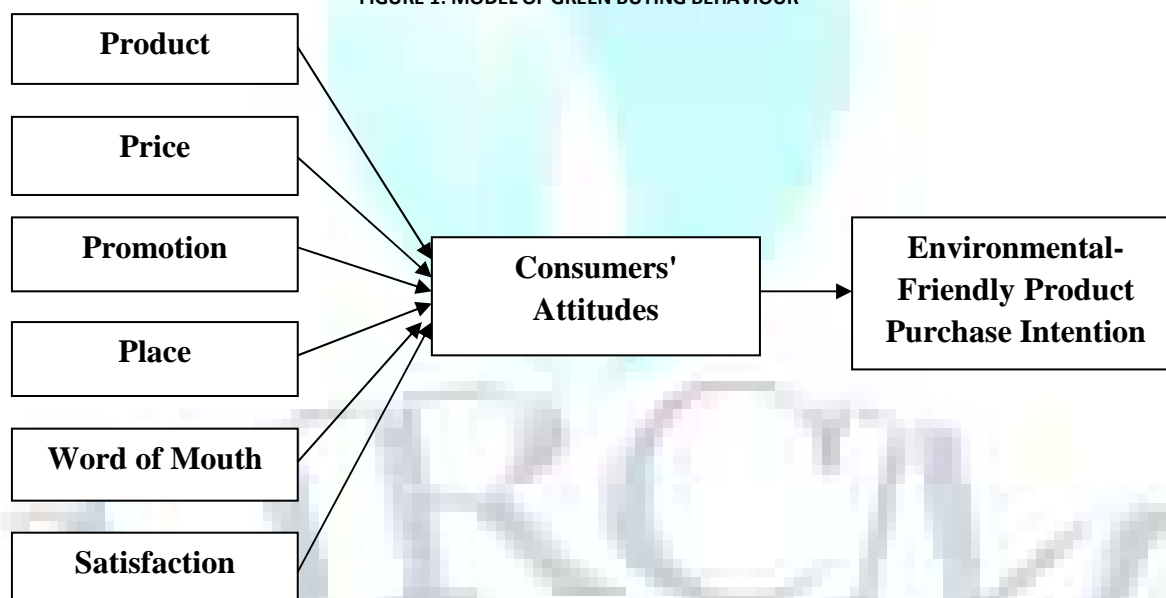
Satisfaction

Satisfaction plays an important role in the attitude of the consumers towards EF products. Satisfaction is the outcome of product quality, performance, price and previous purchase experience.

Conceptual Model

On the basis of the analysis of the literature available about green attitudes and purchase intention, the following conceptual model has been proposed for the study.

FIGURE 1: MODEL OF GREEN BUYING BEHAVIOUR



Source: Author

The conceptual model exemplify that the four marketing-mix elements and word of mouth help in consumers' attitude formation regarding green products and ultimately lead to purchase decision. This model is inspired from the study of Wanninayake and Randiwela (2008) and Purohit (2011) with modifications as per the demand of the research objectives.

Accordingly, the following research hypothesis will be tested:

TESTABLE HYPOTHESIS

- H1: Product and consumers' attitudes towards EF products are positively correlated.
- H2: Price and consumers' attitudes towards EF products are positively correlated.
- H3: Promotion and consumers' attitudes towards EF products are positively correlated.
- H4: Place and consumers' attitudes towards EF products are positively correlated.
- H5: Word of Mouth and consumers' attitudes towards EF products are positively correlated.
- H6: Satisfaction and consumers' attitudes towards EF products are positively correlated.
- H7: Consumers' attitudes towards EF products and purchase of these products are significantly correlated.

REVIEW OF LITERATURE

This section presents a brief overview of the studies relating to green buying behaviors, attitudes and intentions of the consumers towards the products. First section contains all non-Indian studies pertaining to the subject-matter and the second section gives a brief overview of a few Indian studies.

INTERNATIONAL STUDIES

Follows and Jobber (2000) in their study empirically test a consumer model of environmentally responsible purchase behaviour as a basis to explain attitude formation using covariance structural analysis. The model productively forecast the purchase of environmentally responsible and non-responsible product alternatives. The study confirms a hierarchical relationship from values to product specific attitudes to purchase intention to purchase behaviour. Kollmuss and Agyeman (2002) explores a range of analytical frameworks and external and internal factors that prop up pro-environmental behavior and finds conflicting and competing factors related to consumers' daily decisions. The study concludes that no single definitive model sufficiently explains the gap between environmental awareness and pro environmental behaviour. Baker and Ozaki (2008) review consumer behavior and advertising to identify how consumers are convinced to buy greener products. They conduct their study on 52 mothers who shop at supermarkets and report a correlation between consumer confidence in the performance of green products and their pro-environmental beliefs in general. The findings propose that even though most consumers cannot easily identify greener products, yet they would favor the products of green companies. Ali et. al. (2011) examines consumers' intention to buy environmentally friendly products in Pakistan. The study aims to investigate three things, firstly the hypothesized relationship between predictor and criterion variable i.e. green purchase attitude (GPA) and green purchase intention (GPI), secondly, to determine the relationship of criterion variable and outcome variable i.e. GPI and GPB and finally, to ascertain the moderating effect of perceived product price and quality (PPP&Q) between GPI and GPB. The results confirm that consumers are all set to purchase green products regularly, but these products must perform competitively in the matter of price and quality just like the traditional products. Cheah and Phau (2011) in their study intend to identify the main antecedents and moderators that influence consumers' willingness to purchase environmentally friendly products in Australian university. The results explain that the attitudes towards environmentally friendly products are significantly correlated with three antecedents i.e. eco literacy, interpersonal influence and value orientation. Also, perceived product necessity is identified as an important moderator affecting the relationship between attitudes toward environmentally friendly products and the willingness to purchase these products. Gam (2011) believes that there are many variables that influence Environmental Fashion Clothing (EFC) purchase decisions of the consumers that must be understood for apparel companies to effectively market eco-friendly products. So, the author intends to identify whether fashion and shopping orientation are the determinants of EFC purchase intention. Using factor analysis and a series of linear regression analyses, the study indicates that one fashion orientation factor, two shopping orientation factors, and three environmental concern and eco-friendly behavior factors are considerably connected to consumers' purchase intention regarding EFC. Rahbar and Wahid (2011) examine if the green marketing tools (i.e. environmental advertisement, eco-label and eco-brand) as a variable, affect the consumer's actual purchasing behavior among Penang's consumers (state in Malaysia). The study shows that there exists a significant relationship between trust in eco-label, eco-brand and purchase behavior. It proves that the respondent's trust in eco-label and eco-brand has a positive effect on consumer's actual purchase behavior. Cherian and Jacob (2012) look at the conceptual framework of green marketing and analyze the various ways in which the different consumer attributes are related to the concept of green marketing. The study concludes that it is important to develop strategies and policies in relation to green products and implement them so as to guide and help the retailers and customers towards a green change. Danseh et. al. (2012) aim to assess the linkages between four variables i.e. approach toward purchasing green products, subjective norms, perceived behavioral control and past experiences with green products and tendency to purchase these products and the contribution of those variables in this attitude. The findings of the study prove that all variables have a positive correlation with attitude to purchase green products. The study also predicts the contribution of each variable. Suki (2013) aims to look at the influence of consumers' environmental concerns, awareness of green product, price and brand image on their purchasing decision of green products. The study was undertaken on the basis of responses from the students in a public university in the Federal Territory of Labuan, Malaysia. The results validated the fact that consumers' purchasing decision of green products are significantly influenced by awareness of price and brand image.

INDIAN STUDIES

Jain and Kaur (2004) attempt to make an evaluation of the level of environmental awareness, attitudes and behaviour prevalent among Indian consumers. The study finds that there is a high level of environmental concern and behaviour and the Indian consumers have been greatly influenced by green communication campaigns. They show willingness to take environmentally friendly actions, seek environment related information, and follow activities that aid in conserving the environment and preventing pollution. Manaktola and Jauhari (2007) investigate the factors influencing the consumer attitude and behaviour towards green practices in the lodging industry in India and also survey the consumers' intentions to pay for these practices using quantitative and qualitative research methodology. Their study put forth the fact that Indian consumers using hotel services are conscious about environmentally friendly practices in India as they patronize the hotels that have adapted green practices. But they are not willing to compromise on service quality nor do they want to pay extra for these services. Ishaswini and Dutta (2011) in their study determine the Indian consumers' pro-environmental concerns, knowledge of environmental issues and awareness of eco-friendly products and explore if pro-environmental concerns among consumers are predictive of their green buying behaviour. The results point out that consumers' pro-environmental concerns and awareness towards eco-friendly products considerably affect their green buying behaviour. Mannarswamy (2011) studies the awareness level of the customers on green products in Coimbatore and to evaluate the customers' attitudes towards the these products with the help of primary as well as secondary data. The study finds that even though the customers in Coimbatore are aware of environmental problems and green products in the market but there is not much improvement in their attitude and behavior towards the green purchase. Mahapatra (2013) empirically examines the attitude of Indian consumers towards the environment and attempts to understand the factors that influence environment conscious behaviour for green products. The study shows that the most significant factors influencing consumers' green buying are personal benefit, price, convenience of use, performance, availability, concern for environment and health concern. These factors along with product category have significant influence in determining the total premium that an individual is willing to pay for green products.

DATA & METHODOLOGY

The study requires collection of data on each of the four marketing-mix elements, also on other factors like word of mouth, in order to examine which factors affect attitudes and purchase intention of green products, and to what extent. For this purpose, the study utilizes a quantitative research design which involves data collection based on a survey and the further analysis and testing of data in connection with the research objectives. The sample consists of 400 respondents belonging to Delhi who were selected on the basis of convenience random sampling. The respondents were asked to fill a well-structured closed- ended questionnaire consisting of questions divided into two parts. The first part contained demographic information and the second part contained questions relating to the perception, attitudes and the purchase intentions of the respondents on environmental-friendly products. Each question is measured on five-point Likert scale with response options ranging from strongly disagree to strongly agree or from less purchased to more purchased. Prior to further data collection, researcher conducted a pilot study to test the suitability of the instrument used in this study. A total of 382 completed and validated questionnaires were received. After the data collection, the responses are processed and analyzed with the help of IBM SPSS Statistical Software. After analyzing the demographics of the data, the reliability of the responses are tested using Cronbach's Alpha and then the responses are evaluated and processed using factor analysis and multiple regressions so as to examine and measure the impact of different independent variables (Product, Price, Promotion, Place, Word of Mouth) on the dependent variable (purchase intention of environmental-friendly products).

ANALYSIS & INTERPRETATION OF RESULTS

This section contains analysis and interpretations of the results through different measurements. The sample consists of 382 responses, the demographic details of which are tabulated below in Table 1:

TABLE 1: COMPOSITION OF THE SAMPLE ON THE BASIS OF DEMOGRAPHIC FEATURES

Gender		Male	Female		
	Actual Number	157	225		
	Percentage	41%	59%		
Age		18-25	26-45	46 and above	
	Actual Number	180	168	34	
	Percentage	47%	44%	9%	
Status		Employed	Unemployed	Student	Retired
	Actual Number	153	15	210	4
	Percentage	40%	4%	55%	1%
Income		Yes	No		
	Actual Number	199	183		
	Percentage	52%	48%		

The Demographic findings are listed through the points below:

- 1) There are more women (59%) than men (41%), but the difference is not high.
- 2) The sample consist of 47% respondents between the age group of 18 to 25 years (mostly comprising of the students); 44% of the respondents belong to the age group of 26-45 years and very less percentage i.e. 9% belong to the age 46 and above.
- 3) More than half of the respondents (55%) are students; the second most important group comprises of the employed people (40%); whereas there is minority of unemployed (4%) and retired (1%) persons.
- 4) 52% of the respondents have some income whereas 48% have no income.

In order to compare the means of two groups of variable (like male and female) and to check if there is no effective difference between these means, an independent and paired sample t-test has been used in the study. If the level of significance is more than 0.05, it means there is no difference, whereas, if it is less than 0.05, the difference is significant. The findings of the t-test indicate that:

- 1) Even though the females buy more EF products i.e. food/health care/cleaning products (looking at the mean values), the results of t-test show that no significant difference was there ($P > 0.05$).
- 2) There are significance differences between the ages of our respondents ($p < 0.05$). The main differences are between the age group 18-25 years which is relevant because the majority of our sample is in this age group as (P Value is < 0.05).
- 3) There was no significant difference in status; the category 'Employed' and 'Student' have the more close value to the level of significance as (P Value is > 0.05).
- 4) People having income have more frequency to buy EF products compared to people without income so there exists significant difference between the groups as (P Value is < 0.05).

CRONBACH'S ALPHA AND SIMPLE CORRELATION

To test our research hypothesis, we need to link every marketing mix element and the word of mouth and satisfaction to the attitudes and the purchase intentions (actions) of the consumers regarding environmental-friendly products. As such, we collected data on some items corresponding to each of these factors to create new variables for the study. Firstly, the reliability of our data is tested by using the Cronbach's alpha which demonstrates an internal consistency between the variables and ensures minimum errors and stable results. The results of Cronbach's Alpha test are exhibited in Table 2:

TABLE 2: RESULTS OF CRONBACH'S ALPHA TEST ON DIFFERENT VARIABLES

Variables	No. of Items	Cronbach's Alpha
Product (quality)	3	0.684
Promotion/Advertisement	2	0.785
Place	2	0.69
Word of Mouth	2	0.748
Attitude	5	0.775
Purchase Frequency	3	0.643
Price	1	NA

The results show that for the variables advertisement, word of mouth and attitude, the Cronbach's alpha values are more than 0.700, which means that the reliability between items are consistent enough. However, for the variables product quality, place and purchase frequency, the values are above 0.600 but less than 0.700, which indicate a weak level of internal consistency between the items. But as we cannot omit out these variables to test our hypothesis so we will accept this alpha.

After vouching the internal consistency of the variables we calculate correlation of the variables, the results of which are shown in Table 3. This exhibits Pearson's correlation of different variables with the dependent variable '**Purchase Intention**'.

ANALYSIS OF THE RESULTS HIGHLIGHTS THAT:

- 1) 'Product Quality' which comprises of three items i.e. 'Environment-friendly products are healthy', 'Good performance of these products' and 'Superior performance in comparison to the conventional products' is positively correlated with the purchase intentions of EF products. (H1)
- 2) 'Price' comprises of one item 'Willingness to pay extra price for EF products' shows positive and good moderate relationship with the purchase intentions. (H2)
- 3) 'Place' comprises 'Easy availability of EF products' and 'Knowledge of the location of these products' also shows a positive relationship with the purchase intentions. (H4)
- 4) 'Promotion/Advertisement' comprises of 'I pay attention to EF advertising, and 'I believe in such advertising' also shows a positive relationship with the purchase intentions. (H3)
- 5) The variable 'Word of Mouth' comprises of two items 'I listen to the opinions of family/friends regarding EF products' and 'I pay attention towards that' is also positively correlated with the purchase intentions. (H5)
- 6) Another variable 'Purchase Frequency of Environment-friendly FMCG products' is composed of the purchase frequency of 'food', 'health care/ cosmetic products' and 'cleaning products' also shows a positive correlation with the purchase intention. (H6)
- 7) The variable 'Attitude' comprises of the items like 'Improves image on using these products', 'Feel trendy on buying these products' etc. This also shows a positive correlation with the purchase intentions. (H7)

TABLE 3: RESULTS OF PEARSON'S CORRELATION OF THE VARIABLES WITH PURCHASE INTENTION

Variables		Pearson's Correlation* with Purchase Intention
Product Quality	Correlation	0.432
Place	Correlation	0.369
Purchase Frequency of environment-friendly FMCG products	Correlation	0.671
Attitudes (Word of Mouth and Advertising)	Correlation	0.693
Satisfaction (On the environment-friendly products bought)	Correlation	0.768
Price (Willingness to pay extra price)	Correlation	0.578

* significance for all variables=.000

MULTIPLE REGRESSION AND ANOVA

In commensurate with our research objectives, we need to determine the factors affecting the purchase intention of Environmental Friendly (EF) products and the factor/s that have most important effect on purchase intention, so we use multiple regression for that purpose.

TABLE 4: MULTIPLE REGRESSION - MODEL SUMMARY

SUMMARY OF RESULTS				
Model	R	R ²	Adjusted R ²	Std. Error of Estimates
1	0.767	0.588	.549	.768

TABLE 5: RESULTS OF ANOVA

	Sum of Squares	Mean Square	F	Sig.
Regression	128,445	18,409	31,190	0.000
Residual	99,3453	.567		
Total	2137015			

Dependent Variable: Purchase intention of EF products

Table 4 and 5 show the results of multiple regression and ANOVA. The R² is equal to **0.568** which means that 58.8% of the variance of the purchase intention of EF product is explained by six variables of our model, so it is a satisfactory result. The significance of this result is confirmed by looking the ANOVA table, with a level of significance equal to 0.000 (Table 5).

TABLE 6: MULTIPLE REGRESSION- COEFFICIENTS

Coefficients								
Model	Unstandardized Coefficients		Standardized coefficients	t	Sig.	Correlations		Collinearity Statistics
	A	Std. Error	Beta			Partial	Part	Tolerance VIF
(Constant)	-0.531	0.448		-1.224	0.183			
Product Quality	0.018	0.110	0.011	0.157	0.899	0.014	0.008	0.755 1.329
Place	0.102	0.076	0.072	1.366	0.188	0.105	0.068	0.895 1.120
Purchase Frequency	0.393	0.078	0.298	5.089	0.000	0.367	0.248	0.757 1.323
Attitude (Word of Mouth and advertising)	0.327	0.092	0.245	3.538	0.001	0.267	0.179	0.436 1.678
Satisfaction	0.334	0.075	0.276	4.541	0.000	0.332	0.232	0.711 1.406
Price/Willingness to pay premium	0.217	0.062	0.206	3.423	0.001	0.256	0.175	0.732 1.372

By looking at the values of beta in table 6, a comparison can be made of the factors which contribute more or less to the variance of purchase intention. Looking at the results, it can be stated that purchase frequency (Beta=0.298) and satisfaction (Beta=0.276) contribute significantly towards the purchase intention with a significance equal to 0.000 (<0.01). Consumers' attitude (Beta=0.245) and willingness to pay premium/price (Beta=0.206) also influence the purchase intention significantly with a level of significance 0.001 (<0.01). However, product quality (Beta=0.011) and place (Beta=0.072) have no contribution towards the purchase intention of EF products (level of significance>0.01).

Thus, our model explains 58.8% (more than half) of the variance of the purchase intention. Out of it, purchase frequency explains 6.15% (Square of Part correlation) of the variance, followed by satisfaction 5.38% and attitudes (Word of mouth) 3.2%. Thus, purchase frequency of FMCG EF products makes the biggest contribution, followed by satisfaction, attitudes and price. As such, the model explains that the factors which contribute the most towards the purchase intention of EF products are satisfaction through their past experience with the product, word of mouth i.e. communications from their peers and family as well as the promotion through advertising.

FINDINGS OF THE STUDY

The main objective of the study was to investigate the factors from the marketing-mix used by the FMCG companies in India to influence the consumers' purchasing attitudes towards environmental-friendly (EF) products and also the extent of their influence, besides exploring the influence of other factors like word of mouth and satisfaction. A modified research model has emerged that has added a new dimension to the well-accepted marketing-mix model in the name of 'word of mouth' and 'satisfaction'. Going back to the research hypothesis, we find that:

- 1) Regarding Product/Product Quality, the empirical results show that even though consumers think that EF products are good for the environment (looking at the mean value) i.e. they have a positive attitude towards these products, but they believe that conventional products are more efficient than eco-friendly ones. Also, the results of multiple regression prove that product quality has no significant contribution towards the purchase intention of EF products (Beta=0.011), even though a correlation (=0.432) exists between the two variables. So, we can partially accept our hypothesis H1. Thus, consumers do not buy green products for their quality attribute, but for other reasons discussed below. As far as the product quality is concerned, green consumers will not compromise on it, so businesses must enhance green product quality as well as focus on environmental benefits of a product, and share these aspects with customers in order to achieve the recognition in the market. (D'Souza., Taghian & Lamb, 2006).
- 2) Regarding Price/Willingness to pay extra price, the results reveal that majority of our sample is willing to pay extra price for EF products, thus, they have positive attitudes towards the price aspect and they are ready to pay more for products that have positive effects on the environment. The results reveal that price contributes significantly (Beta=0.206) to explain the variance of purchase intention. So, we can accept our hypothesis H2. Indeed people having an income are more willing to pay an extra price than people without an income, which is logical also. As more than half of our sample consists of people having income, our results can be generalized.
- 3) Regarding Promotion/Advertising, our results show that Advertising was positively related to purchase intention. There are significant differences among our sample, as people having an income usually pay more attention and they believe in green advertising. Indeed advertising is a part of Attitude and this attitude is one of the independent variables, used in our multiple regression, which explains the most significance contribution (Beta= 0.245) to the variance of purchase intention. So, we accept our hypothesis H3.
- 4) 'Place' which comprises 'Easy availability of EF products' and 'Knowledge of the location of these products' has low Cronbach's alpha(0.69) in comparison to the other variables. Also, there exists a low correlation between place and purchase intention(0.369) indicating that a weak correlation is there between

these variables. So our hypothesis H4 could be partially accepted since consumers seem to know well where the EF products are but this information does not lead to purchase i.e. it has no relationship with the purchase intention. Thus, companies should pay more attention on the proper display of EF products to reach the potential consumers.

- 5) The study shows the importance of 'word of mouth' as people pay much attention to the opinion of their family and friends concerning EF products as well as they recommend them to others. The variable 'Attitude' composed of 'word of mouth' and 'advertising' has a positive correlation with the purchase intention (0.0693). Consequently, we accept hypothesis H5.
- 6) The findings show that satisfaction was positively correlated to purchase intention (Pearson coefficient= 0.768). As per the results, the purchase frequency of EF products and satisfaction explain the most contribution to the variance of purchase intention. It means that the more people buy EF products and the more they are satisfied about their previous purchases the more they are willing to repeat purchases that can lead to brand loyalty toward these brands. So, we can accept our hypothesis H6 that assumes that satisfaction towards EF products leads to purchase intention of these products.
- 7) The survey shows that the variables 'price', 'promotion', 'word of mouth' and 'satisfaction' are positively and significantly influencing the attitudes and hence the purchase intention of EF products. However, in case of 'product quality' and 'place', we cannot fully accept the hypothesis, So, we cannot fully accept our hypothesis H7 because people have enough positive attitudes towards EF product quality, but it may not necessarily be converted into purchase intention.

SUMMARY & CONCLUSIONS

Business sustainability is the concept that has received substantial attention from both academicians and practitioners, and environmental concerns have brought about changes in consumer demands and behaviors. (Mendles and Polonsky, 1995). The present study illustrates that the key factors influencing the attitudes and purchase intentions of the environment-friendly products are satisfaction from the past experiences, promotional activities/advertising and word of mouth communications by friends, family and peers. Positive attitudes regarding willingness to pay extra price for EF products are also correlated with purchase intention. Also, product quality and place aspect should not be neglected by the organizations in the process of new product offering to the customers. Thus, organizations aiming to increase market penetration for their EF product offerings should develop campaigns intended at rising concern about environmental quality in the consumer base. The study can enable marketing managers to plan the pertinent marketing strategies on marketing mix elements so as to satisfy the prospective target market, thereby earning profits for themselves. They can bring out suitable and superior environmental-friendly products in the market to take care the environmental concerns. The research would be of great help to the companies in FMCG sector as they get an idea about the best marketing strategies that they can adopt to understand the consumers' attitudes and purchase intentions towards environmental-friendly products. Also, these companies will have insight about how to profile environmental-friendly consumers in India and to develop effective messages that will functionally and emotionally appeal to their target customers.

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INDIAN COMMODITY DERIVATIVE MARKET: A STUDY OF PRICE TRENDS IN THE INTERNATIONAL MARKET**GIRISHA H.J****ASST. PROFESSOR****DEPARTMENT OF COMMERCE & MANAGEMENT****N.D.R.K FIRST GRADE COLLEGE****HASSAN****VISHWANATH C.R****ASST. PROFESSOR****DEPARTMENT OF COMMERCE & MANAGEMENT****SUJALA FIRST GRADE COLLEGE****HASSAN****MARIGOWDA K.T****ASST. PROFESSOR****DEPARTMENT OF COMMERCE & MANAGEMENT****GOVERNMENT FIRST GRADE COLLEGE FOR WOMEN****HASSAN****ABSTRACT**

Commodity derivative market in India had been existence since 1875 when Cotton Trade Association, Bombay undertook organized derivative trading in cotton. Although derivatives was initially conceived for the commodity market, in recent years there had been a tremendous development in financial derivatives market both in terms of trade volume and in variety of instruments used. The paper has been undertaken with the purpose to analyse the affect of international price movement of commodity derivative market in Indian commodity derivative market. The price movement in international commodity derivative exchanges is closely correlated to prices in Indian commodity derivative exchanges. Therefore the functioning as well as the profitability in Indian exchanges is effected by the current performance of the international derivative market. It is imperative that any evaluation, projection or policy intervention on Indian commodity derivative market should be undertaken keeping the international commodity derivative market in perspective.

KEYWORDS

Commodity derivative market, price trends.

INTRODUCTION

The origin of commodity derivatives markets dates as far as back to the 17th century, when they informally established in Amsterdam and centered on the trade in Tulips. The modern form however came into existence in the 19th century, in London, Chicago and New York. Commodity derivative market in India had been existence since 1875 when Cotton Trade Association, Bombay undertook organized derivative trading in cotton. Although derivatives was initially conceived for the commodity market, in recent years there had been a tremendous development in financial derivatives market both in terms of trade volume and in variety of instruments used. The expanding domain of the derivatives market is primarily induced by the huge volatility in the global financial and commodity market and facilitated by the revolution in information technology.

REVIEW OF LITERATURE

Price volatility is the most pressing issue facing the producers of primary commodities. While these producers are not exclusively in less developing countries (LDCs), the impact of volatility specially on agricultural producers is much greater in less develop countries than it is for those in developed market economies (Sapsford and Chen, 1998). The traditional high volatility of international commodity prices can be attributed to several demand and supply factors. However Pal and Wadhwa (2009) observed a distinguishing feature of international agricultural trade is that only a limited number of exporting countries dominate international trade. Even for a widely produced crop like rice, the share of the top five exporters is more than 76 percent and for all cereals the share of the top five is almost 75 percent. The supply side scenario is further complicated because exports of some major agricultural commodities are dominated by a few large-scale multinational "grain majors" and export state trading enterprises (single-desk sellers).

According to Chakrabarti and Ghosh (2010) whenever producers as well as consumers face price risk, conventional attempts to stabilize prices in the wake of price volatility are dealt mainly with government funds and governmental intercessions. These involved measures like buffer stocks, buffer funds, commodity agreements, or government intervention in commodity markets. However in the World Bank report (1999) revealed that internationally, there is little evidence of the success of such schemes. Buffer funds have gone bankrupt, as evidenced in Australia and Papua New Guinea. Buffer stocks have not proven effective, as can be seen by the large accumulations under the United States of America and European Union farm programmed in the late 1980s. International commodity agreements have lapsed, as in the cases of coffee, cocoa, tin, and sugar. And government intervention has been costly, with unintended consequences, thereby placing unnecessary pressure on the government exchequer. Ideally, commodity futures exchanges integrate the futures and cash prices, thereby leading to overall efficient price formation. Because futures are traded on exchanges that are anonymous public auctions with prices displayed for all to see, the markets perform the important function of price discovery.

Around the world, many such prices in agricultural commodities fixed in the Chicago Board of Trade (CBOT) are taken as the reference price for trading. Incidentally, it may be observed that soybean oil futures contract at National Board of Trade (NBOT) in Indore follows the soybean oil futures contract at the CBOT. Various commodity exchanges around the world have emphasized their roles in price discovery either at the international or at the local level. Such attempts have been well documented for Dalian Commodity Exchange (DCE) in China, Bursa Commodity Exchange in Malaysia which is often claimed to have discovered the prices of Malaysian palm oil, and Tokyo Commodity Exchange (TOCOM) which provides a benchmark for price discovery in Middle East Crude Oil (Pavaskar and Ghosh, 20010). In the international domain in US and other Western countries, derivatives trading is allowed in a range of commodities including live cattle, hogs, pork bellies, fluid milk, rubber, coffee, wool and industrial metals and even in a number of non-commodities such as weather derivative contracts, insurance contracts etc. providing the holder with large amounts of capital subject upon the occurrence of some risky event. (Fernando N.A, 2004). In this regard Kabra (Ministry of Consumer Affairs, Food & Public Distribution, 1993) observed that while futures trading in a number of countries has over a period of time, evolved various instruments such as commodity bonds and loans and range forward, these are not being used in India, where the non-transferable

specific delivery (NTSD) contracts, transferable specific delivery (TSD) contracts and futures contracts are in vogue, primarily on account of the relative narrowness of our commodity markets.

TRENDS IN FUTURE PRICES IN THE INDIAN AND INTERNATIONAL COMMODITY DERIVATIVE MARKET

An Empirical Analysis Indian market participants have been trading in commodity derivatives since 1875 when the Cotton Trade Association started futures trading. This was barely a decade after the commodity derivative trading started in Chicago in 1865. In 2002, Government approved the launch of national-level trading platforms and since then the Indian commodity exchanges have conducted brisk business in commodities futures trading. Dasgupta and Chakrabarty (2009) revealed in his study that in 2010 the contribution of commodity derivatives exchanges would be as high as 10 percent of Gross Domestic Product (GDP) by the year end 2010 compared with a nominal of 1.2 percent of GDP in 1999. In terms of volumes (the number of contracts traded), nine of the world's top 22 major commodity derivatives exchanges are in developing countries. And among the nine, three are based in India (MCX, NCDEX and NMCE). Further one of these exchanges (MCX) features in the world's top ten, overtaking long established and mature exchanges such as the Tokyo Commodity Exchange and New York Board of Trade. A figurative assessment is given in Table-1. The figures include the volumes in terms of contracts traded in the first half of 2012

TABLE-1: TURNOVER OF GLOBAL COMMODITY DERIVATIVES EXCHANGES

Rank	Exchange	Country	Turnover (Number of Contracts traded)
1	New York Mercantile Exchange (NYMEX)	USA	206010205
2	Dalian Commodity Exchange (DCE)	China	170869127
3	Shanghai & Hong Kong Futures Exchange (SHFE)	China	1515444472
4	Zhengzhou Commodity Exchange (ZCE)	China	93213149
5	Chicago Board of Trade (CBoT)	USA	83233736
6	Intercontinental Exchange (ICE) Futures, Europe	Belgium	78372945
7	Multy Commodity Exchange of India (MCX)	India	77742706
8	London Metal Exchange (LME)	UK	55185086
9	ICE Futures U.S. (erstwhile New York Board of Trade)	USA	25271245
10	Tokyo Commodity Exchange (TOCOM)	Japan	14643397

Source: Commodity Insights yearbook 2012

CONCLUSION

Hence we can conclude on the basis of gold prices, that price movement in international commodity derivative exchanges is closely correlated to prices in Indian commodity derivative

Exchanges. Therefore the functioning as well as the profitability in Indian exchanges is effected by the current performance of the international derivative market. In this context it is imperative that any evaluation, projection or policy intervention on Indian commodity derivative market should be undertaken keeping the international commodity derivative market in perspective. Such a step would ensure that the impact of the international commodity derivative market is internalized into the cost-benefit calculation of the Indian commodity derivative market which would go a long way in optimizing any strategies that are adopted by the stakeholders.

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WEBSITES

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A STUDY ON INFORMATION TECHNOLOGY IN THE CURRENT BUSINESS FRAMEWORK

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ABSTRACT

Information Technology has been considered as a boon to the current business framework. No country in the world can remain isolated with the recent development in the field of Information Technology. The expansion of the business organizations and the development of any economy cannot be merely dependent on the conventional practices of doing businesses. The revolution of Information Technology and the countries aligning to the revolution in the initial stage has been successful in grasping a fruit, and mainly the developed part of the world has been successful to garner the first mover advantage of the revolution. Accentuating the developments of IT in the last two decades this paper underscore the prospects and challenges of the Information Technology from the business perspective and also highlights the security issues of Information Technology. The paper also intends to highlights the usage of IT in increasing the efficiency and maximizing the outputs in a business organization.

KEYWORDS

E-Commerce, Information Technology, ICT, IT Revolution, MIS.

INTRODUCTION

Information technology (IT) is the systematic application of electronic devices like computers and telecommunication equipment which acts a mechanism to store, retrieve, transmit and manipulate data often in the context of business or any other enterprise. The advancement in Information Technology has swept the world in the last two decades and the contemporary world cannot imagine business for future in the absence of Information Technology. Advancement in Information Technology has revolutionized the entire business administration in the past few decades. The success and failures of the business systems in the contemporary world is largely dependent on the success and failure of the adoption of modern technology, largely Information Technology at its initial stage. Businesses and economics, as per experts cannot prosper unless they adapt to this new technology. The 21st century has also been defined as the era of Information Technology as IT has been successful in creating a niche in the industry and the entire world in running businesses, facilitating research and development, maintaining healthy relationships, prospering societies and economies, etc. The current businesses have reached to a threshold that was never imagined by people living in the early fifty years ago. Information Technology has also created a major impact on all the social, economic, and political issues in the current phase. There exists a plethora of definition on this intriguing term, Information Technology. Out of the many, a simple definition which highlights all the major parameters of the Information Technology is as under:

Information technology (IT) may also be defined as a combination of telecommunications and computing to obtain process, store, transmit, and output information in the form of voice, pictures, or text. It includes the following:

- Software applications and operating system
- Web-based information
- Telephones and means of telecommunications
- Video equipment and multimedia products
- World Wide Web (WWW)

The components of information technology include hardware, software, data, and people. These components are essential for the proper functioning of a system in the IT and are as follows:

1. **HARDWARE:** Mainly the hardware consists of all the physical components that form a computer system or any other electronic gadget. To run a computer, both hardware and software are required.
2. **SOFTWARE:** The software is a set of instructions or commands in the form of programs, which control the sequence of operations or tasks. It runs along with the hardware on the digital systems.
3. **DATA:** The computer system is designed in such a way that it will produce a given output as desired provided the input data is correct. Primarily data is an unprocessed collection of representations of raw facts, concepts, or instructions in a manner suitable for communications, interpretation, and processing by humans.
4. **PEOPLE:** People play an important role in Information technology. It is people who perform various functions with the help of the hardware and software to produce the desired output using the IT. No software can replace or provide an alternative to people. People who understand the various software and hardware can efficiently operate the computer system and can also sort some of the minor defects that appear in handling of all such software and hardware in daily bases.

OBJECTIVES OF THE STUDY

1. To examine the prospects and challenges of Information Technology in a current business framework.
2. To analyse the prospects and challenges of Information Technology and its utility for maximizing the efficiency of management.
3. To examine the various security issues of Information Technology.

NECESSITY OF INFORMATION TECHNOLOGY IN BUSINESS ORGANIZATION

Information Technology (IT) plays a significant strategic role in the management of organizations. Information Technology is the processing and distribution of data using computer hardware and software, database management, telecommunications, and digital electronics. Information Technology makes it easy for an organization's decision making because they have information at hand. For instance, the LAN (Local Area Network) makes it very easy and convenient to connect the employees or a group of people with the organization which is linked with the main server. This mechanism helps organizations and institutions to connect its work force easily. Therefore, it enhances productivity for organizations and efficiency for individuals. Management, in business, is used to describe the techniques and expertise of efficient organization, planning, direction, and control of the operations of a business. With the aid of information technology managers have more information, at their reach than ever before, modern IT improves good organization and usefulness at each stage of the strategic decision making procedure. The functioning of IT can be examined as under:

FIG. 1



Information technology (IT) has become a vital and integral part of every business plan. From multi-national corporations who maintain mainframe systems and databases to small businesses that own a single computer, IT plays a major role. The reasons for the omnipresent use of computer technology in business can best be determined by looking at how it is being used across the business world. The essential correlates of Information Technology are as under:

1. COMMUNICATION

For many companies, email is the principal means of communication between employees, suppliers and customers. Email was one of the early drivers of the Internet, providing a simple and inexpensive means to communicate. Over the years, a number of other communications tools have also evolved, allowing staff to communicate using live chat systems, online meeting tools and video-conferencing systems. Voice over internet protocol (VOIP) telephones and smart-phones offer even more high-tech ways for employees to communicate.

2. INVENTORY MANAGEMENT

When it comes to managing inventory, organizations need to maintain enough stock to meet demand without investing in more than they require. Inventory management systems track the quantity of each item a company maintains, triggering an order of additional stock when the quantities fall below a pre-determined amount. These systems are best used when the inventory management system is connected to the point-of-sale (POS) system. The POS system ensures that each time an item is sold, one of that item is removed from the inventory count, creating a closed information loop between all departments.

3. DATA MANAGEMENT

The days of large file rooms, rows of filing cabinets and the mailing of documents is fading fast. Today, most companies store digital versions of documents on servers and storage devices. These documents become instantly available to everyone in the company, regardless of their geographical location. Companies are able to store and maintain a tremendous amount of historical data economically, and employees benefit from immediate access to the documents they need.

4. MANAGEMENT INFORMATION SYSTEMS

Storing data is only a benefit if that data can be used effectively. Progressive companies use that data as part of their strategic planning process as well as the tactical execution of that strategy. Management Information Systems (MIS) enable companies to track sales data, expenses and productivity levels. The information can be used to track profitability over time, maximize return on investment and identify areas of improvement. Managers can track sales on a daily basis, allowing them to immediately react to lower-than-expected numbers by boosting employee productivity or reducing the cost of an item.

5. CUSTOMER RELATIONSHIP MANAGEMENT

Companies are using IT to improve the way they design and manage customer relationships. Customer Relationship Management (CRM) systems capture every interaction a company has with a customer, so that a more enriching experience is possible. If a customer calls a call centre with an issue, the customer support representative will be able to see what the customer has purchased, view shipping information, call up the training manual for that item and effectively respond to the issue. The entire interaction is stored in the CRM system, ready to be recalled if the customer calls again. The customer has a better, more focused experience and the company benefits from improved productivity.

ROLE OF INFORMATION TECHNOLOGY

Evidently, Information Technology plays an integral role in the current business organization. Business would almost collapse without Information Technology in the current competitive business environment. Information technology is mainly about storing, manipulating, distributing and processing information. Over the past few years, IT has replaced the conventional modes of businesses with innovative technological tools. In addition to the increased output and efficiency, IT has introduced new concepts such as-commerce.

1. PRODUCTIVITY

Technological applications, such as relational database technology, computer-aided designing, word processing, spreadsheets and other software programming, increase productivity of businesses. Business corporations maximize their commercial advantage by making the right use of IT tools. For instance, Michael Dell, founder of Dell Inc., introduced the online selling concept for personal computers. Today, customers around the globe order Dell products from the comfort of their homes via the Internet.

2. MONITORING

IT is used for monitoring areas of the company that are not utilizing resources efficiently. For instance, Dell made use of real-time inventory and supply monitoring to produce only that number of computer systems that were demanded by Dell customers, reducing the cost of overproduction.

3. BUSINESS PERFORMANCE MANAGEMENT

According to bestpricecomputers.co.uk, BPM is defined as a management culture, which helps businesses to optimize their performance by analyzing processes using applications like OLAP (Online Analytical Processing), and EIS (Executive Information Systems).

4. E-COMMERCE

E-commerce is buying and selling services and goods over the Internet. Online operations reduce the time and personnel required for business processes. It also reduces costs in areas like labor, document preparation, telephoning, and mail preparation. The volume of present business has grown manifold due to the large transaction taking online across the world. E-commerce has significantly contributed to both the business community as well as the individuals saving a lot of time for transactions at the convenience of the customers all across the world.

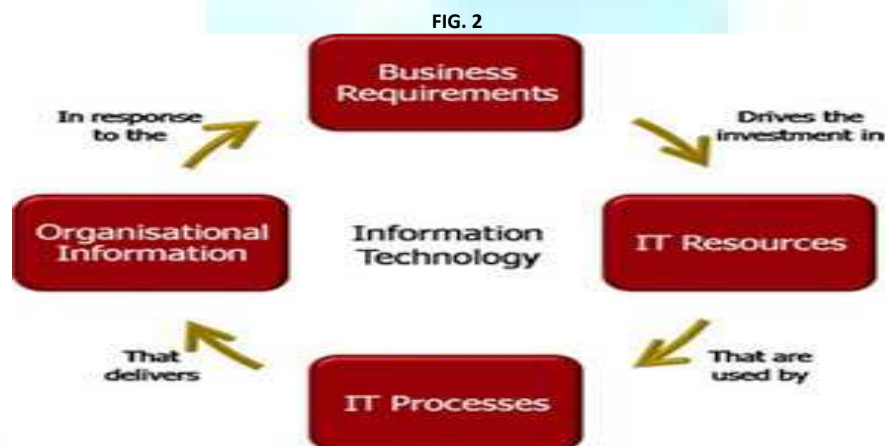
REVIEW OF LITERATURE

Mousvi (2008) underscore that Information Technology functions and usage has increased with process intricacies in high managerial levels and it has become more professional. The author explains that the effect in informational dimension which is the specification of directorate in high organizational level causes direct and indirect effects. Chan (2000) exemplifies that the framework for the understanding the roles of IT from three interrelated perspectives. The framework indicates that IT can be an initiator, a facilitator, and an enabler in a business process. Further, the author reveals that IT plays a versatile role in today's workplace depending on the manner and mode of its implementation.

Attaran (2003) reveals that the information technology provides strategic value to an organization by giving support to the administrative infrastructure, business processes, and operational skills of staff. The use of IT cannot be avoided as IT is an inhibitor or disabler to reengineering because of difficulties in modifying existing systems. The author further says that IT is used for cost reduction, product differentiation, quality improvement, integration with customers and suppliers, organizational learning, and creating new business opportunities and emphasizes on the usefulness of IT as it helps employees do their work better and differently. Halliday, Badenhorst, and Solms (1996) accentuating the threat of Information Technology in a corporate world reveals that intricacies of risk analysis and management. Further, the author proposes an alternative approach to effective information technology (IT) risk analysis and management. This approach has a business-oriented focus from an IT perspective. The author suggests that a corporate approach, which focuses on the critical business processes of the organization to be in practice in order to minimize the risks by organizations. Gilaninia, et. al. (2012) examines the role of ICT in the small and medium enterprises and highlights that the major aspect of the small and medium enterprises is to attract investments and create jobs and this is possible only if there is judicious use of ICT.

ANALYSIS

Information Technology plays a vital role for the current business organization. The business cannot sustain with a reasonable amount of profit in the absence of Information Technology. The growth and development of the economy is directly dependent on the volume of business that the country undertakes and the volume of business is directly dependent on the technology up gradation. The major business requirement, e.g. advertising, sales promotion, international franchising, licensing, etc. is largely dependent on the adoption of latest available technology. The efficient human resources or IT resources who are well versed with Information Technology is again required to make the operations which required an operation of detailed IT processes. The efficient IT processes delivers the organisational information which ultimately helps to resolve the business requirement. The diagram below, Fig 2, illustrates the process in crisp:



BENEFITS OF IT (INFORMATION TECHNOLOGY) FOR BUSINESS ORGANIZATIONS

- Information Technology has brought a tremendous development in the overall volume of business in the current business framework. Business cannot imagine their sustainability without information technology. All parameters of business are directly dependent on information technology.
- In the era of Globalization, IT has not only brought the world closer together, but it has allowed the world's economy to become a single interdependent system. This means that we can not only share information quickly and efficiently, but we can also bring down barriers of linguistic and geographic boundaries. The world has developed into a global village due to the help of information technology allowing countries like who are not only separated by distance but also by language to share ideas and information with each other.
- In communication, IT has helped to make communication cheaper, quicker, and more efficient. We can now communicate with anyone around the globe by simply text messaging them or sending them an email for an almost instantaneous response. The internet has also opened up face to face direct communication from different parts of the world thanks to the helps of video conferencing. IT has also brought about Cost Effectiveness by helping to computerize business processes thus streamlining business to make them extremely cost effective money making machines. This in turn increases productivity which ultimately gives rise to profits that means better pay and less strenuous working conditions.
- IT has also helped to bridge the cultural gap by helping people from different cultures to communicate with one another, and allow for the exchange of views and ideas, thus increasing awareness and reducing prejudice. IT has also made it possible for businesses to be open 24 x7 all over the globe. This means that a business can be open anytime anywhere, making purchases from different countries easier and more convenient. It also means that you can have your goods delivered right to your doorstep with having to move a single muscle.
- IT has also been successful in its attempt to create a large no. of jobs like Computer programming, Systems analyzing, Hardware and Software developing and Web designing. Now that business has become very competitive, there is the need to use IT to remain ahead and in business. Good IT use can get you ahead of competitors. In terms of Functionality and Flexibility, internally IT can help improve infrastructure performance thus increasing functionality and

the range of options that can be pursued. Externally, it can help create an efficient, flexible online/offline platform for doing business with customers, suppliers and partners.

- In commerce, IT can internally help improve internal operating efficiency and quality. Externally, it can help streamline and integrate channels to market, create new channels and integrate multiple online/offline channels. IT can also help improve the performance of knowledge workers and enhance organizational learning. Externally, it can improve the performance of knowledge workers in customer, supplier and partner organizations; add information value to existing products and services; create new information-based products and services.
- IT can also help attract and retain top talent; increase satisfaction, engagement and loyalty; create a culture of involvement, motivation, trust and shared purpose. Externally, can help attract and retain high quality customers, suppliers, partners and investors; increase external stakeholders' satisfaction, engagement and loyalty. IT should therefore be a must for every business including all developing economies, particularly the South Asian Economies like Indonesia, India, Sri Lanka, Bangladesh, etc.

MAJOR SECURITY ISSUES IN INFORMATION TECHNOLOGY

1. **MALWARE:** Infection of the organization's systems or network by viruses, worms, Trojans, adware or spyware. These are harmful viruses for computer system which is affected the hardware as well as software of computer system. No matter what the intent or group behind the cybercrime, someone has to make the malware. In the past, a single programmer would make malware for his or her own use, or perhaps to sell. Today, there are teams and companies dedicated solely to writing malware. They turn out malware intended to bypass specific security defences, attack specific customers, and accomplish specific objectives. And they're sold on the open market in bidding forums.
2. **PHISHING:** Phishing is the criminally fraudulent process of attempting to acquire sensitive information such as usernames, passwords and credit card details, by masquerading as a trustworthy entity in an electronic communication. Phishing scams generally are carried out by emailing the victim with a 'fraudulent' email from what purports to be a legitimate organization requesting sensitive information.
3. **PHARMING:** Diversion of Internet traffic to an imposter site by means of DNS poisoning or browser address bar attack in an attempt to obtain confidential information.
4. **HACKING:** These days IT security pros have to contend with an increasing number of loose confederations of individuals dedicated to political activism, like the infamous Anonymous group. Politically motivated hackers have existed since hacking was first born. The big change is that more and more of it is being done in the open, and society is readily acknowledging it as an accepted form of political activism.
5. **UNAUTHORIZED ACCESS BY OUTSIDERS:** Due to Internet connection outside people can access the computer system and can steal useful data or information from the system.

CONCLUDING REMARK

It's therefore imperative to upgrade the development in the field of Information Technology as the development and sustainability of any business organization is directly related to the use of modern technology. The discussions above clearly validate the need and importance of Information Technology in the current business framework. No organization or country can prosper or develop if it fails to adapt to the tremendous growth and developments in the field of Information Technology. The increase in the volume of business transaction and the improvement in the overall efficiency of all resources are directly or indirectly dependent on Information Technology in contemporary times. Nonetheless, there are several drawbacks of Information Technology but the speed, accuracy, and precision it showcase to operate any business dealings cannot be undermined. Having a sound accessibility to the Information Technology is therefore the need of an hour for any individual, society, business organization or an economy.

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A STUDY ON THE DEVELOPMENT OF ONLINE MICRO-LENDING COMMUNITY IN NORTH BENGAL

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ABSTRACT

With the advent of web 2.0, a new kind of lending is becoming popular on the internet, termed peer-to-peer lending or social lending. A few of the leaders among such commercial lending websites are Zopa (Europe), Kiva (US), Milaap (India), etc. The development of such an online microfinance community can indeed change the direction of our nation's local economies. Here entrepreneurs and patrons will come together to form virtual business incubators. This is a radical new approach to helping entrepreneurs finance their business. There is a huge need to make capital available to local entrepreneurs that may not have the resources or exposure to gain funding from large scale, traditional venture capital firms. Recent global credit crunch has further obstructed the path to traditional financing opportunities, online lending gives entrepreneurs the ability to promote their business and secure capital in a microfinance environment. Online micro-lending communities offer small companies and individuals an interactive way to ask for support. Support can come through any or all of the available channels if we can club the services offered by different online micro-lending communities together. This paper examines how this newly introduced entrepreneurial spirit is able to flourish in the communities in which we live and work.

KEYWORDS

online lending, entrepreneurs, micro-lending communities, microfinance.

INTRODUCTION

Microfinance sector is growing at 30% per annum, but the vast majority of the poor are still underserved. Most of them are being served at interest rates significantly over commercial lending rates, owing to small loan sizes leading to high transaction costs. The CGAP (Rosenberg et al, 2009) reports that operating costs are probably the main area to further reduce microfinance costs.

In addition to reducing operating costs, financing costs can and are being reduced owing to the reduction of spreads possible through peer to peer (P2P) online lending. Online lending offers an increased outreach to people living in isolated rural areas. This increased outreach would further reduce both transaction costs from economies of scale and financing costs through larger loan negotiations.

CONTEMPORARY INITIATIVES

Kiva, an American company, started an online micro-lending model in 2005 to target mainly the needy entrepreneurs in the developing countries. In Europe, we find MyC4 and Babyloan. However, models are mushrooming all over the world. Today, there are more than a dozen for-profit commercial operators in the online Peer-to-peer lending market - Zopa, smava, boober, Kokos, and Monetto. In India, MILAAP is a dominating entity in this field.

TABLE-1: LEGAL DESIGN INSTANCES FOR ONLINE MICRO LENDING

		LEGAL STATUS	
		Non-profit	For profit
Geographic coverage	International	Kiva	BabyLoan, MyC4 (Sub-Saharan Africa), Smava (Germany)
	National		Boober (Netherlands, Italy), Kokos (Poland), Monetto (Poland), Zopa (UK, Japan, Italy)

WHAT WE NEED?

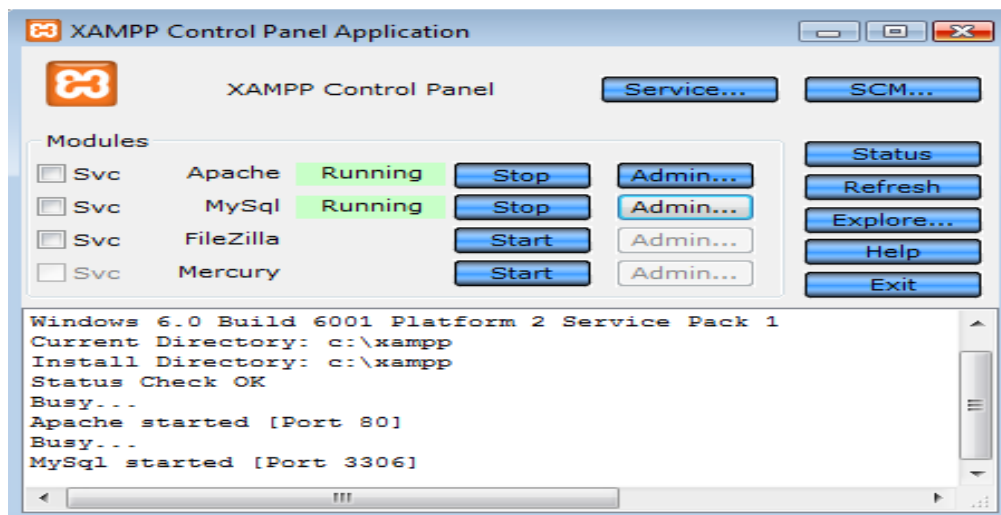
In North Bengal (the northern side of West Bengal, India), online micro-lending may have a bright future as access to Internet via a computer is gaining popularity even in rural areas. Mobile banking may also be helpful. In India, for example, 37 million people have access to a computer but 370 million people would have access to a mobile telephone. What we need is to develop an online portal for handheld computers/mobiles/handheld computers.

PROPOSED WEB DEVELOPMENT ENVIRONMENT

- Operating System: Linux
- HTTP Web Server: Apache
- RDBMS: MySQL
- Language: Php
- Scripting Libraries: JavaScript/JSON/JQuery
- Front End Tools: HTML/DHTML
- Virtual Web Server: XAMPP/WAMP
- FTP Client: FileZilla
- Mail Protocols: SMTP/POP3
- Default Mail Client: Microsoft Outlook Express
- Report Format: pdf
- Search Engine Support: Google API

- Payment Method: PayPal
- Sandbox URL: developer.paypal.com

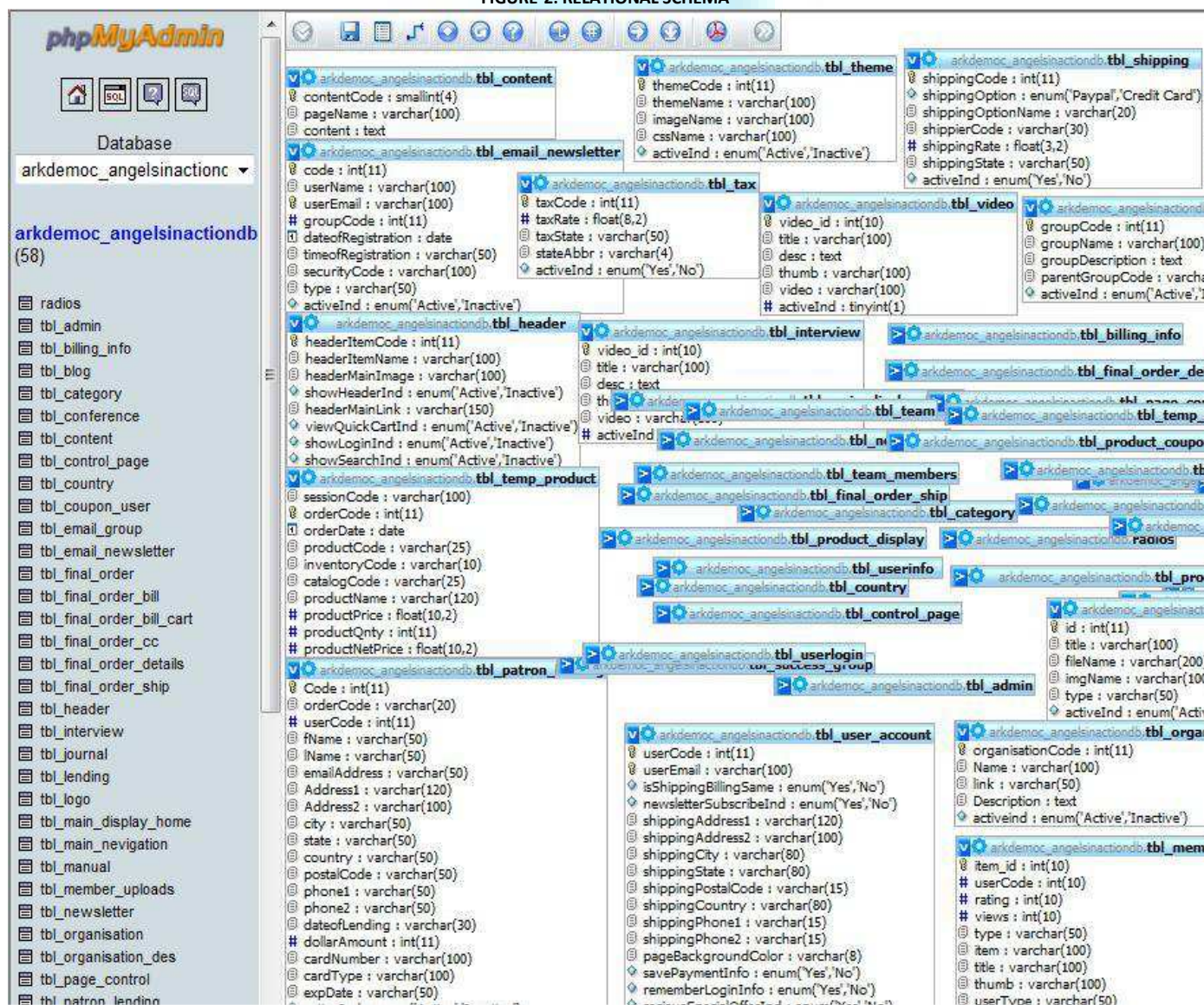
FIGURE-1: LAMP/WAMP DEVELOPMENT ENVIRONMENT



LAMP development environment has been chosen due to its Open Source nature. It means not only the software is available at free of cost, anybody can contribute towards the development of the same. Moreover, the proposed front end and back end tool combination “php & MySQL” is easy to master and use. Any other combination of front end & back end tools may also be used to implement the project, e.g., ASP.NET & MSSQL Sever, etc. Developers should be very careful while selecting the development environment. Such a huge project may ask for the highest level of development proficiencies.

RELATIONAL SCHEMA

FIGURE-2: RELATIONAL SCHEMA



The database of the proposed web portal will have around 50 to 60 tables/relations. This number may vary depending upon the development requirements. Cross-linked relations will reduce the possibilities of redundancies and increase the record retrieval efficiency.

PROPOSED WEB PORTAL STRUCTURE

FIGURE-3: FRONT END OF THE PROPOSED WEB PORTAL



In the proposed web portal, apart from the system administrator, there are two prime classes of registered users. Patrons are established business houses or individuals who may fund the suitable projects of entrepreneurs registered under the website. Entrepreneurs may ask for funds through this web portal and may approach to any of the registered patrons. The registration charges will be nominal for both the users, may be on the higher side a bit in case of patrons. Such type of digital system will surely enhance the opportunity for the upcoming entrepreneurs in North Bengal as even good projects have been suffering from lack of proper and timely funding.

Initially, any interested organization may go for a non-profit mode in order to run such a web portal. This will create a trustworthy perception in the minds of the target people. The initial expenses may be met from the registration fees, sponsorship and membership contributions. The nodal organization should look after the benefit of all the stakeholders. On behalf of the patrons, the organization should take care of the viability of submission of some digital securities against the funding or timely repayments of the debts, etc. On behalf of the entrepreneurs, the organization should arrange for awareness programmes and gradually make them internet savvy. In short, they should take care that the financial interests of the stakeholders should never be harmed.

In so called backward region, North Bengal, the three-tier Panchayat system may be exploited to implement such a project practically. In, North Bengal, any **Tathya Mitra Kendra** may be used to run such a portal even at the grassroots level. Each Development Block or Panchayat Samity is supposed to run Tathya Mitra Kendra in PPP mode having every possible IT infrastructure. So a simple tie up with these Tathya Mitra Kendras will facilitate the project to a greater extent. This will cut down the initial investment and in future the organization may think for setting up independent units.

FIGURE-4: DASHBOARD FOR PATRONS/ENTREPRENEUR

Entrepreneur: Dip M View All

Company Profile
Running a test entrepreneur

Product Shots

Upload Products
\$1000.00
73 % Money Generated to Date
Select Amount Become Dip's Direct Angel Lender

Patron Lenders

Social Network Links
Invite friends to become patrons

About the Entrepreneur:

Edit
Name: Dip M
Location: Alabama uk
Business: test
Loan Amount: \$730.00
Loan Use: \$25.00
Loan Target: \$1000.00
etc.: test run
Patron Rating: ★★★★★

Contact Information:

Edit
Website: www.godaddy.com
Email: tataijal@gmail.com
Blog: blog.godaddy.net

Subscribe Newsletter
Enter Your Name Here
Enter Email Address Here
☐ Daily ☐ Weekly ☒ Monthly

BANNER

Entrepreneurs may search for patrons or patrons may search for entrepreneurs. Such searching procedure may be dependent on some parameters like geographical location, credential (no. of projects accomplished successfully), nature of business, age, etc. The web portal should be very user friendly, even providing language translation features (may be Google API) for the users.

The organization running such a portal may think of establishing an ethics committee. The committee will comprise of eminent persons from all possible strata of the society. There will be administrative officers, financial advisors, etc. who will look after the benefit of all the concerned stakeholders.

Furthermore, the organization may run an auxiliary e-commerce/m-commerce/v-commerce (virtual-commerce) system and may also run Video Blogs (VLOGs) for the global promotion of the system.

For the sake of security, the portal should be SSL enabled and the data encryption method adopted should be 128-bit MD5.

ADMIN PANEL

FIGURE-5: ADMINISTRATOR CONTROL PANEL

ANGELS IN ACTION

Home | **Change Theme** | **Change Password** | **Logout**

Manage Product

Product has been successfully modified.

Product List (7)

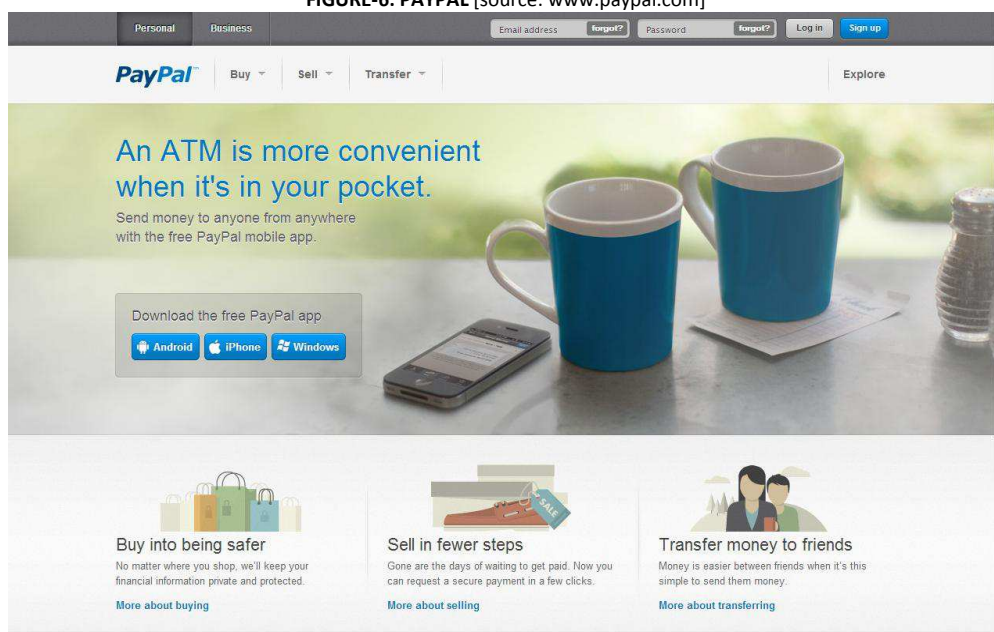
Product Image	Product Name	Category	Status	Price(\$)	Owner Name	Manage	Edit
	Rabindra Sangeet	Music	Active	435.00	AI Admin	<input type="button" value="Manage Image"/>	<input type="button" value="Edit"/>
	Test Product	Books	Active	0.00	Dip	<input type="button" value="Manage Image"/>	<input type="button" value="Edit"/>
	Property	Miscellaneous	Active	23456.00	Arunabha	<input type="button" value="Manage Image"/>	<input type="button" value="Edit"/>
	PHP Lesson	Books	Active	234.00	Arunabha	<input type="button" value="Manage Image"/>	<input type="button" value="Edit"/>

Page 1

The **CRUD** (Create Retrieve Update Delete) model should be integrated at the Administrator panel. Through this Admin panel, the system administrator may add/modify/delete any content of the web portal, may monitor the activities of any patron or entrepreneur. The panel will be equipped in such a way that it can automatically perform any financial calculations or automatically send reminders/alerts to any patron or entrepreneur.

PAYMENT METHOD – PAYPAL

FIGURE-6: PAYPAL [source: www.paypal.com]

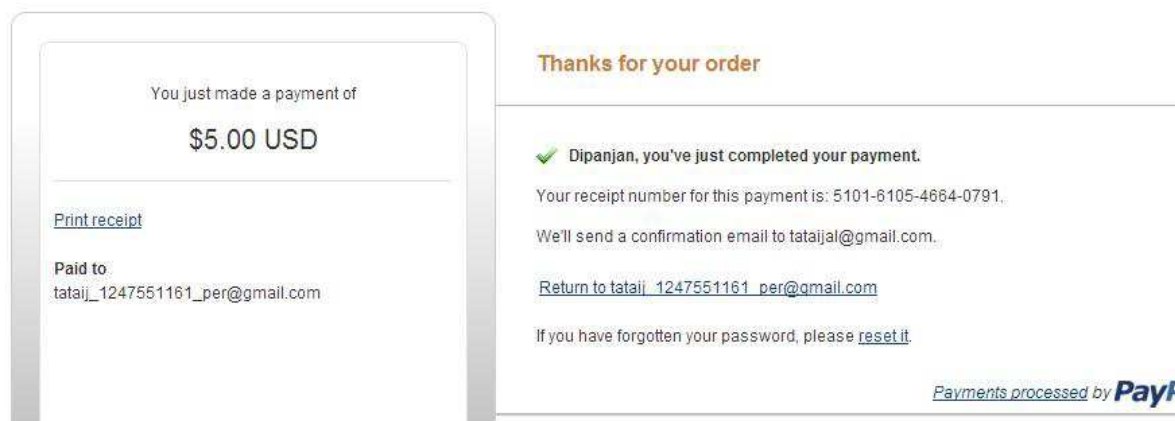


In the proposed web portal, paypal has been chosen to be the payment gateway. Any other global payment gateway such as authorize.net, etc. or any 3rd party payment gateway may also be used. The nodal organization may tie up with any bank, e.g., Axis Bank or ICICI Bank and may use their payment gateway to run daily transactions smoothly. Before any such selection, the organization should thoroughly check the respective vendor's credentials and the extra amount they may charge from the client per transaction.

FIGURE-7: DEMO TRANSACTION USING developer.paypal.com



tataij_1247551161_per@gmail.com



GLIMPSES OF CODE

```
<?php
session_cache_limiter('private');
$cache_limiter = session_cache_limiter();
session_cache_expire(180);
$cache_expire = session_cache_expire();
session_start();
error_reporting(0);
ini_set('track_errors', '1');
header("Cache-Control: no-cache, must-revalidate"); // HTTP/1.1
header("Expires: Mon, 26 Jul 1997 05:00:00 GMT");
//include the class file
require_once('database.inc.php');
require_once('function.inc.php');
//require_once('class.phpmailer.php');
require_once('define.inc.php');
// Instance of the database class
$db = new database();
$db->database_host = 'localhost';
$db->database_port = '3306';
$db->database_user = 'root';
$db->database_password = '';
$db->database_name = 'arkdemoc_angelsinactiondb';
?>
```

FUTURE SCOPE

- ❖ The web portal can be further modified to have a more sophisticated yet flexible report structure along with chart generation system.
- ❖ Google Search Engine or Language Translation API may be integrated to the web portal.
- ❖ The **Android** platform may be exploited to convert the web portal into a version capable of running in a handheld computer or mobile.
- ❖ XML based web services may be used to exchange information from other peer web portals.

CONCLUSION

- ❖ There is a huge need to make capital available to local entrepreneurs who may not have the resources or exposure to gain funding from large scale, traditional venture capital firms, especially, in a backward region like North Bengal.
- ❖ This will be a radical new approach to helping entrepreneurs finance their business. The online micro-lending community will offer small companies and individuals of North Bengal an interactive way to ask for support.
- ❖ The proposed mode of online lending will give young entrepreneurs in North Bengal the ability to promote their business and secure capital in a microfinance environment.
- ❖ In the proposed online microfinance community entrepreneurs and patrons will come together to form virtual business incubators and will live **SYMBIOTICALLY** which in turn will give a new positive direction to the local economy of North Bengal.

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TRANSACTIONAL ANALYSIS: THEORY OF PERSONALITY AND INTER PERSONAL BEHAVIOUR

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ABSTRACT

Transactional analysis is a theory of personality and relationship based on the study of specific ego states, a theory of social interaction or interpersonal communication and a system of group or individual psychotherapy used a tool for personal growth and personal change. In addition to the analysis of the interactions between individuals, Transactional Analysis also involves the identification of the ego states behind each and every transaction. According to Eric Berne, people interact with each other from one of the three psychological positions, or behavioural patterns, known as ego states. Thus, ego states are a person's way of thinking, feeling, and behaving at any time. These ego states are, Parent, Adult and Child ego states. Eric Berne first developed his ideas at a time when psychotherapy and counselling usually followed the 'medical method', whereby therapist, like doctors, were considered to be the experts with all the learning and skill. This paper is a conceptual paper, through this paper researcher focuses on to give brief introduction about Transactional analysis and relates how transactional analysis helpful in business to study the personality. Transactional analysis is used in management, communications training, and organizational analysis to improve working relationships, problem-solving, and organizational efficiency. In fact, transactional analysis can use in any field in which there is a need for understanding individuals, relationships, and communication. Behavioural scientists recommend the use of Transactional Analysis to understand inter-personal relations in the organization. Transactional analysis help Managers in resolving conflicts, Improving interpersonal Communication in organisation, Developing Positive thinking, Organisational Development, Creating life position which is more desirable, and in tracing the Theory of Leadership.

KEYWORDS

Ego States, Life Positions, Personality, Transactional Analysis.

INTRODUCTION

When People interact with each other, there results a social transaction. The analysis of Social Transaction is known as Transaction Analysis. Transactional Analysis is the study of human moves, which people make while dealing with other. This is a method of analysis and understanding of interpersonal behaviour Transactional analysis is a way of inquiring into what goes on between people and inside people in order to help them make change. Transactional analysis was originally developed by the Eric Berne in 1950, who was trained as a Freudian psychoanalyst and psychiatrist. He observed in his patients that often it was as if several different people were inside each person. He also observed that these various 'selves' transmitted with people in different ways. Later on, its application to ordinary interactions was popularized by Berne, Harries, and Jongeward. The theory outlines how we have developed and treats ourselves, how we relate and communicate with others, and offers suggestions and interventions which will enable us to change and grow.

REVIEW OF LITERATURE

Transactional analysis was developed by Berne (1957). It is both a theory of personality including theories of child development and psychopathology, which form the basis of a theory of psychotherapy, and also a theory of communication for understanding groups and organisations (Berne, 1963, 1966). It is used primarily as a therapeutic tool though it also has relevance for facilitating a deeper understanding of behaviours which affect relationships in a wide range of settings (Heyer, 1979). Transactional analysis has roots in psycho analysis but also cognitive behaviourist and humanist traditions, essentially combining some tenets of cognitive behaviourism and psychoanalytic insight "Within a Humanist value system" (Clarkson & Gilbert, 1988). TA developed both theoretically and practically during the decades since Berne's early work, such that by the 1970s there were three recognised schools of TA: the Classical School, the Redecision School and the Cathexis School (Barnes, 1977); and until 2001 all qualifying accredited TA practitioners were required to be familiar with the principles and practice of all three Schools. Over the past four decades TA has developed further, specifically within the last decade to reflect the influence of debates in the psychotherapeutic community at large, and particularly the impact of work in neuroscience on psychotherapy. This impact re-ignites the long-standing debate over the epistemological location of TA; specifically whether or not it might be situated within a scientific epistemology, as Berne hoped. (This possibly relates to psychology and psychotherapy's need to be perceived as scientific and thus achieve ontological security in acceptance by a „proper“ research community.) A useful categorisation of current thinking and practice in TA is offered by Tudor (2007) wherein he identifies seven traditions giving the focus, theories and methods and external influences to each. Nonetheless, despite such categorisation it is a truism to state that TA is complex and certainly, the wide variation in traditions and resulting practices of TA makes general evaluation challenging. However, central to all traditions in TA are key concepts which offer a starting point for appraisal. First, is the emphasis on the contractual method – the commitment between therapist and client to a well-defined course of action "regarding their roles in achieving clearly stated objectives" (Nelson-Jones, 1982). Next is the central theoretical concept of Ego states. TA is based on a model of three categories of ego states – Parent, Adult and Child, a theory of social interaction based on a model of transactions between the ego states, and a concept of a life script wherein the origins of the client's problems reside. The premise is that the transactions engaged in by people stimulate the acquisition of „psychological disturbance and the psychological games they play then reinforce that disturbance and distress. TA also highlights the dynamic inter-action between client and therapist, and the need for the therapist to be fully conversant with the ego state they are employing in the transactional process. Methods used for identifying ego states have ranged from intuitive, and thus subjective, assessments of behavioural and linguistic indicators (Klein, 1980; Solomon, 2003; Steere, 1981) to the use of projective tests (Turner, 1988) and the development of instruments which empirically measure ego state functions (Heyer, 1979, Thorne & Fargo, 1980, Doelker & Griffiths 1984). However it is noted (Loffredo & Harrington, 2008) that there has been little published literature on measures of ego states since the early 1980s. Therefore, this review is largely concerned with work between the 1970s and mid 80s.

A popular method for identifying ego states is the *Egogram* (Dusay, 1972), which presents an individual's ego state energy distribution in the form of bar charts of five ego state functions (Nurturing Parent, Critical Parent, Adult, Free Child and Adapted Child). The *Egogram* is constructed (by either the practitioner or client) with a strong reliance on feeling and intuitive judgement about behaviours indicative of a specific ego state (Dusay, 1972). In defence of the client making a self- assessment, Dusay (1977) found high levels of concurrence when the *Egogram* was used with clients in group settings (Dusay, 1977). Also, Heyer (1979) suggests that most clients can be „trained“ to judge the ego states they are employing. However distorted perceptions can result when a client is under pressure, when they use too much or too little Adult state, and when they have a lack of understanding of the attributes of the states (Dusay, 1977). Thus,

arguably, the measure is highly subjective and has low reliability due to the inherent differences in the ability of individuals to correctly identify ego states (Heyer, 1979).

OBJECTIVE OF THE STUDY

Primary Objective of this Paper is to give brief introduction about Transactional analysis, and thereafter researcher tries to relate Transactional analysis with business organisation environment, how it helps manager to dealing with human resource.

TRANSACTIONAL ANALYSIS

Transactional Analysis is underpinned by the philosophy that:

- people can change
- we all have a right to be in the world and be accepted

EGO STATES- BASIS OF TRANSACTIONAL ANALYSIS

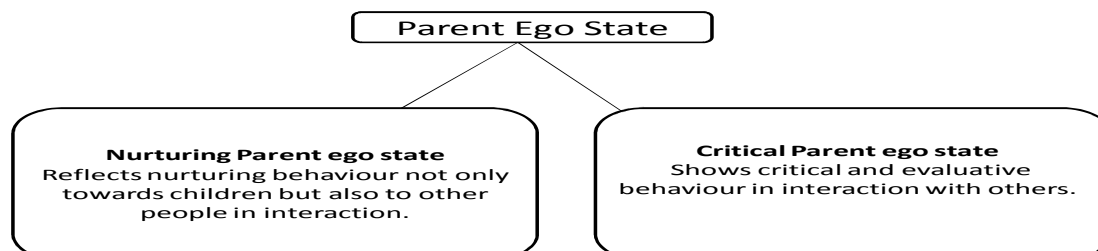
According to Berne, people interact with each other from one of the three psychological positions, or behavioural patterns, known as ego states. In addition to the analysis of the interactions between individuals, Transactional Analysis also involves the identification of the **ego states** behind each and every transaction. Berne defined an ego state as "a consistent pattern of feeling and experience directly related to a corresponding consistent pattern of behaviour. In one counselling session, Berne treated a 35 year old lawyer. During the session, the lawyer (a male) said "I'm not really a lawyer; I'm just a little boy." But outside the confines of Dr. Berne's office, this patient was a successful, hard-charging, attorney. Later, in their sessions, the lawyer would frequently ask Dr. Berne if he was talking "to the lawyer or the little boy." Berne was intrigued by this, as he was seeing a single individual display two "states of being." Berne began referring to these two states as "Adult" and "Child." Later, Berne identified a third state, one that seemed to represent what the patient had observed in his parents when he was small. Berne referred to this as "parent." As Berne then turned to his other patients, he began to observe that these three **ego states** were present in all of them. As Berne gained confidence in this theory, he went on to introduce these in a 1957 paper – one year before he published his seminal paper introducing Transactional Analysis.

Berne ultimately defined the three ego states as: **Parent, Adult, and Child**

Parent Ego State (Tough Concept of Life) Behaviours, thoughts and feeling copied from parents or parent figures	PARENTS
Adult Ego State (Thought Concept of Life) Behaviours, thought and feelings which are direct responses to the here and now	ADULT
Child Ego State (Felt Concept of Life) Behaviours, thought and feeling replayed from childhood	CHILD

Parent Ego State: Parent ego state is a part of somebody's personality which a person catches from parents. Here the word parent includes anybody which influences our behaviour like teacher, role model, friends etc. Parent ego is foundation for any person attitude, all emotional behaviour. Characteristics of a person acting with the parent ego include being over protective, distant, dogmatic, indispensable and upright. Physical and verbal clues that someone is acting with the parent ego include the wagging finger to show displeasure, reference to laws and rules, and reliance on ways that were successful in the past. There can be two types of parent ego states nurturing and critical.

FIG.1



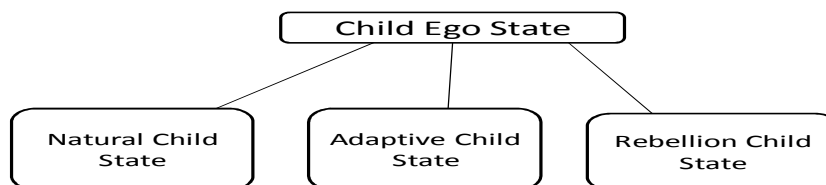
Each individual has his unique parent ego state which is likely to be a mixture of helpfulness and hurtfulness.

Adult Ego State: Adult Ego state is a part of somebody's personality that is based on somebody's experiences. Adult ego of a person is originated after carefully analysis of various situations. Adult ego state is based upon reasoning, seeking and providing information. Person interacting with adult ego views people as equal, worthy, and responsible human beings. It is based on rationality. The adult is characterized by logical thinking and reasoning. This ego state can be identified by verbal and physical signs which include thoughtful concentration and factual discussion.

Child Ego State: Child Ego state is a natural part of somebody's personality. Child ego state reflects early childhood conditions and experience perceived by individuals in their early years of life, that is, before the social birth of an individual say, up to the age of five years. Characteristics of child ego include creativity, conformity, depression, anxiety dependence, fear, and hate. Physical and verbal clues that person is acting in the child ego are silent compliance, attention seeking, temper tantrums, giggling and nervousness. The child ego is characterized by non-logical and immediate actions which result in immediate satisfaction.

There are three parts of child ego:

FIG.2



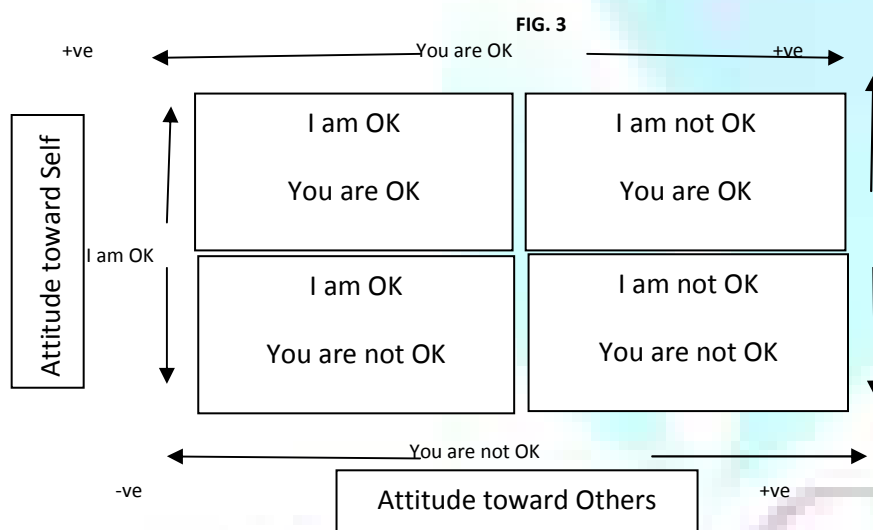
i) **Natural Child:** Natural child ego is the part of somebody's personality which is by natural in the human being. The natural child is affectionate, impulsive, and sensuous and does what come naturally. However, he is also fearful, self-indulgent, self-centered and aggressive and may emerge in many unpleasant roles.

ii) **Adaptive Child:** Adaptive Child ego is a part of somebody's personality which is ready to adopt new things. The adaptive child is the trained one and he is likely to what parents insist on, and sometimes learns to feel not O.K. The adopted child when overtly inhibited, often becomes the troubled part of the personality.

iii) **Rebellion Child:** Rebellion Child ego is a part of somebody's personality which is full of fear, jealous and frustration. The rebellion child experiences anger, fear and frustration.

TRANSACTIONAL ANALYSIS- LIFE POSITIONS

Life positions are basic beliefs about self and others, which are used to justify decisions and behaviour. Social Transaction occurs when two or more people come into contact with each other. So people always have assumption about him and other. Such assumptions are tied into their identity, sense of worth, and perceptions of other people. This tends to remain with the person for lifetime unless major experiences occur to change it. Such positions are called life positions. It stem from a combination of two view-points i.e. attitude towards myself and attitude towards others. Either a positive response (OK) or a negative response (not OK) result in four possible life positions as shown in figure below:



LIFE POSITIONS

1. **I am OK, You are OK:** This appears to be an ideal life position. People having these feeling has positive outlook towards life. Whatever they do in his, there is positive result always. People having this type of life position, they have complete confidence on others.

2. **I am OK, You are not OK:** This position is taken by people who feel victimized or persecuted. They blame others for their miseries. This is the case of aggrieved person with an attitude that whatever they do is right. There is more negative experience in their life as compared to positive experiences. This is a distrustful life position.

3. **I am not OK, You are OK:** This position is common to persons who feel powerlessness in comparison to others. It is based on one's feelings about oneself. Individuals who feel a clear distinction between themselves and the people around them, who could do many things that the individuals could not do, hold this life position.

4. **I am not OK, You are not OK:** This is a desperate life position. This position is taken by those people who lose interest in living. They feel that life is not worth living at all. In extreme cases, they commit suicide or homicide.

Example shows Transactional Analysis of an adult, a parent and a child:

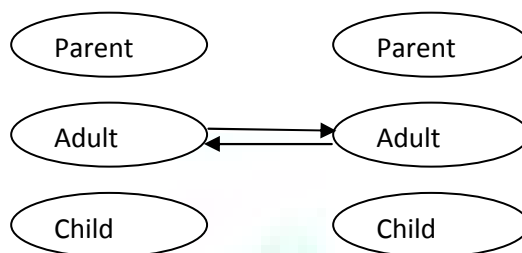
TABLE 1

TA OF THE NOT OK AND OK ATTITUDES					
As a Parent		As a Adult		As a Child	
Not OK	OK	Not OK	OK	Not OK	OK
Dictator Do it my way	Supportive Informed critic	Computer Always testing	Communicator Offering alternatives	Milk toast Scatterbrain	Negotiator Innovator

SOME EXAMPLES OF TRANSACTIONAL ANALYSIS IN WORKPLACE

Use of complementary Transactions: Complementary Transaction require in every organisation for successful communication. Complementary transaction involves one person initiating a conversation in one of the three ego states, such as parent-to-child, and the respondent sending a reply back to the sending ego state, such as child-to-adult.

FIG.4

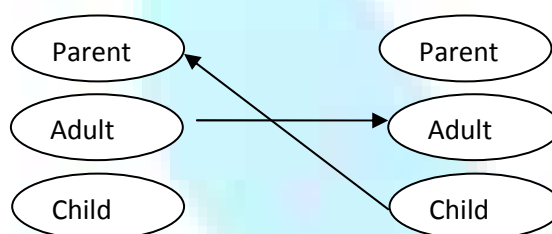


For example, a supervisor communicates in the parent-to-child ego when he reprimands an employee for being late. If the employee responds by apologizing and saying it won't happen again, the employee is in the child-to-parent ego state and the result is a complementary transaction. Consider two co-workers evaluating a failed project. If one person sends an adult-to-adult message of "Let's figure out what went wrong," a complementary adult-to-adult response from the other would be "Yes, let's get to work and find out what happened."

USE OF CROSSED TRANSACTION

Crossed transactions can take place between a supervisor and employees or between employees themselves. When crossed transactions occur, a break in communication likely results unless one person shifts his response to a complementary ego state. This may happen when the receiver forms the wrong impression about the sender's message or responds in an ego state differently than what you might expect. For example, a manager in the adult-to-adult state might rationally ask an employee about a mistake in a report the employee composed. A crossed transaction occurs if the employee responds using the child-to-parent ego and complains, "Why are you always criticizing my work?"

FIG.5

**USE OF STROKING**

An important part of transactional analysis is the concept of stroking. Humans have a continual need for strokes, which can be understood as simple units of interpersonal recognition. Managers and supervisors can create a positive work environment and positive relationships with employees by giving constant strokes. Examples include verbal praise of an employee, compliments or positive feedback about a project. Strokes can also be physical, such as a handshake or pat on the back. Negative work attitudes may ensue if employees experience negative strokes, such as constant criticism from an overbearing boss.

TRANSACTIONAL GAMES

Psychological 'games' played at work are often a series of repeated transactions. The game may make sense at some superficial level, but in the end, it's typically about strengthening someone else's psychological position or avoidance. For example, "Passing the Buck" often occurs in organizations that pass important decisions on up to different hierarchical levels of management. Another example is "The Blame Game," an attempt to shift responsibility from one person or group to another. A boss may play the "Why Don't You/Yes But" game when he calls a meeting to get suggestions on some issue, but then puts down each suggestion offered by the employees only to point out that his solution is the best answer.

HOW TRANSACTION ANALYSIS HELPFUL FOR MANAGERS IN DEALING WITH HUMAN RESOURCE

1. Transaction analysis and conflict resolution: There are several natural connections between transactional analysis and the approaches to resolving conflict. Transactional analysis helps to a management to adopt various strategies while any conflict arises in organisation. The Parent ego state may lead to the use of a forcing strategy, while the Child state may smooth over conflicts or try to avoid them. The "I am OK – You are OK" person is more likely to seek a win-win outcome, applying the Adult ego state and a confrontational strategy. When there is crossed transaction in organisation it leads to conflict in organisation. Transaction analysis suggests the various strategies to management to deal with conflicting situation.

TABLE 2: PROBABLE RELATIONSHIPS OF LIFE POSITIONS WITH CONFLICT RESOLUTION STRATEGIES AND BEHAVIOUR

Life Position	Conflict Resolution Strategy	Probable Behaviour
I am OK- You are OK.	Confronting	Self assured
I am Ok - You are not OK.	Forcing	Aggressive
I am not OK - you are OK.	Smoothing	Non-assertiveness
I am not OK - You are not Ok.	Avoidance	Non-assertiveness

2. Improved interpersonal Communication: Transactional analysis help in improving interpersonal communication. Transactional analysis helps a manager to understand their personality and know why people respond to him in particular way. With the Transactional analysis the manager can understand the crosses transaction and try to convert it into complementary transaction to improve interpersonal communication.

3. Developing Positive thinking: Transactional analysis is applied to bring positive actions from people because TA brings positive approach towards life and hence positive actions. TA brings a clear change from negative feelings – confusion, defeat, fear, frustration, loneliness, pessimism, and suppression – to positive feelings – clear thinking, victory, achievement, courage, gratification, decision, friendship, optimism, and fulfilment

4. Motivation: TA can be applied in motivation where it helps in satisfying human needs through complementary transactions and positive strokes. Managers can enrich jobs for people by helping them to engage in kinds of activities that give them more positive strokes. It emphasizes strokes from the intrinsic value of the work, rather than depending entirely on strokes from outside. Transactional analysis motivates people to work in a systematic manner which give them positive strokes.

5. Organisational Development: Organization development applied a humanistic value system to work behaviour and a reorientation of man's thinking and behaviour towards his work organization. The major goal of organization development is to fight the past in the present in order to choose freely the future. TA can help in organization development process. Transactional analysis help a manager in identify undesirable ego state and convert them into desirable one. Like crossed and ulterior transaction are undesirable in organisation, so transactional analysis help manager to convert it in desirable one.

6. Help in creating life position which is more desirable: Transactional analysis help in knowing various life position and shift from undesirable one to desirable one.
7. Trace the Theory of Leadership: Transactional analysis helps in trace the theory of leadership. Transactional analysis shows the ego state of leader by using management grid of leadership.

TABLE 3

Leadership Style	Ego state
Nine ,One Style (9,1 style)	I am Ok, You are not Ok
One, Nine Style (1,9 style)	I am not Ok, You are Ok
Nine ,Nine Style (9,9 style)	I am Ok, You are Ok
One ,One Style (1,1 style)	I am not Ok, You are not Ok

CONCLUSION

Earlier Transactional analysis is considered as a philosophy, medical science. But today transactional analysis considered as a theory of Personality, a model of communication and study of human behaviour i.e. why he responds to situation in a particular way. Human resource is an important asset for any business organisation, therefore managing human resource is the difficult task for H.R manager. Transactional analysis helps manager to study the human behaviour and personality and communicate according to the betterment of organisation.

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SOCIO-ECONOMIC BACKGROUND OF MANAGEMENT STUDENTS OF PUBLIC AND PRIVATE INSTITUTIONS IN DELHI

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ABSTRACT

Globalisation and changing world order has led to growing importance of management education in all countries including India. Today, Masters in Business Administration (MBA) has become one of the most sought after courses. It is considered to offer immense opportunities to individuals and a 'ticket' to raise fast in the corporate ladder. Thus over a period of time, there has been huge expansion in both demand and supply of management education in India. With increasing demand of this course, there has been expansion in private initiatives in the field. With high fees, meritorious students with poor family backgrounds are also argued to be excluded from the fast growth story of management education just because of their inability to afford management education. In light of this discussion, this study examines the beneficiaries of public (subsidized) and private (self-financing) management education, their socio-economic background and delve into issues of accessibility of management education. Sample size is 200 students of four management institutions (50 students from each institution). Institutions were selected on the basis of their location and ownership. All the four institutions are from Delhi Region. The four Institutions selected are: A Management Department of a Central University, A Management Department of a self-financing State University, Private Autonomous Institution, Private Autonomous Institution. Data was collected through primary survey. It was found that majority of the students in both sample public and private institutions were from middle income background, belong to metropolitan city and are of general category. Majority of the students had a steady source of income. The study concludes by giving recommendations on improving access of management education by charging differential fee and making policies to ensure equalised opportunities for students from disadvantaged background.

JEL CODE

H4

KEYWORDS

Equity, Management Education, Public Institutions, Private Institutions, Socio-economic background.

INTRODUCTION

Education is the true alchemy that can bring India its next golden age. Our motto is unambiguous: All for knowledge, and knowledge for all." This statement of Shri Pranab Mukherjee, the President of India made in Central Hall of Parliament, New Delhi on 25th July 2012 reflects the importance of education for all countries. To understand the essence of the above statement, one has to truly reflect on the fast changing world order. Earlier it was defined by the cold war, nuclear weapons & oil. But now countries are competing economically with their focus on GDP growth, International Trade agreements, Satellites launches, space probes for moon/mars, manufacturing, Software development and IT Outsourcing. The new world order encourages investment in innovation and product development, bringing a changing world order where some of the top companies of the world did not even exist 15 years ago. The enabler to all this is investment in knowledge based society.

This new world order has led to growing importance of management education in all countries including India. Today, Masters in Business Administration (MBA) has become one of the most sought after courses. It is considered to offer immense opportunities to individuals and a 'ticket' to raise fast in the corporate ladder. Thus over a period of time, there has been huge expansion in both demand and supply of management education in India. With increasing demand of this course, there has been expansion in private initiatives in the field. However private institutions have been often criticized for catering to a rich section of society creating an unequitable growth accentuating the gap between 'know' and 'know-nots' and 'haves' and 'have nots'

REVIEW OF RELATED LITERATURE

The phrase "equity in higher education" refers to creating opportunities for equal access and success in higher education among historically underrepresented student populations, such as ethnic minority and low-income students. Ensuring equality of access to sources of social and economic opportunities is the fundamental principle on which a socially just and democratic society evolves. Equitable access to social, religious, occupational and economic groups living both in rural and urban areas to educational opportunities in general and higher education in particular has remained a major challenge before the policy makers for nearly six decades since the independence. (UGC, 2008)

As per the World Bank report on governance of higher education in India, 2010 the higher education faces the following daunting challenges:

- Expansion of access to higher education and decentralization of powerbase
- Equity in educational opportunity and social justice
- Consolidation and qualitative improvement of colleges and expanding the base of social relevance of higher education
- Linkage of education to employment through knowledge and skill upgrading
- Accountability at all levels

Research in higher education in India has shown that the benefits of educational expansion occur essentially for the already privileged sections, with limited participation of the disadvantaged in the development process. The contemporary challenge is to achieve access, equity and quality of higher education simultaneously. (Thapliyal, 2013) UGC also recognized that the true potential of India's youth can be harnessed only through access to higher education. However, our national effort in increasing such access could be futile without nurturing social equity. The immense potential of our youth belonging to the vulnerable sections of the Indian society is as yet untapped. (UGC, 2012)

Access to higher education needs to be widened in the country, both within the formal system and through other effective innovative measures, such as a truly open system and networking of Universities. (UGC, 2003) Inequality in higher education is detrimental to everyone. It negatively impacts, both economically and socially, the entire nation in such matters as unemployment rates, welfare costs, voter turnout, income, and healthcare.

There are various social, economic and political reasons which seem to act as constraints to access and equity in higher education in India. Poverty leads to high drop-out rates even at primary, middle and secondary school levels. Lower status of women, lack of easy access, lack of implementation of existing programmes, inadequate utilization of resources, absence of political will and inadequacies in coordinated actions across all equity fronts within institutions seem to be the other reason. Financial constraints also often form a significant factor in advancing equity. (UGC, 2003)

According to a recent report only 10% of the University-age population, between the ages of 22 years and 35 years, have access to higher education. Although many efforts have been made to encourage education at school level, the education past Class 12th be it vocational or technical has not seen nearly as many provisions to make it more accessible.

The report "Intergenerational and Regional Differentials in Higher Education in India" was written by development economist, Abusaleh Shariff from the Delhi-based Centre for Research and Debates in Development Policy and research analyst Amit Sharma, from the National Council of Applied Economic Research. The report has found that there is a staggering difference between the number of students at school level and number of students for higher studies. The disparity exists across gender, social, economic, geographical and religious groups.

Lewis, Halil. (1999) has analysed the critical issues facing higher education institutions in the developing world. They asserted that despite increases in enrolments, programs and institutions, there has been only limited progress on equalizing educational opportunities for disadvantaged groups in developing countries. It pointed out the inequalities inherent in systems that provide free or low cost education to students from middle and high-income families and calls for the implementation of tuition fees (or increases in existing tuition fees) of up to 20 or 25 percent of instructional costs and the use of some of these funds for means tested financial assistance to students from lower socio-economic groups.

According to **Panchamukhi (1981)** there is need to provide positive inputs for education equalisation supplemented by equalisation of opportunities for realising the returns from education"

It was also noted that unequal access to Higher education often reflects deficiencies at lower levels of the education system. Preferential policies and remedial actions at the University level may not be able to fully redress inequalities arising from disparities in school quality. The World Bank examines this issue of access in detail and says that strategies must be multifaceted if they are to be effective in increasing representation of the weak. Their strategies include, improving secondary education, increasing the demand of the weaker section for higher education, diversification of institutions and subsidising their studies. On the other hand, prescriptions like reduction of demand for higher education, reduction of subsidies, steep increase of fees etc. may be considered as anti-poor which further encourage elitist trends in higher education.

Afza (2011) has highlighted the growth of higher education and mushrooming of business schools and the issues and challenges faced. The study revealed following pressing issues facing business schools:

- B-schools face the shortage of quality faculty members with doctoral degree or substantial industry experience,
- Management education requires a massive experimentation in terms of extended summer internship for four to six months or in terms of experiential learning which involves several live projects of shorter duration.
- B-schools face lack of soft skills among students, which is necessary for becoming successful managers.

The study further stated that if all these challenges are successfully met, they will create opportunities for business schools to differentiate themselves from the crowd of business education providers. The study finally concluded that although India produces a large number of management graduates, next only to the U.S., scholarly debate on curriculum, pedagogy, and innovation is negligible. There is urgent need to welcome and enable the establishment of a new wave of management schools of excellence which would be a role model for a number of schools. The circumstances today, of an increasing demand in the market for good quality management graduates, provides a great opportunity to rethink the ways in which management schools can produce excellent managers.

NEED/IMPORTANCE OF THE STUDY

Expansion in Management Education, private share in particular has been surrounded with the debate of quality, equity and affordability. Issues of access and equity are central to the higher education debates in countries around the world. For the Indian higher education system in transition, access and equity became two of its most intriguing aspects. These are very complex issues, intertwined with political, economic, demographic and international dimensions. (Aggarwal, 2006) Thus, UGC (2003) has also recommended that access, equity, accountability and quality should form the four guiding principles, while planning for higher education development in India in the twenty-first century.

Private or self-financed Institutes are often criticized for charging high fees from students and extracting even more by creating various types of seats like management quota seats and NRI/Industry sponsored seats. Meritorious students with poor family backgrounds are also argued to be excluded from the fast growth story of management education just because of their inability to afford management education. (Reddy, 1992; Sinha, 2010)

In light of this discussion, it becomes essential to examine the beneficiaries of public (subsidized) and private (self-financing) management education, their socio-economic background and delve into issues of accessibility of management education. An analysis of socio-economic profile of management students of sample Institutes would throw light on whether it is whole society or a particular section of society which is getting benefitted by expansion of management education in India. It will provide deep insights into the issues of equity and access.

STATEMENT OF THE PROBLEM

To examine the socio-economic background of students pursuing management education in public and private Institutions.

RESEARCH METHODOLOGY

The study is mainly conducted using primary sources of information or data which were collected with the help of the questionnaire cum schedule. The personal interview technique has also been used to collect the information. In order to supplement the primary data, secondary data has been collected from various sources such as research journals and books. To probe into these issues, a small survey was conducted on students of four management Institutes. Sample size is 200 respondents (50 from each Institution).

SAMPLING

200 students of four management institutions have been selected. (50 respondents per institution). Institutions were selected on the basis of their location and ownership. All the four institutions are from Delhi Region. The four Institutions selected are:

- A Management Department of a Central University
- A Management Department of a self-financing State University
- A Private Autonomous Institution
- A Private Autonomous Institution

One of the problems encountered during study was reluctance on part of Institutions to provide contacts of Alumni. Thus, names of the institutions are not disclosed.

RESULTS AND FINDINGS

1. CHARACTERISTICS OF SAMPLE

An analysis of general profile of students revealed about the beneficiaries of management education in private and public institutions.

AVERAGE AGE

The analysis revealed that average age of sampled students at the time of admission in MBA/PGDM in all the four institutes is very close. It is 22 years for 3 Institutes and 21 for a private management Institute (A). Thus on an average sampled students of four institutes were of same age.

GENDER

Gender division of sampled students showed that the male students comprised of a majority in all Institutes. Table 1 reveals that 60% of sampled students of Management Department of a State University, 64% of Management department of a Central University, 52% of private Institute (B) and 56% of private Institute (A) were males.

The gender division of sampled students is in consonance with worldwide scenario of management institutes. Management Education has always been dominated by males. Although female participation has increased over the time, but even now female students constitute minority in Management Education Institutions. According to the QS Top MBA Applicant Survey 2012, the proportion of female candidates, however, has increased gradually from 33% in 2005 to

39% in 2012. Interestingly, Eastern Europe is the only region out of six where females dominate their male counterparts at MBA programmes with 53.4% compared to 46.6%, followed by US and Canada where women represent 47%. When it comes to Africa and Middle East, the number is down to 29.9%, whereas in Western Europe it is 33.6%. Under Asia-Pacific region, including India and China, which send the highest number of applicants for MBA programmes, the figure is 36.9% followed by Latin America at 42%.

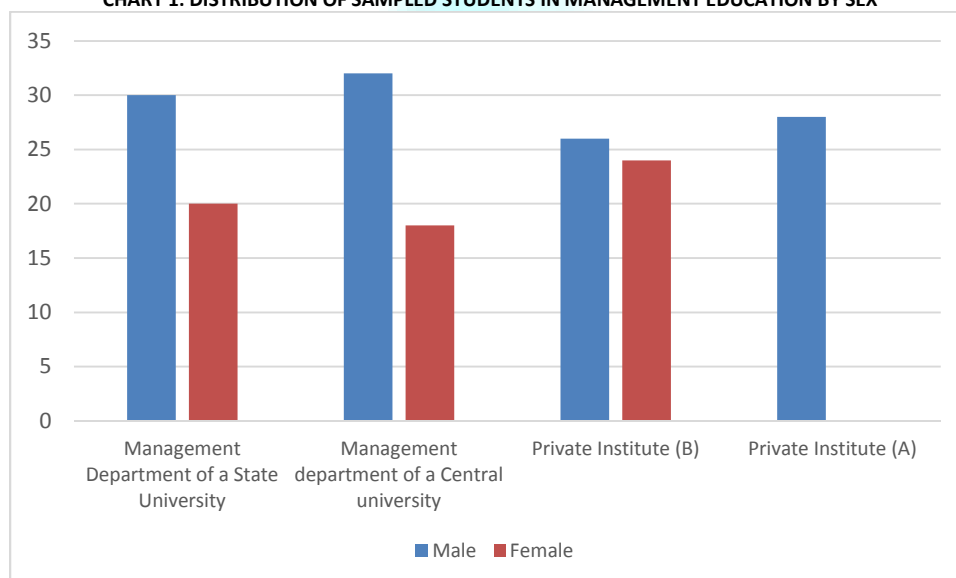
At Institutional level, Harvard Business School, although women accounted for 36% of Harvard's Class of 2009, only 11% of the school's Baker Scholars were female. That honor is given to students who are in the top 5% of HBS' graduating class. Meantime, only 21% of the first year honors (for being in the top 20%) for the class were awarded to women and only 22% of the second year honors were given to women. In that same year at Stanford University's Graduate School of Business, graduating female MBAs accounted for only 19% of those who were named Arjay Miller Scholars, those in the top 10% of Stanford's class by academic grades. Yet, women made up 34% of the Class of 2009. (<http://poetsandquants.com/2013/09/09/is-misogyny-only-an-hbs-problem/>)

TABLE 2: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY SEX

Name of the Institute	Male	Female	Total
Management Department of a State University	30 (60)	20 (40)	50 (100)
Management department of a Central university	32 (64)	18 (36)	50 (100)
Private Institute (B)	26 (52)	24 (48)	50 (100)
Private Institute (A)	28 (56)	22 (44)	50 (100)

*Figure in bracket indicates percentage

CHART 1: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY SEX



2. LOCATION OF THE STUDENTS PURSUING MANAGEMENT EDUCATION IN PRIVATE INSTITUTIONS AND UNIVERSITY MANAGEMENT DEPARTMENTS.

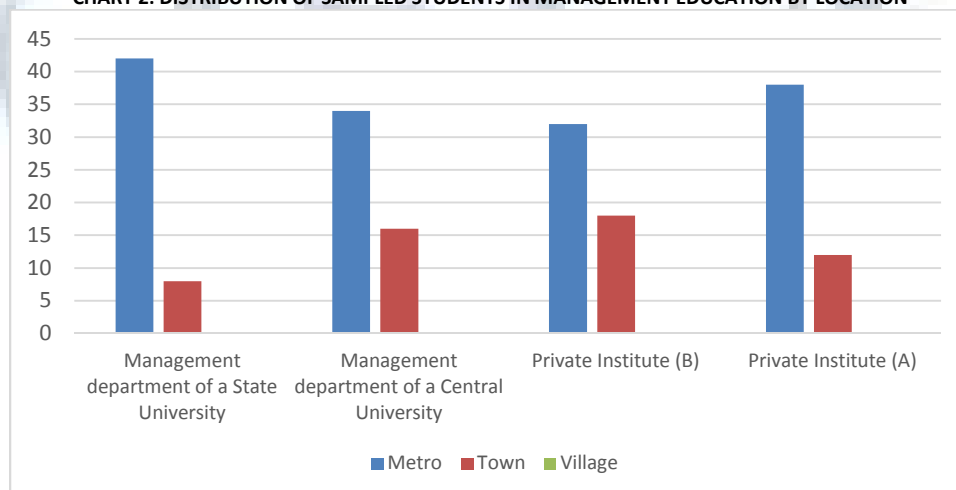
Regarding location background, majority of the sample students belong to Metropolitan city. In Management department of a state University, 84% students belong to Metropolitan city and 16% of the students belong to town. In case of management department of central university, 68% of the sampled students are from metropolitan city, 32% of the students were from town. In case of private Institutes Private Institute (B) and Private Institute (A), 64% and 76% of sampled students respectively belong to Metropolitan city. In Private Institute (B) and Private Institute (A), 36% and 24% respectively belong to towns. (Kindly refer to Table 2).

TABLE 2: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY LOCATION

Name of the Institute	Metro	Town	Village	Total
Management department of a State University	42 (84)	8 (16)	0	50
Management department of a Central University	34 (68)	16 (32)	0	50
Private Institute (B)	32 (64)	18 (36)	0	50
Private Institute (A)	38 (76)	12 (24)	0	50

*Figure in bracket indicates percentage

CHART 2: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY LOCATION



3. SOCIAL BACKGROUND OF THE STUDENTS PURSUING MANAGEMENT EDUCATION IN PRIVATE INSTITUTIONS AND UNIVERSITY MANAGEMENT DEPARTMENTS

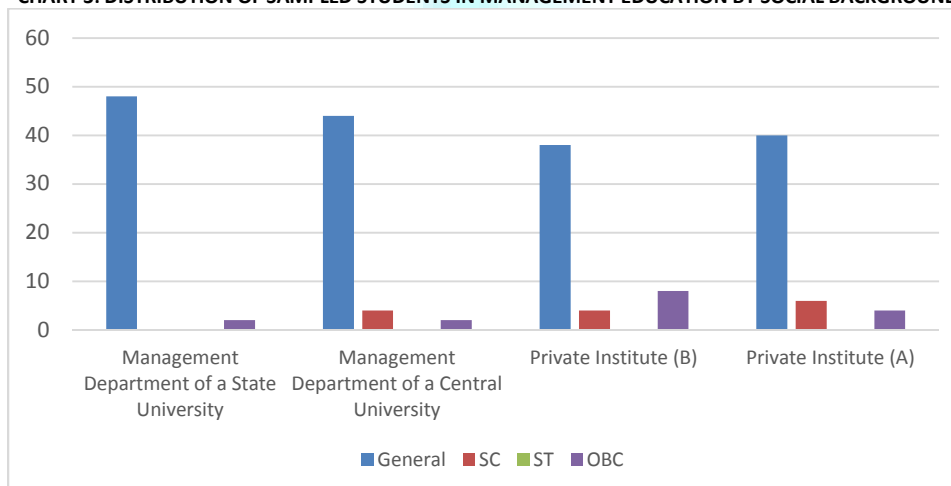
Table 3 reveals that majority of sampled students pursuing their post-graduation in management belong to General category. In Management department of a State University (96%), Management department of a Central University (88%), Private Institute (B) (76%) and Private Institute (A) (22%) belong to General category. There was no ST among sampled students. SC and OBC also constituted a very small percentage with 0% and 4% (1 student) respectively in Management department of a State University, 8% and 4% respectively in Management department of a Central University, 2% and 4% in Private Institute (B), 3% and 2% in Private Institute (A). (Table 3) It can be interpreted from above results that access to disadvantaged section of society is still limited or negligible. Interestingly, this skewed access is present in both subsidized university management departments and private Institutions.

TABLE 3: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY SOCIAL BACKGROUND

Name of the Institute	General	SC	ST	OBC	Total Responses
Management Department of a State University	48 (96)	0 (0)	0 (0)	2 (4)	50
Management Department of a Central University	44 (88)	4 (8)	0 (0)	2 (4)	50
Private Institute (B)	38 (76)	4 (8)	0 (0)	8 (16)	50
Private Institute (A)	40 (80)	6 (12)	0 (0)	4 (8)	50

*Figure in bracket indicates percentage

CHART 3: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY SOCIAL BACKGROUND



4. FAMILY STATUS IN TERMS OF OCCUPATION AND INCOME OF THE STUDENTS PURSUING MANAGEMENT EDUCATION IN PRIVATE INSTITUTIONS AND UNIVERSITY MANAGEMENT DEPARTMENTS

Parent's occupation and income level is an important aspect of student's profile. A number of studies have indicated a significant positive relationship between parents' socioeconomic status and their involvement in their children's education. (N Vellymalay; 2011, Lueptow's (1975))

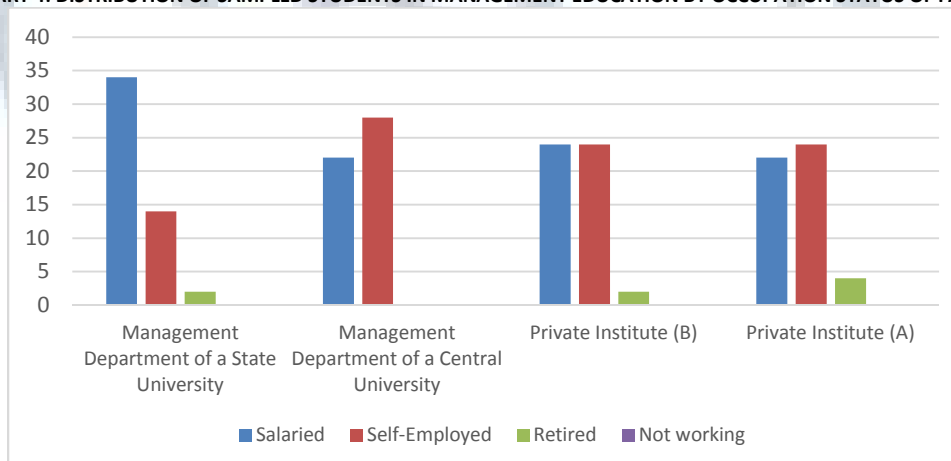
An analysis of occupation division of sampled students' father revealed (Table 4) that father of majority of sampled students were service men (government/private) and a very little portion of students' father were retired or not working. It can be observed from Table 6.4 that in Management department of a State University, 68% fathers are salaried, 28 % are self-employed, and 1 of the students' father is retired. In Management department of a Central University, majority of fathers are self-employed (56%) and 44% are salaried. In Private Institute (B) and Private Institute (A), distribution is around equal. In Private Institute (B), 1 of the students' father is retired and in Private Institute (A), 2 of the students' fathers are retired. It can be interpreted that majority of students' father have a steady source of income in both university management departments and private institutions.

TABLE 4: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY OCCUPATION STATUS OF FATHER

Name of the Institute	Salaried	Self-Employed	Retired	Not working	Response Count
Management Department of a State University	34 (68)	14 (28)	2 (4)	0 (0)	50 (100)
Management Department of a Central University	22 (44)	28 (56)	0 (0)	0 (0)	50 (100)
Private Institute (B)	24 (48)	24 (48)	2 (4)	0 (0)	50 (100)
Private Institute (A)	22 (44)	24 (48)	4 (8)	0 (0)	50 (100)

*Figure in bracket indicates percentage

CHART 4: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY OCCUPATION STATUS OF FATHER



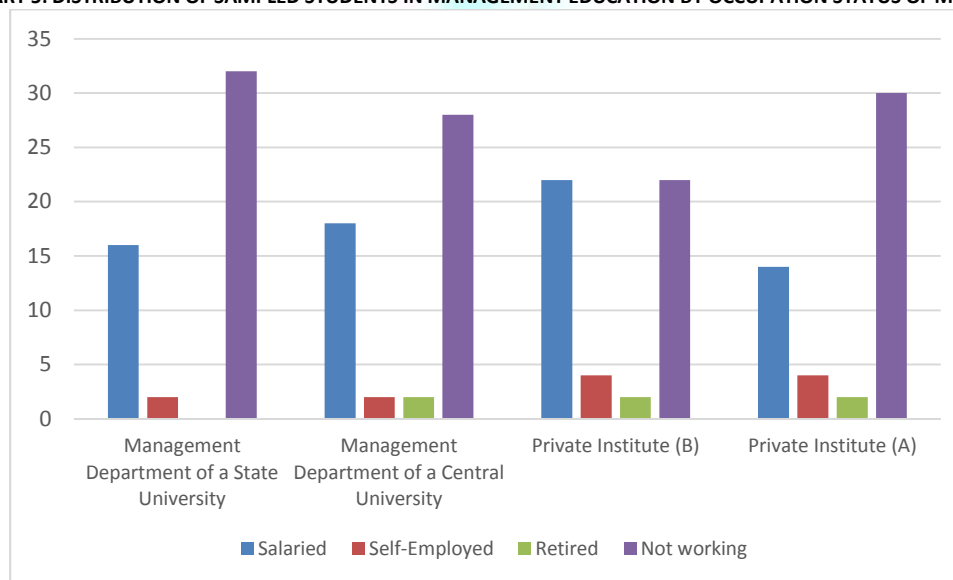
Further analysis of occupation status of Mothers' of sampled students' revealed that majority of mothers' in three Institutes were not working. In Management Department of a State University, 64% were not working, 32% were salaried. Only 4% of women were self-employed. In Management Department of a Central University, 56% were not working, 36% were salaried, 4% were self-employed and 4% were retired. In Private Institute (B), however 44% of the mothers were salaried, 44% of mothers were not working, 8% were self-employed and 4% were retired. In Private Institute (A), 60% of mothers were self-employed, 28% were salaried, 8% were self-employed and 4% were retired. (Kindly refer to Table 5). It can be construed from above results that majority of the students in three Institutes belonged to single member earning family.

TABLE 5: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY OCCUPATION STATUS OF MOTHER

Name of the Institute	Salaried	Self-Employed	Retired	Not working	Response Count
Management Department of a State University	16 (32)	2 (4)	0	32 (64)	50 (100)
Management Department of a Central University	18 (36)	2 (4)	2 (4)	28 (56)	50 (100)
Private Institute (B)	22 (44)	4 (8)	2 (4)	22 (44)	50 (100)
Private Institute (A)	14 (28)	4 (8)	2 (4)	30 (60)	50 (100)

*Figure in bracket indicates percentage

CHART 5: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY OCCUPATION STATUS OF MOTHER



5. FAMILY INCOME OF THE STUDENTS PURSUING MANAGEMENT EDUCATION IN PRIVATE INSTITUTIONS AND UNIVERSITY MANAGEMENT DEPARTMENTS

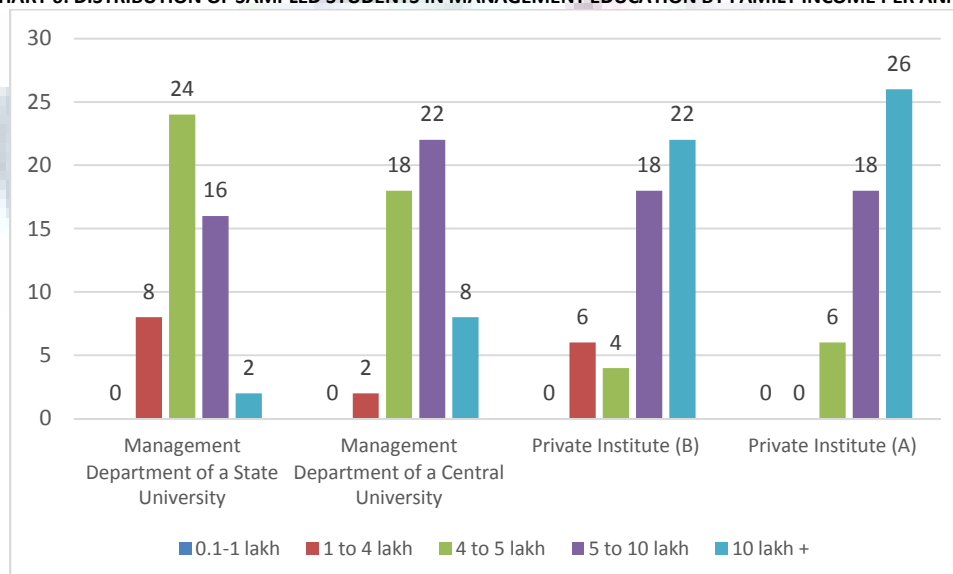
Family income is assessed to gain an understanding about economic status of the sample students. It can be seen in Table 6, that majority of sample students in university run departments fall under 4-5 and 5-10 income bracket. In private Institutions, that majority of sampled students in university run departments fall under 5-10 and 10 + income bracket.

TABLE 6: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY FAMILY INCOME PER ANNUM

Name of the Institute	0.1-1 lakh	1 to 4 lakh	4 to 5 lakh	5 to 10 lakh	10 lakh +	Response Count
Management Department of a State University	0 (0)	8 (16)	24 (48)	16 (32)	2 (4)	50
Management Department of a Central University	0 (0)	2 (4)	18 (36)	22 (44)	8 (16)	50
Private Institute (B)	0 (0)	6 (12)	4 (8)	18 (36)	22 (44)	50
Private Institute (A)	0 (0)	0 (0)	6 (12)	18 (36)	26 (52)	50

*Figure in bracket indicates percentage

CHART 6: DISTRIBUTION OF SAMPLED STUDENTS IN MANAGEMENT EDUCATION BY FAMILY INCOME PER ANNUM



Thus it can be interpreted that students of private Institutions on an average were from middle income background i.e. the beneficiaries of management education are majorly middle and upper middle class in both public and private institutions. Thus, the access of management education is limited to a particular section of society not only in private institutions but also in public institutions.

FINDINGS

- Majority of the sample students in all sample Institutions belong to Metropolitan city.** In management department of state university, 84% students belong to Metropolitan city and 16% of the students belong to town. In case of management department of central university, 68% of the sampled students are from metro, 32% of the students are from town background. In case of private Institutes (B) and (A), 64% and 76% of sampled students respectively belong to Metropolitan city and 36% and 24% respectively belong to towns.
- Majority of sample students pursuing their post-graduation in Management belong to General category.** In Management department of state university (96%), Management department of central university (88%), Private institution (B) (76%) and Private institution (A) (22%) belong to General category. There was no ST among sampled students. SC and OBC also constituted a very small percentage with 0% and 4% (1 student) respectively in Management department of state university, 8% and 4% respectively in management department of central university, 2% and 4% in Private institution (B), 3% and 2% in Private institution (A).
- Occupation division of sampled students' father revealed that majority of the sample students have steady stream of income.** Father of majority of sampled students were service men (government/private) and a very little portion of students' father were retired or not working
- Occupation status of Mothers' of sampled students' revealed that majority of mothers' in three Institutes were not working.** In management department of state university, 64% were not working, 32% were salaried. Only 4% of women were self-employed. In management department of central university, 56% were not working, 36% were salaried, 4% were self-employed and 4% were retired. In Private institution (B), however 44% of the mothers were salaried, 44% of mothers were not working, 8% were self-employed and 4% were retired. In Private institution (A), 60% of mothers were self-employed, 28% were salaried, 8% were self-employed and 4% were retired.
- Majority of sample students pursuing management education were from middle class background.** Majority of sampled students in three Institutes fall under 5-10 lakh income bracket. The exception is management department of state university, where majority of sampled students fall under 4-5 lakh income bracket. (As per a study by National Council for Applied Economic Research's (NCAER) Centre for Macro Consumer Research, a family with an annual income between Rs. 3.4 lakh to Rs. 17 lakh (at 2009-10 price levels) falls in the middle class category.)

Thus in both sample private institutions and University management departments, access of management education is limited to middle income group living in metropolitan city belonging to general category.

RECOMMENDATIONS

Following recommendations have been generated from the study which can improve the access of management education in India:

- Policy should be formulated to improve access of Management Education by providing subsidies and grants to poor section of society.
- Differential fee should be charged from students with different economic background. Otherwise subsidies are absorbed by group of society who do not need them.
- Flexible loan schemes should be made available to the needy meritorious students.
- Scholarships should be provided to needy and meritorious students to pursue their education in private institutions.

LIMITATIONS OF THE STUDY

- Four Institutions selected for the study belong to Delhi region and only one institution from each category is taken for in depth analysis. It would have been good to have more number of institutions for the study.
- Sample selected for assessing socio-economic background of the students consists of only 200 respondents i.e. 50 from each Institution. The researcher could not gather more responses because of reluctance of students to fill questionnaire and share information about their background.

SCOPE FOR FURTHER RESEARCH

- This study focussed on only two private Institutions and two University departments. Also the selected Institutes were from Delhi region. The study can be extended to other management institutions also.
- As mentioned in the first chapter, 200 Alumni were questioned about their Institute i.e. 50 from each Institute. Thus there is a room for verifying these findings with a larger sample.

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TAX STRUCTURE IN INDIA AND EFFECT ON CORPORATES & INDIVIDUAL CUSTOMERS

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ABSTRACT

In the present paper an attempt has been made to study the impact of Indian Corporate Tax Rates, Sales Tax Rates, Custom Duties, Excise Duties and other taxes on economic indicators such as Personal Savings, GDP and other things. Indian Tax Structure is studied by way of data available and also through conduct of interviews of Industry Experts. Findings have been summarized and conclusions have been drawn from them. Suggestions have been provided for betterment of Tax Structure based on data analysis and interviews of experts. Impact of Tax Structure has been studied with reference to effect on Corporates and individual customers.

KEYWORDS

Tax Structure, GDP, Sales, Inflation, Corporate.

INTRODUCTION

As per Income Tax Act 1961, every person (Individuals, Companies, Hindu undivided families, Firms, Cooperative Societies and all other artificial judicial persons) whose total income exceeds maximum exemption limit is liable to pay income tax at the rates prescribed in the act. It is not a voluntary payment but an enforced contribution that is why tax is known as financial charge or levy. Despite the fact that money provided by taxation is used to carry out many functions for the welfare of the society, it usually gives a feeling of displeasure to tax payee. Actually, tax payer does not want that his hard core earned money should be taken away from him. History is witness that there is always a struggle between tax payer and tax collector. Even Corporates are subjected to various direct and indirect taxes such as Corporate Income Tax, Excise Duties and Custom Duties apart from other taxes. They have impacted not even corporates but also trends in customer's behavior of purchases and other aspects of savings. The present study focuses on the effect of different types of taxes and other factors on Corporates as well as individual customers.

REVIEW OF LITERATURE

It is a matter of general belief that taxes on income and wealth are of recent origin but there is enough evidence to show that taxes on income in some form or the other were levied even in primitive and ancient communities. (IT circular, 2010). India has a tax charter with three-tier federal structure (Union, state governments. & local bodies). (Bernardi, 2005) The rapid changes in administration of direct taxes, during the last decades, reflect the history of socio-economic thinking in India. (CBDT report, 2009) Governments use different kinds of taxes and vary tax rates because taxes are one of the significant sources of revenue. Quite apart from its role of raising revenue, the personal income tax has long been regarded as a potent weapon of effecting distributive justice. Secondly, it is an instrument of equity, social justice and income distribution. (Sahota,1991) Another common and most empirically used way to understand its role is the ratio of personal income tax to total tax revenue and national income.(Agarwal,1991) A good tax system is characterized by a high responsiveness of tax revenue to changes in income of public bodies or national income; the technique of measuring this response is tax elasticity and tax buoyancy. Tax policy forms an important part of development process in a developing economy. The total tax revenue is dependent upon three variables viz., tax rate, tax base, and national income. (Ankita, 2009) Tax reforms sometime bring changes in taxation system. Even corporate are not immune to changes in the tax system. Corporates sometimes find it difficult to continue business profitably in spite of changing tax scenarios. (D. Mitra, 2011) Corporates also find that the change in tax structure of various indirect taxes such as excise duties, custom duties etc. also impact sales in a negative way and hence, profitability of corporates. (K.R.Rao, 2010) Even well envisaged plans of India such as VAT have been unsuccessful in efficiently increasing indirect taxes as planned. (K.R. Rao, 2010 and Direct Interviews).

OBJECTIVE OF THE STUDY

The objectives of the study are:-

1. To study the effect of various taxes on Economic Indicators, Corporates and Individual Customers.
2. To suggest suitable measures for rationalizing tax structure.

LIMITATIONS OF THE STUDY

Present study draws conclusions from a limited time period of data. In addition, the number of variables under consideration is also limited. Personal Interviews have been conducted on 9 Industry Experts related to diverse fields only.

RESEARCH METHODOLOGY

Present study is analytical in nature. The study takes data from tradingeconomics.com website. The data caters to various parameters such as Corporate Tax Rate, GDP Per Capita on PPP basis, Total GDP, Sales Tax Rate, Personal Savings and Inflation Rates. The unit of GDP Per Capita on PPP basis is USD, Total GDP is in USD Billion and that of Personal Savings is INR Billion. Impact of changes in exchange rates have been ignored. Bivariate Correlations are applied on the parameters and their results studied. In addition, Interviews were conducted on 9 Industry Experts related to fields such as Power, FMCG, Retail, I-Banking, Consultancy Firms and their summaries clubbed together. Hypothesis is tested on both correlation results and feedback from industry experts.

HYPOTHESIS

1. The Tax Rates are independent of Economic Indicators like Personal Savings and GDP Per Capita. In other words, the correlations between these parameters are not significant.
2. The tax structure doesn't need a reform.

DATA ANALYSIS

The data presented below refers to the variables as discussed before. The data is inputted into SPSS as shown below:-

FIGURE 1:- DATA AS FED TO SPSS

The screenshot shows the SPSS Data Editor window with the following data:

	CorpTaxRate	GDPPerCapPPP	SalesTaxRate	PersonalSaving	Inflation	GDP
1	33.66	2233.86	12.50	8689.68	5.70	834.20
2	33.99	2406.34	12.50	9943.96	6.40	949.10
3	33.99	2606.16	12.50	11183.47	4.00	1238.70
4	33.99	2671.68	12.50	13308.73	10.20	1224.10
5	33.99	2680.55	12.50	16390.38	7.80	1365.40
6	32.44	3121.62	12.50	18329.01	9.10	1710.90
7	32.45	3277.01	12.50	20037.02	8.10	1672.90
8	33.99	3340.60	13.00	220067.00	7.20	1841.70

Pearson's Correlation and Spearman's Rank Correlation have been applied to study data. The results are as presented below:-

TABLE 1: OUTPUT OF CORRELATION FROM SPSS

Correlations

		CorpTaxRate	GDPPerCapPPP	SalesTaxRate	PersonalSaving	Inflation	GDP
CorpTaxRate	Pearson Correlation	1	-.501	.247	.207	-.360	-.565
	Sig. (2-tailed)		.206	.555	.623	.381	.144
	Sum of Squares and Cross-products	3.421	-995.912	.214	73788.753	-3.451	-1.093E3
	Covariance	.489	-142.273	.031	10541.250	-.493	-156.161
	N	8	8	8	8	8	8
GDPPerCapPPP	Pearson Correlation	-.501	1	.523	.569	.443	.993**
	Sig. (2-tailed)	.206		.183	.141	.272	.000
	Sum of Squares and Cross-products	-995.912	1154680.096	262.936	1.180E8	2.463E3	1.116E6
	Covariance	-142.273	164954.299	37.562	1.686E7	351.847	1.595E5
	N	8	8	8	8	8	8
SalesTaxRate	Pearson Correlation	.247	.523	1	.998**	-.023	.472
	Sig. (2-tailed)	.555	.183		.000	.956	.237
	Sum of Squares and Cross-products	.214	262.936	.219	90161.659	-.056	231.038
	Covariance	.031	37.562	.031	12880.237	-.008	33.005
	N	8	8	8	8	8	8
PersonalSaving	Pearson Correlation	.207	.569	.998**	1	.010	.519
	Sig. (2-tailed)	.623	.141	.000		.981	.188
	Sum of Squares and Cross-products	73788.753	1.180E8	90161.659	3.728E10	1.007E4	1.047E8
	Covariance	10541.250	1.686E7	12880.237	5.325E9	1.439E3	1.496E7
	N	8	8	8	8	8	8
Inflation	Pearson Correlation	-.360	.443	-.023	.010	1	.408
	Sig. (2-tailed)	.381	.272	.956	.981		.315
	Sum of Squares and Cross-products	-3.451	2462.928	-.056	10072.450	26.809	2.212E3
	Covariance	-.493	351.847	-.008	1438.921	3.830	315.968
	N	8	8	8	8	8	8
GDP	Pearson Correlation	-.565	.993**	.472	.519	.408	1
	Sig. (2-tailed)	.144	.000	.237	.188	.315	
	Sum of Squares and Cross-products	-1093.129	1116319.446	231.038	1.047E8	2.212E3	1.094E6
	Covariance	-156.161	159474.206	33.005	1.496E7	315.968	1.562E5
	N	8	8	8	8	8	8

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

As we can see from the results that there is a high degree of positive significant correlation between Sales Tax Rate and Personal Savings. Spearman's Correlation doesn't provide any more significant correlations of interest. Hence, our first hypothesis is rejected. In addition, we can reject our second hypothesis on the basis of feedback received from Industry Experts which are provided below in findings.

In another perspective, we can see from results that GDP is also highly correlated with GDP Per Capita on PPP basis. This signifies that national income is not highly unevenly distributed in the economy.

FINDINGS FROM DATA ANALYSIS

- 1) There is a strong positive correlation between Sales Tax Rate and Personal Savings.
- 2) Increasing Sales Tax Rate may discourage customers to buy products which in turn translate into increased Personal Savings.
- 3) There is no high uneven distribution of income due to high growth.

FINDINGS FROM INTERVIEWS

- 1) Bad Design and Implementation of VAT failed to yield the desired efficiency results.
- 2) Transaction Tax was also an example of inefficient tax.
- 3) States should not be independent taxing authorities. Taxing should be centralized.
- 4) The collection of taxes such as corporate income taxes, excise taxes and custom taxes was concentrated in a few sectors such as petroleum, chemicals and metal industries.
- 5) Indian Tax Policy is influenced by competitor countries in specific sectors. As an example, excise duties in textiles are influenced by China's policy.

SUGGESTIONS

- 1) VAT should be reduced and implemented in a better way such that evasions are reduced and customers are not discouraged from purchases.
- 2) Transaction Tax should be designed in a better way such that evasions are reduced and discouragement for transactions are eradicated.
- 3) High dependence on indirect taxes should be reduced by raising non tax revenues and direct taxes on the super rich.
- 4) The Corporate tax rates should be increased in such a way that it is not detrimental to the growth of corporates.
- 5) Corporate Tax Structure should motivate companies to make more investments.
- 6) Tax evasion and avoidance techniques of corporates like transfer pricing should be checked.

CONCLUSION

The Indian tax system has not fully evolved. It will take time to evolve. Hence, we should not make any decisions based on a knee jerk reaction to the changes in the economy. Different modes of taxes such as VAT, Excise Duties and Custom Duties etc should be implemented in a better way such that evasions are reduced. In addition, it should not discourage customers for purchases. Any tax structure should not be detrimental to the growth of corporates or a burden on customers or general public.

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MERGERS AND ACQUISITIONS IN INDIAN PHARMACEUTICAL INDUSTRY: A CASE STUDY ON MATRIX LAB**DR. SURESH CHANDRA DAS****ASST. PROFESSOR****MAHENDRA INSTITUTE OF MANAGEMENT & TECHNICAL STUDIES****BHUBANESWAR****POOJA PATTANAYAK****STUDENT****MAHENDRA INSTITUTE OF MANAGEMENT & TECHNICAL STUDIES****BHUBANESWAR****BHAGYASHREE PATTNAIK****RESEARCH SCHOLAR****MAHENDRA INSTITUTE OF MANAGEMENT AND TECHNICAL STUDIES****BHUBANESWAR****ABSTRACT**

Foreign multinational companies along with Indian pharma companies are partnering together to tap opportunities in the fast growing emerging economies (BRIC nations) and the larger established markets in the West and Far East (Japan). Acquisitions, alliances and partnerships are some of the tools used to penetrate and capture a larger share of the potential opportunity in these markets. These developments bode well for the pharma industry and society as a whole who stand to benefit from such alliances and partnerships through reduced costs and streamlined supply chains. The paper describes the recent merger and acquisition which has happened in Indian Pharmaceutical industry. The paper describes the case of acquisition of Matrix Lab by Mylan Laboratories. The paper narrates the rationale and benefits of this acquisition.

KEYWORDS

Mergers and Acquisitions, Cost arbitrage.

JEL CLASSIFICATION

C23, C25, L65, G34.

INTRODUCTION

The Indian Pharma industry is on the threshold of becoming a major global market by 2020. Many experts believe that the Industry has the potential to grow at an accelerated 15 to 20% CAGR for the next 10 years to reach between US\$49 billion to US\$74 billion in 2020. The Indian pharmaceuticals market is witnessing dynamic changing trends such as large acquisitions by multinational companies in India, increasing investment by domestic and international players in India, deeper penetration into the rural markets, growth and availability of healthcare and incentives for setting up special economic zones (SEZ's). Indian Pharma companies are already major outsourcing partners of global Pharma companies. Research & Development in India is getting more innovative. Domestic companies have strengthened their position in the world for supplying solutions across the pharmaceutical value chain. They are likely to become a competitor of global Pharma in the areas of manufacturing and R&D, and a potential partner in others.

The social, demographic and economic context in which the global pharmaceutical industry operates is rapidly changing. Globally, pharma companies are facing pressure from governments and taxpayers alike for reducing prices of drugs and initiating outcome-based pricing. Simultaneously, there is a vast decline in R&D productivity, diminished pipeline for new drugs, increased drug discovery costs as well as increased regulatory measures that companies need to contend with. The Indian pharma industry is showing signs of robust growth. The domestic pharma market is expected to grow at a CAGR of 15% to 20% to reach a value anywhere between US\$ 50 billion and US\$74 billion by 2020.

INDIAN PHARMACEUTICAL INDUSTRY: AN OVERVIEW

The domestic Indian pharmaceutical industry consists of both domestic companies and subsidiaries of MNCs. India's pharmaceutical firms can be well differentiated by size, annual sales, export markets, and R&D capabilities. The largest 250 companies control nearly 70 percent of the domestic market with the top 10 controlling approximately 40 percent (Greene, 2007). In January 2005, India amended its patent laws governing pharmaceuticals, bringing them into conformance with the WTO TRIPS agreement. Under the new patent law, Indian drug makers can no longer manufacture and market reverse engineered drugs patented by foreign pharmaceutical firms. This law forced Indian firms to change their business strategies and they focus on the generics market in Europe and the USA, invest more in innovative R&D and target contract manufacturing market. Firms started performing more mergers and acquisitions deals, and form other alliances with domestic and foreign pharmaceutical firms. Nearly 97 percent of India's drug market consists of second-and-third generation drugs no longer subject to patent protection in the developed countries (Kale, 2007). Multinational pharmaceutical firms have entered India after 2005 and using the same resource base as that of Indian firms to compete in the Indian domestic market. This forced Indian firms to make several strategic changes in order to remain competitive in domestic and global market as well as to sustain increasing pressure on profit margins.

SWOT ANALYSIS OF INDIAN PHARMACEUTICAL INDUSTRY**TABLE 1**

STRENGTHS 1. Higher GDP growth leading to increased disposable income in the hands of general public and their positive attitude towards spending on healthcare 2. Cost Competitiveness 3. Low-cost, highly skilled set of English speaking labour force 4. Growing treatment naive patient population	WEAKNESSES 1. Poor all-round infrastructure is a major challenge 2. Stringent price controls 3. Lack of data protection 4. Poor health insurance coverage
OPPORTUNITIES 1. Global demand for generics rising 2. Rapid OTC and generic market growth 3. Increased penetration in the non - metro markets 4. Large demand for quality diagnostic services 5. Increase in healthcare insurance coverage 6. Significant investment from MNCs 7. Public-Private Partnerships for strengthening infrastructure	THREATS 1. Labour shortage 2. Wage inflation 3. Government expanding the umbrella of the Drugs Price Control Order (DPCO) 4. Considerable counterfeiting threat 5. Competition from other emerging economies

MERGERS AND ACQUISITIONS IN INDIAN PHARMACEUTICAL INDUSTRY

Liberalization facilitated Indian firms to market generics drugs to the US and other Western European countries. Indian drug manufacturers currently export their products to more than 65 countries worldwide; the US being the largest customer. However, Indian firms face some challenges such as non tariff barriers, decreasing profits in the generics market, competitive threats from big pharmaceutical MNEs, fierce competition from Chinese and Eastern European manufacturers. Indian firms are aiming to move up the value chain by developing capabilities to produce super generics² and branded generics³. Indian companies have realized that to compete with the global pharmaceutical companies, even domestically; will involve new strategies and more innovation. But India, with advantages of having a large domestic market and having the highest number of US FDA approved plants outside the US which offer a low cost manufacturing base is trying to capture the opportunity through strategic alliances and M&A. Identifying domestic and foreign demand most Indian pharmaceutical companies aimed at expanding their manufacturing capacities mostly by means of M&A. At the same time, Indian companies with the aim to gain competitive advantages have been increasing their R&D expenditure and focusing on building a product pipeline.

M&A activities by Indian Pharmaceutical industries are being concluded with the objective of complementing the strengths of two entities to get market access, new technologies as well as new products. Drive to enhance the size and thereby attaining higher economies of scale could be considered as key motivations for M&A in pharmaceutical sector. According to (KPMG, 2006), it could be mentioned that Indian pharmaceutical firms are pursuing foreign acquisitions with the goals of improve global competitiveness, move up the value chain, Creation and entry to new markets, Increase their product portfolio, Acquire assets (including research and contract manufacturing firms, in order to boost their outsourcing capabilities) and new products, Consolidate their market shares, Compensate for continued sluggishness in their home market.

In Indian pharmaceutical industry 322 M&A deals has been undertaken in the given time period of 2001-2013. Out of the total deals number of mergers is 125 (38.82 percent) and number of acquisitions is 197 (61.12percent). Share of pharmaceutical industry is also highest among all the other industries participating in M&A in manufacturing sector during this period.

RATIONALE BEHIND M&A IN PHARMACEUTICAL SECTOR

M&A are becoming an important strategy of corporate functioning. This phenomenon existed and was well studied since long in developed countries like the US and those of Europe. A significant amount of literature is dedicated for understanding the post merger performance and consequences. But before finding the impact of M&A it is required to study the motives behind M&A and the factors which facilitate this corporate activity. M&A are driven by different and complex pattern of motives and no single approach can explain them completely.

The decision to undertake M&A depends on the various firm's characteristics. Following subsections give an insight of several studies that explain how different firm characteristics affect decision to make M&A investments. The size of the firm affects firm's decision to invest as well as its performance in many ways. Large firms possess diverse capabilities which provide them the opportunity to exploit economies of scale as well as scope (Majumdar, 1997). Moeller et al. (2004) tried to find relation between firm size and gains from acquisitions and found that small firms perform significantly better when they make acquisition announcement and at the same time large firms have substantial wealth lose when they announce acquisition. They also did not confirm any nonlinear shaped relationship between size and gains of acquisition.

Danzon et al. (2007) explained in the case of pharmaceutical industries that firms with foreign affiliation are more likely to merge in order to access foreign markets and these firms are less likely to be acquired than domestic firms. Beena (2008) argued that foreign affiliation of firms also impact their M&A decision as well as performance. R&D intensity and Export intensity performance was slightly better for domestic industry as compared to those of MNE affiliated.

Duflos and Pfister (2008) find in their result that acquiring and target firms in pharmaceutical industry are younger than sample average. Young firms want to grow faster and M&A provide this opportunity to them. Lin et al. (2010) find in the study that patent stock of the firm is associated to business age and more the patent therefore lower incentives to innovate and M&A fill in this void.

The above section clarifies that empirical studies have used various firm characteristics to determine the factors affecting M&A decision. In the present study also firm characteristics like age, size, profit, and leverage are included as lacuna in a way that not many studies have been undertaken in developing economies which tries to find out the firm specific determining factors of a strategic corporate activity like M&A. The limited literature available in developing countries for M&A activity is largely based on post acquisition firm performance. Therefore the current study tries to understand the determinants of M&A in an emerging economy with special reference to pharmaceutical industry.

SOME OF THE IMPORTANT M&A ACTIVITIES IN PHARMACEUTICAL SECTOR IN INDIA**TABLE 2**

Year	Indian player	MNC	Nature of deal
2011	Wockhardt	Danone	Acquisition for US\$ 350 million
2010	Paras Pharma	Reckitt Benckiser	Acquisition for US\$ 726 million
2010	Piramal Healthcare	Abbott	Acquisition of domestic formulations business for US\$ 3.7 billion
2008	Dabur	Fresenius	Acquisition of 73.3% stake for Euro 139 million
2008	Ranbaxy	Daiichi Sankyo	Acquisition for US\$ 4.6 billion

Source: Industry reports, PwC analysis

THE CASE STUDY OF MATRIX LAB: A WORTHY ACQUISITION BY MYLAN LAB

Mylan Laboratories Inc. is a leading pharmaceutical company with three principal subsidiaries: Mylan Pharmaceuticals Inc., Mylan Technologies Inc. and UDL Laboratories Inc. Mylan develops, licenses, manufactures, markets and distributes an extensive line of generic and proprietary products.

Matrix Laboratories Limited is a public limited company listed on BSE and NSE, and is engaged in the manufacture of Active Pharmaceutical Ingredients (APIs) and Solid Oral Dosage Forms. Matrix is one of the fastest growing API manufacturers in India and focuses on regulated markets such as U.S. and EU. The company has a wide range of products in CNS, anti-bacterial, anti-AIDS, anti-asthmatic, cardiovascular, gastrointestinal, anti-fungal, pain management and life style related therapeutic segments. Six API manufacturing facilities of the Matrix Group are approved by the U.S. FDA. The combined FDA approved capacity of the company is one of the largest in the country. The company's Finished Dosage Forms (FDF) manufacturing facility has a capacity to manufacture 2 billion tablets and 300 million capsules on two-shift basis. With about 2,300 employees, including over 300 R&D scientists, Matrix focuses on developing APIs with non-infringing processes to partner with generic players in regulated markets for their early formulation entry. It has recently acquired Docpharma, Belgium, for a front-end presence in Belgium, the Netherlands and Luxembourg. In addition Matrix has a controlling stake in Mchem (China) and Concord Biotech India. Newbridge Capital/TPG Ventures, U.S., and Temasek Holdings, Singapore, are the strategic investors in Matrix with combined holding of about 40 percent.

TRANSACTION DETAILS

Under terms of the transaction, approved by Mylan's Board of Directors, Mylan will acquire up to 71.5% of Matrix's shares outstanding.

Mylan will acquire approximately 51.5% of Matrix's shares outstanding for Rs. 306 per share in cash pursuant to an agreement with certain selling shareholders. Mylan will acquire all Matrix shares currently owned by (i) Temasek (Mauritius) Pte. Limited (an investment vehicle of Singapore Government-owned Temasek Holdings), (ii) entities controlled by Newbridge Capital (a joint venture between Texas Pacific Group and Blum Capital Partners), and (iii) Spandana Foundation. As part of the same agreement with these shareholders, Mylan will acquire shares from Matrix's Chairman, N. Prasad. After the transaction, N. Prasad will continue to own 5% of Matrix's shares outstanding.

In addition, Mylan will make an open offer to Matrix's remaining shareholders to acquire up to 20% of Matrix's shares outstanding at the same Rs. 306 per share price in cash. The open offer will take place in accordance with the relevant regulations and procedures of the Securities and Exchange Board of India (SEBI).

The transaction will be funded using Mylan's existing revolving credit facility and cash on hand. A portion of the funds received by Newbridge, Temasek and N. Prasad will be used to purchase newly issued shares of Mylan common stock. Newbridge has agreed to invest approximately \$93 million, Temasek has agreed to invest approximately \$46 million, and N. Prasad has agreed to invest \$25 million, each at a price per Mylan share of \$20.85 (the average of Mylan closing share prices for the ten trading days prior to the announcement of the transaction), subject to certain regulatory approvals.

Mylan expects the transaction to be moderately accretive to management's internal earnings estimates in fiscal 2008, the first full fiscal year following the anticipated closing of the transaction, and significantly accretive thereafter, excluding synergies, charges related to the transaction and the impact of amortization of intangible assets ("Cash EPS"). Mylan is re-affirming its adjusted EPS guidance (excluding stock option expense and transaction related costs) for fiscal 2007 of \$1.35 to \$1.55 per diluted share. In addition to reporting U.S. GAAP earnings per diluted share, upon closing, Mylan intends to provide Cash EPS.

Following the transaction, Mylan will continue to maintain a strong balance sheet, consistent with Mylan's commitment to preserving a flexible capital structure. The transaction, expected to close in the calendar fourth quarter of 2006, is subject to satisfaction of all conditions to the purchase agreement with the selling shareholders, the closing of the open offer, and certain other customary closing conditions.

STRATEGIC RATIONALE

Mylan and Matrix together will have approximately 5,100 employees in 10 countries. Matrix will provide Mylan with a significant presence in important emerging pharmaceutical markets, including India, China, and Africa, as well as a European footprint and distribution network through Matrix's Docpharma subsidiary. By combining Matrix's active pharmaceutical ingredient (API) and drug development business with Mylan's expertise in finished dosage forms (FDFs), this transaction also will allow Mylan to capture incremental pieces of the value chain through backward vertical integration. Additionally, Matrix will expand Mylan's capabilities in a number of key areas including products with higher barriers to entry and long-term growth opportunities, and allow the company to pursue a broader portfolio of new products at lower costs. As part of the Mylan organization, Matrix will benefit from a strong U.S. presence, expanded production capabilities and manufacturing capacity, and industry-leading expertise in product development and process optimization. Matrix is the world's second largest API player with respect to the number of drug master files (DMFs), with over 165 APIs in the market or under development, and 10 API and pharmaceutical intermediate manufacturing facilities, six of which are FDA approved. Matrix has diverse API capabilities, knowledge of the API patent landscape, capability in early API development, a low cost structure and strong scientific capabilities. Matrix's API manufacturing platform will provide Mylan with significant cost savings and enable first in-last out product lifecycles. Their finished dosage form pipeline will expand Mylan's forms and therapeutic categories and allow Mylan to pursue a broader portfolio of product opportunities more economically.

Matrix's presence in Asia and Africa provides Mylan with access to multiple, under-penetrated and growing new markets. In addition, Matrix's strong development capabilities and access to India's highly skilled, scientific talent pool will allow Mylan to increase its number of ANDA submissions. Matrix's additional manufacturing capabilities will provide Mylan with maximum manufacturing flexibility, allowing it to better manage industry cycles, while optimizing market share and gross margins. Matrix's Docpharma subsidiary is a leading marketer of branded generics in Belgium, the Netherlands and Luxembourg, and provides Mylan with a platform for building a larger European presence. This transaction will allow Mylan to distribute products from its broad portfolio into these markets, creating substantial additional distribution opportunities for Mylan's products, extending their growth cycle, and allowing Mylan to capture incremental revenues. Mylan resources and products will accelerate Docpharma's expansion into existing markets, as well as support expansion into multiple new European markets through both organic growth and acquisitions. Mylan also plans to pursue the distribution of Docpharma's novel, existing products and development pipeline in the U.S. in areas such as female health and oncology.

Matrix also expands Mylan's high-barrier-to-entry product capabilities, particularly in the area of anti-virals. Matrix is currently the world's largest supplier of generic anti-retroviral (ARV) APIs. Through its ARV franchise, Mylan and Matrix intend to partner with international programs to bring lower-cost treatment solutions to patients in regions of the world most affected by HIV. For Mylan, Matrix is the entry vehicle for achieving global presence. Matrix has opened the gates for Mylan to high-value markets like Europe and under-served markets like Asia and Africa, besides the cost arbitrage. This is an extremely complementary transaction that accomplishes a number of Mylan's key objectives. Mylan is executing on its commitment to establish a global platform and expand its dosage forms and therapeutic categories. Additionally, this acquisition deepens Mylan's vertical integration and enhances its supply chain capabilities. The transaction will allow Mylan and Matrix to strengthen and expand their core businesses and competencies, while creating significant opportunities for global expansion and growth. Mylan, a proven industry leader, is an ideal partner for Matrix. Our strategic vision remains unchanged and this transaction creates greater growth opportunities for Matrix. This transaction also offers significant benefits for customers of Matrix. Together, these companies will be able to compete more effectively, while delivering cost savings to customers. The additional financial resources Mylan brings also will allow to further enhance Matrix's capabilities in manufacturing and product development.

MATRIX LAB PERFORMANCE AFTER ACQUISITION BY MYLAN LABORATORIES**TABLE 3**

Ratios	2007	2008	2009	2010	2011
Current Ratio	1.56	1.51	2.17	1.81	2.04
Debt-Equity Ratio	0.23	0.64	0.73	0.53	0.51
Operating Profit Ratio	51.59	10.15	19.16	26.60	33.67
Return on Equity	0.42	0.14	0.32	0.43	0.59
Total Asset Turnover	0.51	0.68	0.79	0.81	0.91

Source: Calculated from the annual report of Mylan Laboratories

Current ratio defines the relationship between current assets and current liabilities. The current ratio has been increasing from 2007 to 2011, it indicates that the firm has the liquidity and ability to pay its current obligations. Debt-Equity ratio measures the relative claims of outsiders and the owners against the firm's assets. The Debt-Equity ratio has increased substantially from 2007 to 2009 but in 2011 it has again gone down. This is a good indication for the company because higher Debt-Equity ratio may be unfavorable for the company.

The operating profit ratio has been highest in 2007 but it slid down to 10.15% in the next year. But it has slowly improved and by 2011 it has touched the level of 33.67%. Return on equity has increased from 0.14 in 2008 to 0.59 in 2011. This is a favorable indication for investors. The total asset turnover is also having growth trend.

CONCLUSION

There is a scope to improve the present analysis by looking into the role of cross border M&A deals as well as the impact of type of mergers in determining the factors driving M&A in this particular industry. At the same time it would be interesting to find out impact of new product patent regime on M&A, as this particular development can enhance innovation and restrict competition in pharmaceutical market. Pharma MNCs have acquired Indian companies to maximise their capabilities in serving the global market. The acquisition of Matrix Laboratories by Mylan in 2006 is one of the earliest examples of this trend. Pharma MNCs collaborating with Indian companies bring to the table new products, latest technology, higher investments, quality systems and the knowledge of regulatory processes. On their part, Indian companies provide local market knowledge, cost advantage and local scientific talent. Such alliances have the potential to bring significant benefits to both parties and add value to society as a whole. Such partnerships bring in new drugs and therapies to the market and increase patient's awareness about diseases and wider treatment choices available.

The current paper describes the case of acquisition of Matrix Lab by Mylan Laboratories. The acquisition has helped Matrix to launch new products in domestic market. After the acquisition the financial soundness of both the companies has increased.

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IMPACT OF ACHIEVEMENT MOTIVATION UPON ACADEMIC ACHIEVEMENT AND SOCIO-ECONOMIC STATUS

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ABSTRACT

The present research was aimed at finding out the impact of achievement motivation upon academic achievement and socio-economic status. The sample consisted of 200 boys of class VIII selected randomly from six rural schools of Aligarh district of U.P. India. For measuring achievement motivation and socio-economic status achievement motivation test developed by Rao and socio-economic status scale developed by Pareek and Trivedi was used. Statistical techniques used were coefficient of correlation using Pearson's product moment formula and critical ratio. The results showed that a significant positive correlation was found between achievement motivation and academic achievement. The students belonging to average socio-economic status group have more achievement motivation as compared to those belonging to the high and low socio-economic status group.

KEYWORDS

achievement, motivation, academic, socio-economic, measure.

INTRODUCTION

In general motivation is defined as a force that generates energy to drive a person to do or accomplish something. There are three aspects of motivation and they are the following:

1. Stimulation of behavior (what triggers a person)
2. Course of behavior (what directs a person towards a goal)
3. Determination of behavior (how behavior is being continued)

According to behavioral experts and scientists, there are different types of motivation, one of which is achievement motivation. Achievement motivation is something that causes a person to make an effort to become successful and be goal oriented. Obviously it is what people need to achieve a "good life".

Achievement motivation is the need for success. Individuals will fulfill this need in different ways; the reason for the intensity of the need is both internal and external. The achievement motivation theory states that people who have a strong need for achievement often exhibit certain characteristics. They include: needing opportunities for promotion, requiring feed back so that success can be recognized, placing more importance on tasks than on relationships, having a preference for tasks that allow them to have power and control, needing to be recognized for successful outcomes due to their actions, to participate in tasks that exhibit their expertise, seeking tasks that are challenging so that expertise can be recognized and steering clear of any likelihood of failure. Of all the personal and psychological variables that have attracted researches in this area of educational achievement, motivation seems to be gaining more popularity and leading other variables (Tella, 2003).

The issue of motivating learners is seen as an important aspect of effective learning. In fact psychologists believe that motivation is a necessary ingredient for learning (Biehler and Snowman, 1986). They believe that satisfactory school learning is unlikely to take place in the absence of sufficient motivation to learn (Fontana, 1981). The issue of motivation of students in education and the impact on academic performance are considered as an important aspect of effective learning.

The experimental researches carried out by some researchers have tremendously improved the knowledge about the motive to achieve (Gesinde, 2000). Achievement motivation could be seen as self determination to succeed in whatever activities one engages in, be it academic work, professional work, sporting events among many others. Okoye (1983) opined that motivation holds the key to the understanding of human behavior. He added that motivation should be carefully manipulated whether in the work situation or study situation, so that our students are neither under motivated nor over motivated but appropriately motivated so as to be useful to themselves in their society and the world at large. Many researches (Sinha, 1968; Desai, 1971) have found achievement motivation to have significant positive association with scholastic achievement. Bridge man (1978) reported that standard school achievement test is somewhat predictive of later academic performance. Bank and Finlapson (1980) found that successful students were found to have significantly higher motivation for achievement than unsuccessful students. Moreover (Johnson, 1996; Broussard and Garrison, 2004; Spaalvik and Spaalvik, 2004; Spaalvik and Spaalvik, 2006; Sandra, 2002) revealed significant relationship between academic performance and motivation. In Nigeria a study carried out by Ajaiyi (1998) on achievement motivation using 276 students revealed that there is an agreement between academic performance and motivation.

We find that the children of economically favored class make a prolonged stay in school, while the children of the underprivileged withdraw at the earliest in order to go to work. The impact of the socio economic status of class and schoolmates on academic achievement has received a lot of attention (Hanushek, Kain, Markman and Rivkin, 2003; Ireson, Hallam, Hack, Clark and Plewis, 2002; Kerckhoff, 1986). It is observed that the perceptions and values of individuals belonging to different social classes differ significantly (Kohn, 1963). If achievement motivation is the out growth of certain types of perceptions and values, it would show certain definite relationship with factors such as socio economic status, whose psychological structure is built on certain socio cultural value patterns. The social class is the degree of social status. Socio economic status of individuals is their enjoyed status in the society. It influences individual's achievements, perceptions, attitude and other characteristics. Rosen (1956) found that the members of middle class tend to have considerably higher need achievement scores than individuals in lower socio economic status. Substantial evidence proves beyond doubt that need achievement is positively associated with education, occupation and income i.e. with the factors that determine social class. Pathak (1974), Patel (1977), and Dutt (1983), found that students belonging to high socio economic status have more achievement motivation than those belonging to low socio economic status. Lyngdoh (1975) in her study indicates that higher and middle socio economic status has higher need achievement than lower socio economic status pupils. Choksi (1973) and Parikh (1978) also found a significant difference in the need achievement of high and low socio economic pupils. It means that pupils belonging to high socio economic strata had more achievement related imagery than the pupils of middle and low socio economic strata. The findings of the studies conducted by Mehta (1968), Desai (1970), Tamhankar (1968), Dave (1973) were contrary to the above findings; they all found that the middle socio economic status subjects had greater need achievement scores than the high and low socio economic status group. On the other hand Smith (1964) and Bhatnagar (1969) have found either a negative or an insignificant relationship between the two variables. Agarwal (1978) and Sahoo (1982) indicated no significant difference in the strength of need achievement of high and low socio economic status group.

Hence this survey of literature reveals that there is no conclusive relationship between the level of need achievement and socio economic status. Achievement motivation, academic achievement, and socio economic status relationships should be further probed because of the inconsistent findings revealed in these studies.

THE PURPOSE OF THE STUDY

The study sought to explain the impact of achievement motivation upon academic achievement and socio economic status.

HYPOTHESES

In this study the following hypotheses were set up for verification.

1. There will be a significant positive relationship between achievement motivation and academic achievement.
2. There will be significant differences between the means of achievement motivation scores of high and average, high and low and average and low socio economic status groups.

METHOD AND PROCEDURE

SAMPLE

The study was conducted on a sample of 200 boys of VIII class selected randomly from six rural schools of Aligarh district of U.P. India.

MEASURES

The measures employed in this investigation were:

1. Achievement Motivation Test developed by Rao. The coefficient of reliability was found to be 0.79.
2. Socio-Economic Status Scale developed by Pareek and Trivedi. The Test-retest reliability of the scale was 0.87.
3. In order to identify the measures of academic achievement, previous year's final examination marks of students were obtained from office records of the school. The total marks secured by each individual were converted into percentage for the sake of convenience of calculation.

STATISTICAL TECHNIQUES USED

1. To find out the relationship between achievement motivation and academic achievement the coefficient of correlation was calculated by using Pearson's Product Moment formula.
2. Critical ratio was used to find out the significance of difference between the means of achievement motivation scores of high and average, high and low, and average and low socio economic groups.

RESULTS AND DISCUSSION

1. RELATIONSHIP BETWEEN ACHIEVEMENT MOTIVATION AND ACADEMIC ACHIEVEMENT

TABLE-1: SHOWING COEFFICIENT OF CORRELATION BETWEEN ACHIEVEMENT MOTIVATION AND ACADEMIC ACHIEVEMENT ON TOTAL SAMPLE (N=200)

Variables	Academic Achievement
Achievement Motivation	0.70*

* Significant at 0.01 levels.

Table-1 shows a significant positive correlation between achievement motivation and academic achievement. The correlation coefficient of 0.70 is significant at 0.01 levels, meaning by which that high scorer on achievement motivation are likely to built high achievers on academic achievement. The findings of the present study is very much corroborated by Sinha, 1968; Desai, 1971; Finlapson, 1980; Johnson, 1996; Broussard and Garrison, 2004; Spaalvik and Spaalvik, 2004; and Spaalvik and Spaalvik, 2006; Sandra, 2002 in which significant relationship between academic performance and motivation was found. So hypothesis 1 that there will be a significant positive relationship between achievement motivation and academic achievement is accepted.

2. DIFFERENCE BETWEEN THE MEANS OF ACHIEVEMENT MOTIVATION SCORES AND SOCIO-ECONOMIC GROUPS

Students were divided into three socio economic status (SES) groups-high, average and low. The groups were divided on the following basis:

1. High SES Group: 27 percent students with SES scores in the upper limit (scores 25 and above, N=55) were considered as belonging to the high SES group.
2. Low SES Group: 27 percent students with SES scores in the lower limit (scores 16 and below, N=55) formed the low SES group.
3. Average SES Group: Remaining students (with scores 17 to 24, N=90) were placed in the average SES group.

Then the means of achievement motivation scores of high, average, and low SES groups were found and this led to the calculation of critical ratios to find out the significance of difference among the means of achievement motivation scores of high, average and low SES groups. Comparisons were made between the following pairs of groups.

1. High SES Group v/s Average SES Group
2. High SES Group v/s Low SES Group
3. Average SES Group v/s Low SES Group

TABLE-2: SHOWING SIGNIFICANCE OF DIFFERENCE BETWEEN THE MEANS OF ACHIEVEMENT MOTIVATION SCORES OF HIGH AND AVERAGE SOCIO-ECONOMIC STATUS GROUPS

Groups	Means	SD	N	CR	LS
High SES	45.00	4.51	55	3.15	0.01
Average SES	47.50	4.57	90		

It is clear from table-2 that the value of CR signifying the difference between the means of achievement motivation scores of high and average socio-economic groups is 3.15 which is significant at 0.01 levels. This implies that students belonging to average socio-economic status group have more achievement motivation as compared to those belonging to the high socio-economic status group. This finding is also corroborated by the findings of Rosen (1956), Kogan and Moss (1962), Tseng and Carter (1970), Mehta (1968), Desai (1970), Dave (1973), they all found that the middle socio-economic status subjects had greater need achievement scores than the high and low socio economic status group.

TABLE-3: SHOWING SIGNIFICANCE OF DIFFERENCE BETWEEN THE MEANS OF ACHIEVEMENT MOTIVATION SCORES OF HIGH AND LOW SOCIO-ECONOMIC STATUS GROUPS

Groups	Means	SD	N	CR	LS
High SES	45.00	4.51	55	1.11	NS
Low SES	46.03	4.63	55		

As can be seen from table-2 the value of critical ratio between the means of achievement motivation scores of high and low socio-economic status groups is 1.11 which is insignificant, indicating that no significant difference exists between the achievement motivations of these two groups.

TABLE-4: SHOWING SIGNIFICANCE OF DIFFERENCE BETWEEN THE MEANS OF ACHIEVEMENT MOTIVATION SCORES OF AVERAGE AND LOW SOCIO-ECONOMIC STATUS GROUPS

Groups	Means	SD	N	CR	LS
Average SES	47.50	4.57	90	1.88	NS
Low SES	46.03	4.63	55		

Non significant difference between the achievement motivation of average and low socio-economic status groups was found because the value of critical ratio between these two groups was 1.88 which is insignificant as can be seen from table-4.

Thus it can be concluded that the means of achievement motivation scores of the average SES group is maximum (47.50), followed by the low SES group (46.03) and then the high SES group (45.00). This means that the students belonging to the average SES group have maximum desire to excel others. The students of low SES group do not possess much achievement motivation because their poor socio-economic environment is not conducive to achievement motivation they withdraw themselves from the school at the earliest in order to go to work.

The reason for the low achievement motivation of the students of high SES group may be that their rich social and economic environment may make them careless about their motives.

Hence, the difference in achievement motivation generally stems out of socio cultural conditions prevalent in a particular geographical region. Middle class individuals possess higher need achievement than upper and lower class. This statement was also supported by Desai's study of 1970. He found that need achievement score was higher for those students whose fathers were businessmen or white collar servicemen. The persons of these categories were covered in middle class. Thus hypothesis 2 that there will be significant differences between the means of achievement motivation scores of high and average, high and low and average and low socio-economic status groups is accepted.

CONCLUSION

Academic motivation is crucial to a student's academic success at any age. The findings mentioned in this research study justify the importance of motivation to academic performance. It is important that the parents as well as education authorities should engage in programs that can motivate the students to improve their academic performance. Development of early academic motivation has significant implications for later academic careers. Teacher needs teaching strategies that reduce academic social, cultural and economic differences. Teachers must appreciate students for their achievements as children who perceive that their teachers said positive things to them have higher self concepts (Burnett, 1999). A great deal of research has found that students high in academic motivation are more likely to have increased levels of academic achievement and have lower dropout rates (Blank, 1997).

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EXPLORATORY ANALYSIS ON THE TRENDS AND ISSUES RELATED TO STANDARDIZING FINANCIAL REPORTING IN ETHIOPIAN BANKING SECTOR

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ABSTRACT

The objective of the study was to explore in to the trends and issues of International Financial Reporting Standard (IFRS) adoption in Ethiopian banking sector. The banking sector is the early adopter of IFRS in Ethiopia. Since 2008 all banks are supposed to follow IFRS. This study conducted using 37 sample audited annual reports of 11 banks and review of related literatures. The result showed that the process of IFRS adoption in Ethiopian banking sector has been sluggish. There are still some private banks who are reporting with reference to GAAP, stated on the commercial code of Ethiopia 1960. The study also found that the problems of IFRS adoption in Ethiopia include: lack of qualified manpower, high cost of conversion, poor law enforcement mechanism among the major ones. The role of NBE on financial reporting quality is, hence, limited for the fact both banks and auditors are found against the standards. It is, therefore, suggested to enhance law enforcement mechanism, revisiting accounting educational and training system in order to streamline the process of standardizing financial reporting practice in the banking and other sector in Ethiopia. Further and comprehensive studies are also worth considering.

KEYWORDS

Banks, Ethiopia, Financial Reporting, IFRS.

1. INTRODUCTION

Financial reporting is the process of communicating financial accounting information about a company to external users. According to Norlia & et. al. (2001) who quoted (FASB, 1999)

"The primary objective of financial reporting is to provide high-quality financial reporting information concerning economic entities, primarily financial in nature, useful for economic decision making."

The basic objective of financial reporting involves that accounting and reporting is essential infrastructures for private sector development and economic growth for the fact that various economic decisions such as operation of the financial system and capital market highly relies on the quality of financial reports. Quality financial information, therefore, is an important infrastructure to facilitate finance and investment decision and contributes to efficient allocation of scarce resources.

The application of uniform accounting standard enhances the quality of financial reporting. In most countries the financial reporting is guided by either locally developed generally accepted accounting standards (LGAAPs) or adopted international financial reporting standards (IFRS).

The importance of uniform professional standards and/or financial reporting regulation are paramount to enhance the quality of accounting information for the fact it makes comparison across companies and overtime feasible. Nevertheless, Ethiopia and most developing countries are less benefited from accounting and reporting system because either they don't have local standards or they are in the early stage of IFRS adoption (Mengesha, 2006; ROSC, 2007; Gizaw, 2011; Fanthun, 2012).

The ROSC (2007) clearly pointed out the need for improving financial reporting framework in Ethiopia through the adoption of internationally accepted financial reporting standards.

As Ethiopia has does not have local accounting and reporting standard adoption of IFRS could be a viable option to enhance the local accounting and reporting framework and to integrate it with the international practice. The benefit of adopting financial report has been explained by both academics and practicing accountants since many countries has been following it. In the context of African countries, succinctly presented by Zori as follows:

"First, the merits of IFRS often mentioned include, improved comparability and uniformity of financial statements among companies and countries, resulting in a decrease in the equity cost of capital, improved transparency, a decline in information processing cost and a reduction in risk of international investment decisions amongst others. Whilst these benefits look very desirable, it is also the case that these benefits cannot be reached in every economy." (Solomon, 2012) However the benefits of adopting IFRS to African countries have been shown in various studies (Demaki, 2013), the process of converting the old system in the form of adoption/adaption/ convergence remains challenging. Among the problems the cost of adoption, lack of skilled man power, weak legal and institutional capability, weak corporate ethical value mentioned in different African countries.(see: UNCTAD, 2008; Madawaki, 2012; Terzungwe, 2012; Owolabi & O.Lyoha, 2012)

Though the number of studies on the benefits, prospects and challenges of following international financial reporting standards in African and other developing countries have been surging, very few addressed the context of Ethiopia. This exploratory study therefore aimed at assessing the trends of IFRS adoption and related challenges in Ethiopia by taking the banking sector as a case study.

The banking sector merits being a case study because the national bank of Ethiopia required banks and other financial institutions to early adopt IFRS in 2008 though other public interest companies are asked latter on 2011. Moreover, banks in Ethiopia are among the largest and growing public interest companies. For this reason banks are subject to rigor regulation which includes sound accounting and reporting requirement by the National Bank of Ethiopia (NBE)

As a highly regulated sector, accounting and reporting in the banking sector is supposed to show a better trend of converting existing accounting system to IFRS for the fact that Literature pointed out that sector specific regulatory agencies contribute to the accounting quality (Michael & et.al, 2008), but no empirical evidence to date in the context of Ethiopia showed the role of sector specific regulatory agency. Hence in addition to a mere analysis of trends and issues in IFRS adoption, the paper presented some evidence on the role NBE in standardizing financial reporting practice.

1.1. OVERVIEW OF ACCOUNTING AND REPORTING PRACTICE IN ETHIOPIA

Modern Accounting in Ethiopia was started in early 1990s. The accounting and reporting practice as explained Johanson Kinfu(1991) and Miherat(20012) passed through three different regimes with different political and economic ideology. The first one refers to the imperial era, which was a kind of market lead economy. This period is marked as the heyday of accounting for the fact that the emergence of multinational companies were followed by the International

public accounting firms like Price Water and Cooper. More over more than 50 local firms were in operation and professional association (Association of Ethiopian Accountants) were established and operated until 1974.

The second phase refers to military era of 1974-1991 which followed the Marxist political and economic philosophy that nationalized all private firms and geared the development of accounting profession towards the service of state owned enterprises. The development of financial accounting system of the private sector had been sluggish in this period though the period was marked to its contribution of installing strong internal audit and control culture. (Miherat, 20012)

The third phase is the current era which started after the 1991 liberalization of the Ethiopian economy. Though this phase has been showing a tremendous improvement in the development of accounting, but still the country has no legally adopted financial reporting standard.

According to Solomon (2012) the IFRS adoption process in the country is not completed and the accounting and reporting practice is governed by some accounting standards cited on the commercial code of Ethiopia 1960 and the income and other tax related proclamations. As these accounting standards referred GAAP without mentioning source of the standard, the financial reports are prepared using different standards. Some use GAAP and others IFRS/IAS. This creates a problem of comparing performance of companies and using financial statements for economic decisions.

1.2. SIGNIFICANCE OF THE STUDY

Accounting and reporting infrastructure support the growth of an economy in many respects, but in the context of Ethiopia, the comprehensive survey on accounting and reporting standards of the corporate sector stressed on the importance of adopting international accounting standard for the fact the country were without either local or adopted international financial reporting frame work(ROSC, 2007). Though IFRS adoption in Ethiopia was mandated in 2011 and even early adoption for banks in 2008, Solomon (2011) pointed out that financial reporting in the country still remained without uniform application of standards. This situation limits the relevance of financial statements to users due to lack of comparison among companies. Hence it deemed essential to explore into the trends of IFRS adoption and related issues so as to support the process by identifying issues demanding further research and/or the attention of policy makers.

The banking sector in Ethiopia is among the highly regulated sector. In addition to commercial code of Ethiopia and other financial reporting regulation applicable to all companies, the accounting and reporting practice of the banking sector is subject to directives of National Bank of Ethiopia (NBE). The national bank demanded application of IFRS for banks and other financial institutions since 2008(Solomon, 2011, Fanthun, 2012). This early adoption of IFRS in the banking sector is in line with an argument that, sector specific regulatory agencies strengthen financial reporting quality (Michael & et.al, 2008). This study, therefore, analyzed the trends of IFRS adoption in Ethiopian banking sector and assessed the role of sector specific regulatory agencies and issues for further considerations.

The banking sector merits being subject of study, because of the following reasons: First the sector becomes the growing and one of the largest public interest companies in Ethiopia. Following proclamation no 86/1994 the number of banks increased from 3 to 18 in 2013(NBE, 2012). Taking into account their contribution to Ethiopian economy protecting the sector from any potential failure is paramount importance. In this regard a well-designed financial reporting infrastructure plays a vital role. Thus this study could contribute by showing the factors affecting IFRS adoption and what role NBE played in the process.

1.3. OBJECTIVES OF THE STUDY

The general objective of this study is to explore in to the trends and issues related to standardizing financial reporting through IFRS adoption in Ethiopian Banking sector.

The specific objectives of the study include the following:

- To understand the benefits of adopting IFRS through a review of related literatures
- To understand the challenges of adopting IFRS in developing countries and identify lesson to Ethiopia
- To examine the trends of IFRS adoption in Ethiopian banking sector in the year 2008-2012
- To develop ideas for further and comprehensive studies

1.4. SCOPE AND LIMITATION

The current study is an exploratory study which aimed at creating understanding and insight about the IFRS adoption process, benefits, challenges and issues for further study. The study was conducted using a review of related literature showing country experiences and analysis of limited secondary data from the Ethiopian banking sector. The data were delimited to the banking sector for the fact that the sector is an early adopter of IFRS in Ethiopia, on one hand, and difficulty of obtaining annual reports and practices of companies in other sector for temporal and pecuniary reasons. Moreover the IFRS adoption in other sector is started only in 2011 and possibility of obtaining relevant information from other sector could also be limited.

2. LITERATURE REVIEW

International Financial Reporting Standards (IFRS) is a set of accounting regulations, is becoming the global accounting standard for the preparation of public-company financial statements (Annette, 2012). The number of countries adopting IFRS has been growing even in least developing countries in Africa is in the process of adopting and adapting IFRS (Deloitte, 2009 Cited on Terzungwe, 2012). Application of uniform accounting and reporting standard at a national and international level could enhance the quality of financial reports for the fact this principle based rules are less subject to management desecration.

Researchers in African countries that already adopted IFRS showed the various benefits and challenges of IFRS adoption. In this respect Akpan-Essien (2011) cited Demaki (2013) the Nigerian financial reporting system improved its transparency, accountability and integrity and contributed for increasing flow of foreign Direct Investment.

According to Demaki (2013) the result of Akpan-Essien(2011) signifies that financial reporting infrastructure is among the prerequisite that foreign investors are interested in the host country for the fact international investor could easily compare investment portfolios in different countries as well as it creates an opportunity to consolidating financial reports of subsidiaries.

Similarly, Madawaki(2012) through a literature review and archival study which aimed at assessing the benefits and challenges of IFRs in Africa by taking Nigerian as a case , showed that "[...] attracting foreign direct investment, reduction of the cost of doing business, and cross border listing" include in the list of benefits enjoyed by Nigeria.

In the same vein Terzungwe(2012) studied the benefits and challenges of IFRS in Nigeria by considering respondents from the banking sector, that early adopts IFRS, and judgmentally selected knowledgeable individuals with IFRS. For the purpose a questionnaire and interview were used as data collection instruments. The descriptive analysis followed in the study revealed that Nigerians agreed on the need for to follow IFRS despite they view problems in using the new system which may include lack of qualified manpower and cost of conversion.

In support of the other finding Owolabi & O.Lyoha (2012) presented results of their study that covers different countries in the African who already adopted or are in the process of adopting IFRS. The purpose of their study was to garner the perception of financial statement users and prepares as to the benefits and challenges of IFRS. For the purpose they administered an online survey via a twitter social networking website. The result of their data analysis confirmed the previous studies for the fact that both users and preparers from different country believes in future benefit, but the challenges in using the new system

UNCTAD (2008) also presented the experience of Kenya who adopted IFRS in 1998 second to no African countries. This document also revealed the contributions of IFRS for financial quality in the form of transparency, comparability and uniformity with the global standard brought various benefits to the country, "[...], but even after 7 years of adoption" the challenges cited in the context of other countries persists in Kenya.

Madawaki(2012) In implementing IFRS Nigeria were also identified that that the IFRS adoption in Nigeria Should be accompanied by development of a legal and regulatory framework, awareness campaign, and training of personnel so as to reap in the benefits of IFRS.

The results of studies in developing countries of other region, such as south East Asia also showed that the benefits of IFRS is agreeable, but with expectation of many challenges to fully adopt the system.

To provide few examples, Jaafar Sidik & Abd Rahim (2012) examined the perception of accountants as to the benefits and challenges of accounting standard to Malaysia. The study motivated to obtain firsthand information of practicing accountants about the benefit and challenges associated with the international

financial reporting standard (IFRS) adopted in 2006. For the purpose a questionnaire survey was conducted with 200 accountants registered in Malaysian Institute of Chartered Accountants. The data were analyzed using a descriptive methods and the result showed that accountants with different academic qualification, years of work experience believed that most of the statements of benefits and challenges of IFRS listed on the survey instrument, which was designed, based on the review of related literatures were alike with the context of Malaysia.

Despite challenges of adopting IFRS it has various advantages hence previous studies showed that countries in Africa need to enhance the law enforcement mechanisms, revisit the accounting curriculum at various stage in order to inculcate the issues of IFRS and other emerging issues, uplifting the knowledge of existing accounting professionals and other stakeholders through workshops, seminars and continuous professional educations so to reduce the challenges in the process of IFRS adoption. (UNCTAD 2008 & Demaki2013)

3. RESEARCH METHODOLOGY

The study followed an exploratory research design for the fact that the area is not well explored in the context of Ethiopia. An exploratory research design was followed to use flexible research strategies that could enable to develop better insight about the issue of IFRS in Ethiopia which is less studied topic. The study consumed secondary data garnered from audited annual reports of 11 banks and review of literature mainly professional and academic journals and other published materials pertaining to the issue. The banks are selected judgmentally. First the banking sector was grouped into state owned and private commercial banks. All (3) state owned banks and 8 private banks were considered. Out of the private banks 4 are among the oldest in age and the remaining 4 were recently joined the banking sector.

Though the study covered five years and 9 banks the observations were limited only to 30 annual reports. This is because some banks do not issued all annual reports online.

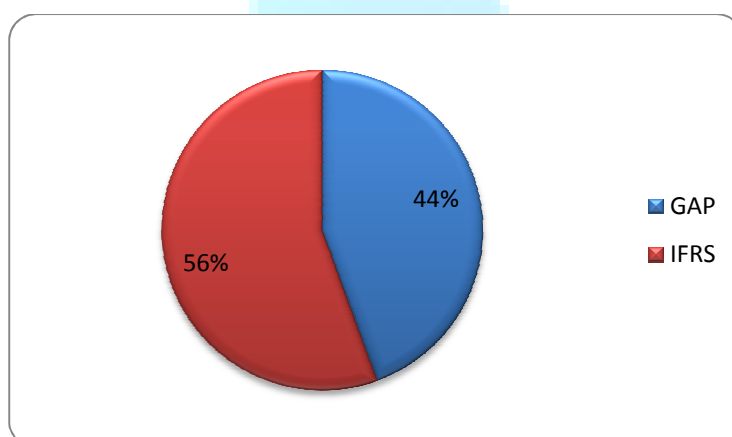
To analyze the data both qualitative and quantitative techniques were employed. First qualitative analyses of data from survey of related literature were made. Following this a descriptive analysis was adopted.

4. RESULT AND DISCUSSIONS

The objectives of this study include the trends of IFRS adoption in Ethiopian banking sector from 2008 to 2012 and identifying issues for further action and further studies. In line with the objective, the findings and discussions are made herein.

4.1. REPORTED ACCOUNTING STANDARDS

The results obtained from analysis of audited annual reports issued by 11 banks from 2008 to 2012 on figure 1, revealed still the inconsistency remains at the ground.



Source: Computed from Audited Annual report of Sampled Banks

As can be seen on figure 1, 56% of financial reports followed IFRS whereas the remaining was based up on GAAP. The result revealed that though IFRS adoption in the banking sector was issued before five years of the study period there are still significant number of reports prepared using the old version of accounting standard (GAAP). The result of this study is consistent with the contention on literatures in Ethiopian accounting and reporting practice before IFRS adoption (Mengesah, 2006; ROSC, 2007) and written after standardization (Gizaw, 2011; Mihret, 2012; Fanthun, 2012) that companies in Ethiopia are using IFRS and GAAP variably which could raise doubt in quality of financial information.

4.2. TRENDS OF IFRS ADOPTION

TABLE 1: TRENDS OF IFRS ADOPTION AMONG SAMPLE BANKS FROM 2008-2012

Year	Number of Reports by banks	Number of banks following IFRS	Banks following IFRS
2008	3	2	66.67
2009	7	4	57.14
2010	9	6	66.67
2011	8	6	75
2012	10	8	80

Source: Computed from Audited Annual report of Sampled Banks

Table 1, above, showed that the number of banks following IFRS had been increasing from 2008 to 2012. Though it sluggish the change looks encouraging as the trend indicated 80 % of reports followed similar approaches in 2012. Nevertheless, of 11 banks under the study 2 banks had been using GAAP during all the periods. This showed that the regulatory agencies are not in a position to enforce regulations. Thus the roles of sector specific regulatory agencies are in contradiction with the literature (Michael & et.al, 2008) and have minimal role in enhancing accounting quality. Of course lack of law enforcement were cited as problem of accounting infrastructure in Ethiopian corporate sector (ROSC, 2007) and also confirmed by Fanthun (2012) who recently studied prospects and challenges of IFRS adoption in Ethiopia.

4.3. ADOPTION IFRS IN PUBLIC AND PRIVATE BANKS

When we look at the trend of adoption based on ownership, all state owned banks followed IFRS during the period under the study. On the other hand the trends among private banks were slower. The number of private banks adopting IFRS was very few at the beginning and showed incremental growth throughout the year though still at the end of 2012 there are private banks using GAAP without clear information as to the source.

4.4. THE ROLE OF AUDITORS

It was also observed that financial reporting standard by banks and auditing standard are highly correlated. Except 3 audit reports of a single bank, auditors following ISA reported that their client followed IFRS. Whereas those auditors using GASS and their clients are found to report financial statements are prepared according to GAAP in 11 reports of 3 banks throughout the period covered under the study. There was also a case where accounting standard of a bank changed from GAAP to IFRS following with a replacement of auditor used to follow GASS by the one who works using ISA.

TABLE 2: CORRELATION BETWEEN AUDIT AND ACCOUNTING STANDARDS

	Accounting Standard	Audit Standard
Act. St	1	
Audt.St	0.846234324504335	1

4.5. THE ROLE OF NBE

NBE has a relatively higher discretionary power on setting and enforcing rules and regulations governing operation of banks. It issued directive on financial reporting approach and also scrutinize the quality of independent auditors. However it couldn't manage to enforce banks to standardize accounting methods, nor get assisted by the independent auditors. Though there are some private banks still following the old version of accounting guideline (GAAP) the auditors are issuing standard unqualified report. This showed that auditors might dictate the accounting and reporting standard to be employed by their clients. Thus it is possible to surmise that the current study confirmed it predecessors in that there is no legally backed auditing standard and the application across audit firms remains variable.

5. CONCLUSIONS

One of the qualitative measures of financial reporting quality is comparability of performance among companies and/or a trend of single company across time seems lacking with the observed inconsistent application of accounting standards in Ethiopia. The IFRS adoption in the banking sector is not completed even after five years of directives requesting banks to follow IFRS. Though the trend had been increasing it was not impressive for the fact that there exist some banks following the older version of reporting standard up to 2012.

The study showed that all public sector banks complied with requirement of following IFRS since 2008, whereas the case in private banks is different and only few banks managed to meet the NBE requirement at the beginning.

The review of literature in other African countries showed that lack of qualified man power and other resource including cost of conversion are among the problems. Mengesah(2006) and later confirmed by Fantahun(2012) also showed that lack of adequate professionals and other infrastructure supporting the adoption of IFRS are the main problem.

The result is also consistent with ROSC (2007) that enforcing accounting and auditing standard in Ethiopia is unsatisfactory due to the fact that even sector specific Agencies like NBE has little to do with enforcing accounting and reporting frame work in the banking sector. In line with Fantahun(2012) also indicated that major challenge of early IFRS adopters which attributes to regulatory frame work include lack of strict time bound to convert existing standards to IFRS and lack of implementation guidelines.

It was also concluded that government regulatory agencies (NBE), auditors and professional associations need to integrate to enhance the banks capacity to comply with IFRS.

In sum, this study suggests that regulatory agencies need to enhance law enforcement capability in addition to enacting standards. Moreover professional associations and academics in the country need to revisit the education and training facility in order to incorporate the requirement of IFRS in their training. Organizing capacity building seminars and workshops to accountants and other stakeholders is also worth considering enhancing awareness and bridging the knowledge gaps in implementing IFRS.

The current study depends on secondary data and covered limited number of banks. Moreover as exploratory study it was relayed on fewer rigors statically techniques, but helped to point out the issues for further studies. Future studies focusing on the very need of adopting international standard in Ethiopian reality should be studied by taking into account the existing legal framework and economic condition. Studies that will try to garner the opinions and perception of various stakeholders from both users and preparers of financial statement will also help in pointing out why the IFRS adoption remains sluggish and the required remedial action.

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CHANGING CUSTOMER BEHAVIOR-TIME TO RETHINK BY THE INSURANCE PROVIDERS

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ABSTRACT

The present paper is an endeavour to study the customer behavior regarding insurance policies. The buying behavior of the consumer depends upon the awareness of the product, taste and preference of the brand. The customer behavior is changing rapidly around the globe, driven by the diverse economic, demographic, competitive and regulatory environments. To seize the opportunity that these changes present, the insurers can no longer rely on received wisdom about what consumers think and how they behave. The challenge is to really understand what drives customer behavior today, in all the geographies, sectors and channels where they operate. By getting the customer interaction there is an opportunity in every market to do a better job of attracting customers and strengthening relationships in order to drive growth. This paper focuses on customer relationship building especially for insurance sector and its management in general, based on the principles of relationship management in service organizations. Also identify the managerial practices and measures for relationship building for effective and efficient business. The advancement in information technology has fed an expectation among consumers that they will be able to do more independent research when buying insurance products. The interview method was deployed to collect the primary information. This paper analyses two broad approaches to considering customer behavior: rational choice theory and behavioral economics. This paper has also emphasizes to explore what drives consumer behavior in the insurance sector.

KEYWORDS

Customer behavior, Customer relationship, Insurers.

INTRODUCTION

growing competition in insurance sector after privatization, there is a need to understand the psychology of the customer while choosing an insurance product. What drives the customer behavior? There are several environmental changes that drive the customer attitudes and behavior. The long term customer relationship is required for the vary growth and survival of the business in every sector. The insurance providers need to develop an effective Customer relationship management in the sectors in which they operate.

Customer relationship management (CRM) is a practice that puts the customer at the center of the equation. It's all about how you treat your customer after the sale. CRM is a business philosophy based upon individual customers and customized products and services supported by open lines of communication and feedback from the participating firms that mutually benefit both buying and selling organizations.

CRM provides selling organizations with the platform to obtain a competitive advantage by embracing customer needs and building value-driven long-term relationships.

APPROACHES TO UNDERSTAND CUSTOMER BEHAVIOUR

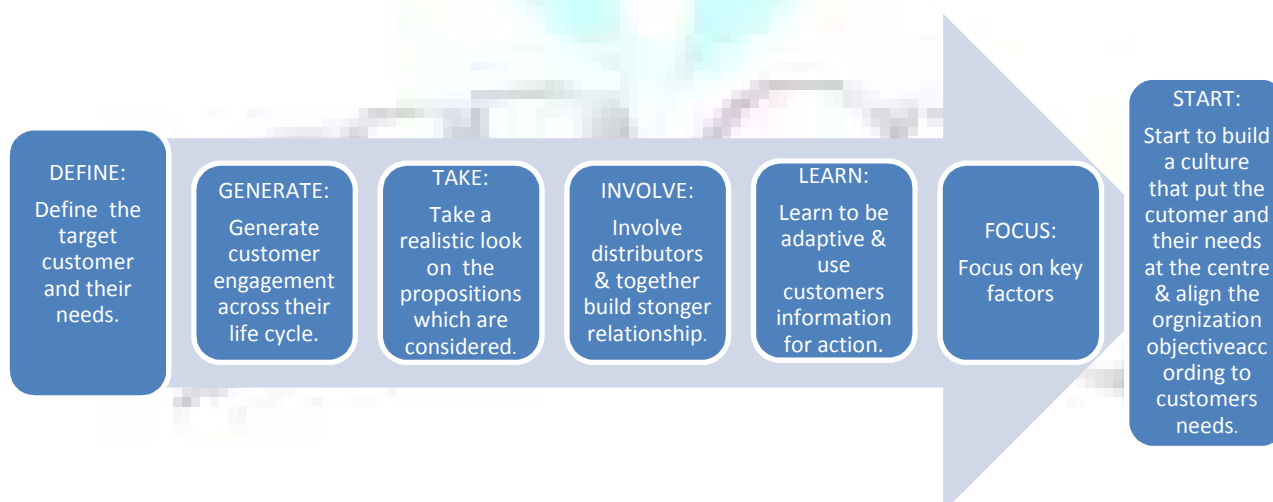
Two approaches to understanding customer behavior, rational choice theory and behavioral economics, both assist policy makers in implementing appropriately designed regulations.

- **Rational choice theory** assumes that consumers make choices such that their utility is maximized, subject to budget constraints.
- **Behavioral economics** draws on psychology and the behavioral sciences in assessing consumer behavior.

These approaches should be considered by the insurers while studying consumer behavior.

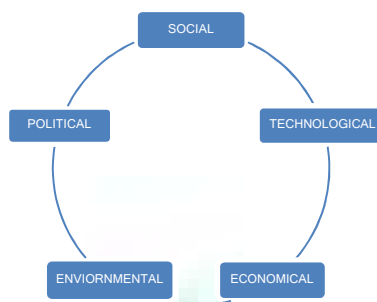
STAGES TO ACHIEVE CUSTOMER CENTRICITY

To achieve customer centricity all insurers need to be clear about where they stand and what steps lay ahead for them.



FACTORS AND DRIVERS IMPACTING CUSTOMER BEHAVIOR

To cope up with the changing customer behavior the following STEEP factors should be considered:



A STEEP analysis is a tool to evaluate various external factors impacting consumer behavior. STEEP is an acronym for Social, Technological, Environmental, Economic and Political.

S:Social

Social developments include factors like Demographics, Lifestyles, Social and cultural values.

T:Technological

The speed of technological development is extremely rapid. Therefore changes in technology influences social, economical, environmental and even the political factors. When considering technology, think about: Innovation, Transport, Communication, Research & development.

E:Economical

The economic situation is largely related to the buying position of the consumer. Think about factors like Paying capacity, Availability of credit, Taxes, Entrepreneurship and availability of jobs.

E:Environmental

Environmental developments include ecosystem factors like Water, Wind, Soil, Food and energy.

P:Political

Political developments can greatly influence customer behavior. Political developments affect different kinds of laws for example environmental, anti-trust, financial markets and trade.

FACTORS CONSIDERED BY THE CUSTOMERS BEFORE SELECTING INSURANCE POLICIES

There are five key factors which are specifically considered by the customers before buying insurance policies.

Need-based investment: The standard thumb rule is that life cover should be 10 times of the annual income. Customer need to define their need and accordingly buy a policy that will help them to meet their requirement in future.

Background check and due diligence: Once customers have decided on the policy, they could do the necessary background checking on the company concerned. There are many sites that help them to compare various policies as well as the premiums.

Fund performance: When buying an ULIP, which also acts as an investment vehicle, customer could look at the past performance of the company.

Claim settlement ratio: The claim settlement ratio of an insurance company should also be considered by the customer when buying a product.

Understanding the policy: Once customer have zeroed in on the product based on his need and track record of a company, he should understand the features of the policy, specifically those related to the policy term, premium-paying term, maturity date and charges.

REVIEW OF LITERATURE

- **The 2008 Executive Survey by Gartner and Forbes.com** states plainly that, "retaining and enhancing relationships with current customers is the number one business issue, followed by attracting new customers."
- **Ernst & Young (Global Consumer Insurance Survey 2012 Report)** undertook a research project with the independent firm Ipsos to canvass the opinions of 24,000 consumers across seven regions around the world between August and October 2011. This research has focused the value of customer centricity and why it is so important to an insurer. Our survey probed customer attitude and behaviors to determine how customers view and interact with the industry, as well as their expectations for the future. Our findings confirmed that those insurers who respond best to what customers want now are most likely to succeed.
- **PWC Insurance 2020: Turning change into opportunity, January 2012:** states that the Insurers who anticipate and plan for change can create their own future.
- **K. Selvavinayagam and R. Mathivanan (2010)** article has revealed that the competitive climate in the Indian insurance market has changed dramatically over the last few years. At the same time, changes have been taking place in the government regulations and technology. The expectations of policy holders are also changing. The existing insurance companies have to introduce many new products in the market, which have competitive advantage over the products of life insurance companies.

IMPORTANCE OF THE STUDY

Consumer is a king and it is the consumer who determines what a business is. Therefore, a sound knowledge of consumer behavior is helpful in analyzing the habits, attitudes, motives and needs of consumer. The study of consumer behavior provides insurers to understand and predict the future changes. It helps in devising appropriate strategies most relevant to the target customer segment.

The study of consumer behavior is also significant because it makes insurer to understand why consumer behaves in a particular manner.

After considering the above discussion there is a strong need to study the customer behavior by the insurers for making good relationship with their customers and also to gain the market share.

STATEMENT OF THE PROBLEM

There are many challenges in front of insurers which are related to financial markets, changing regulatory oversight and economic uncertainty and there is a risk for insurers who may not be listening and responding to the voice of their customers. For the insurers who are hoping to navigate through this difficult time, understanding how customer behaviors and attitudes are changing is critical. Previous assumptions and information received about their customers may no longer be reliable and those insurers who are able to respond best to what customers want now are most likely to succeed.

Companies can achieve better retention rates, reduce acquisition costs and boost market share by addressing the root causes of customer attrition and applying targeted treatment strategies that involve all service channels and functions in an end-to-end effort to improve the customer experience. The way the customers want to interact with the insurers has also been changed through the internet. Innovative mobile and other next- generation channels will be

essential to attracting and retaining especially younger customers. The main challenge before the insurance companies is to constantly innovate new products to suit the changing attitudes, life style and behavior, government intervention, competitions, technological advancement, service quality and customer relationship management.

OBJECTIVES

1. To identify the various economic, demographic, competitive and regulatory environmental factors that affect customer behavior.
2. To identify the measures for improving and building long term customer relationship for effective and efficient business.
3. To know the expectations of the customers from the insurance providers in order to seize the various opportunities.
4. To evaluate the factors underlying customer perception towards investment in insurance policies.

HYPOTHESES

- H1: Managerial practices of insurance providers will not significantly influence the level of customer satisfaction.
- H2: There is no significant relationship between environmental factors and customer behavior in the insurance sector.

RESEARCH METHODOLOGY

The present study was based on both primary and secondary data.

Primary data were collected through personal interview with the insurance policy holders.

The **secondary data** were collected from reports, surveys and also from various journals, articles, magazines, websites, etc.

FINDINGS

One of the most striking and positive finding is that the reputation of the insurance industry has not been tarnished by the global crisis. The majorities of customers still have reasonably high satisfaction levels and are confident that their products meet their needs. But there is no room for complacency: for a significant minority of customers, insufficient information about product suitability is creating a lack of confidence that their product is right for their needs. Customers are looking for value to be clearly demonstrated, reflecting a balance of price, product features and service tailored to their needs. They also expect the buying process to be convenient and transparent, allowing them to buy with confidence. Once they have made their choice and have an established relationship with an insurance provider, customers expect the product and service to deliver against their expectations.

Further, there is strong evidence in our findings that the way customers want to interact with insurers is changing. The internet is transforming consumer offerings in other retail industries and setting a new benchmark for how businesses interact with consumers. In most consumer sectors, there is now far more information available to allow customers to compare products and prices and to obtain independent opinions before purchasing.

CONCLUSIONS

Many insurers are not keeping pace with changing market and customer dynamics are far behind other industries in meeting customer expectations. To succeed in this fast-changing environment and achieve sustainable top-line growth, insurers need to focus on redefining customer relationships, transforming business models to embrace data and digital and introducing an innovative culture in support of strategic decision-making. The major focus of CRM is to facilitate customer-centric operations leading to strong customer relations and loyalty. Businesses that properly implement a customer relationship strategy stand a significantly higher chance of achieving both of these goals.

From the above discussion it can also conclude that in changing market there is a need to study the customer behavior by the insurers to gain the market share.

RECOMMENDATIONS/SUGGESTIONS

The insurance providers can improve Customer Relationship Management & it doesn't take much time. Simple things like birthday cards, opinion surveys and focus groups are a great way to connect with the customers. Coupons, discounts and special perks for loyalty and referrals are also a good way to show the appreciation for the customers. Businesses are facing unprecedented pressure to deliver value. Companies can achieve better retention rates, reduce acquisition costs and boost market share by addressing the root causes of customer attrition and applying targeted treatment strategies that involve all service channels and functions in an end-to-end effort to improve the customer experience. A great deal of data is being generated in the course of interactions with prospective and existing customers. Such analysis can also support the selling process by tracking responses and alerting salespersons. Sound customer relationship management practices are the answer.

How to build a strong foundation for the future-

- Insurers need to diversify to sustain stable top-line growth and earning fluctuations.
- Insurers need to make sure they retain a strong influence on how customers view their products and services, regardless of overall channel strategy.
- Insurers need to better understand the true needs of their customers in order to redefine the products and services they offer and the ways in which they interact and serve them.
- Productivity improvement is required to gain a competitive advantage in adverse market conditions.

SCOPE FOR FURTHER RESEARCH

There is ample scope for further study as the insurance providers are facing the challenges due to changing customer attitudes and behavior day by day. Today in order to develop and survive into the market, there is a need not only to listen to the voice of customers but also to respond to them the customers want products, and the purchasing process, to be simple and transparent so they can understand what they are buying. They want to build long-term relationships with insurance providers based on trust, and to have confidence that the products they are buying are right for them and meet their needs.

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EXAMINING EMPLOYEES PERFORMANCE APPRAISAL ISSUES AND CHALLENGES IN BANKS OF PAKISTAN: COMPARATIVE STUDY OF PRIVATE AND PUBLIC BANKS OF PUNJAB PAKISTAN

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ABSTRACT

The radical purpose of this study is to identify the factors which affect performance of employees in banking sector and to propose/develop a system for monitoring the evaluation process while deploying identified factors. The study keenly focuses on identifying critical issues and challenges being faced by the employees directly or indirectly influencing performance. The study is designed to examine the effect of performance evaluation system on distinct work related traits such as; behavior, attitude, motivation level and moral of employees in public and private sectors. The methodology used self-administered questionnaire and conducting interviews from the employees. Approximately 50 questionnaires filled by private and public employees followed by 10 interviews from both sector. It's a comparative study of private and public sector which aims to identify various hindering factors influencing the performance of employees. Primary data has been collected through administering questionnaire and interviews followed by critical analysis and thorough examination, 17 aspects influencing performance have been identified such as; specific objectives, objective setting, standard evaluation, unbiased behavior, effective performance, effective communication, training need, appraisal enhancement, appraisal mechanism, appropriate training, difficulties to achieve objectives, coaching/guidance, formal trainings, client/stakeholder, semiannual performance appraisal, performance assessment and then action plan. Furthermore, study compels to adopt proper negotiation, transparent implementation of organization's rules & regulation and comprehensible procedure for effective performance and its evaluation. This research suggests that if the identified 17 factors manipulate employee's performance in banking sector be taken in to account, be given due attention and be exercise will result in obvious improvement of their performance. The worth of this paper is identified through its emerging topic. Performance evaluation is the full fledge formal interaction between an employer and employee. This tool is being widely used to ensure that human resource is being utilized effectively. "Performance appraisal is a systematic description of an employee's job relevant to its strengths and weakness". Performance evaluation system is instrumental to overcome hindering factors which come across to evaluate the performance of employees.

KEYWORDS

Performance Evaluation, Questionnaire, Pakistani Banks, Performance Appraisal.

INTRODUCTION

The company's greatest asset is not its financial, buildings, equipments and services a company's most important assets is its employees productivity they allow the employee to grow by providing opportunities to learn new skills and to move towards a new position. By providing facilities and training it is necessary to have a look what is the result of this favor and check out the result manager's use tools performance evaluation. Performance evaluation is a basic tool which enhances the efficiency of the work. This tool ensures that employees are being utilized efficiently. Performance evaluation may be defined as a full-fledged formal interaction between an employee and an employer through which an employee's performance can be discussed and examined, with a view to identify the weaknesses and strengths as well as opportunities for improvement and skills development. According to Robbins (1997) managers can use performance appraisals for personnel decisions. "Performance appraisals help highlight areas where employee skills and competencies are deficient but can be remedied with appropriate actions". Performance is actually a core concept for human development. Performance is an activity from which an employee can get reward or not base on good or bad performance. Evaluation means how to make performance better and how to overcome the mistakes of the employees. Performance evaluation is the periodic evaluation of an employee's performance measured against the job's stated or assumed requirements. It is important that members of the organization know exactly what is expected of them, and the yardsticks by which their performance and results will be measured. Laurie J. Mullins substantiate the necessity of an effective appraisal scheme by saying that it can identify an individual's strengths and weaknesses and indicate how such strengths may best be utilized and weaknesses overcome. Performance evaluations are useful tools for both the employer and the employee. If evaluation of an employee is done in a candid, consistent and open manner it will be fruitful for both employer and employee. Performance evaluation is a process which can be efficiently used to take decisions of employees future decisions can be in the form of promotion, demotion, termination etc.

According to Grote (2002) asserted on performance evaluation and said "Performance evaluation serve multiple purposes in organizations because they monitor workforce progress and help determine if promotions, terminations, transfers, and training/development are warranted". Performance evaluation identifies employee training and development needs, and plan for career growth Identify skills and abilities for purposes of promotion, transfer, and reduction in force. Support alignment of organization and employee. It measure actual performance against expected performance.

Performance Evaluation provides an opportunity for open communication about performance expectations and feedback. Most employees want feedback to understand the employer's expectations and how the employee's performance measures against these expectations. As Robbins (1997) maintains that when employees' skills are deficient, performance evaluation can be used by managers as a criterion against which training and development programs are validated. In the area of training and development, performance evaluation can also serve the role of providing feedback to employees on how their organizations rate their performance. Another important consideration is that performance appraisal help incentivize employees towards reward-based allocations. The use of well-crafted employee performance appraisals becomes increasingly important because they can help identify top performers and layoff poor performing employees, which also helps reduce costs during economic crises. As Kressler et al. (2003), Grehan (2002), Landy et al. (1983) any employee who work in the organization so, organization make policies and also design their performance development program to make their performance effective in the organization. Which is become base for their promotion and compensation and employees also avail these benefits through making proper standard of performance.

Performance evaluation base on two basic way from which it make better performance standard of an employee in the organization. First one it describe the evaluation process and the second is that what path should be adopt any employee to work in the organization and how should it evaluate performance of employee. There are following different types of banks working in Pakistan. Larger bank which are work in Pakistan from 1948 is the State Bank of Pakistan which is also known as central Bank of Pakistan. This bank supervise and provide support to all other bank which work in the commercial market of Pakistan like as commercial bank i.e. as National Bank of Pakistan, First Women Bank of Pakistan, Khyber Bank of Khyber, Saving Banks etc. Banks provide opportunity to the people to make business with them after purchasing their shares and earn profit and they are become base for the economy betterment and improvement of the country because State Bank of Pakistan's share in the economic growth of the country because it is also involved in making policies of the government Khan (1995). State Bank of Pakistan maintain the performance standard of each and every banks which work in Pakistan so any bank its performance level s low in the market the central bank has authority to denationalized it means to private the bank Khalid (2006). After 2004 the technology which should be used in the banking sector such as on line banking ,internet banking, use of ATM machines and several other technological aspects have improved the efficiency quantitatively and qualitatively in the world and Pakistan also adopt these technologies to improve the banking performance and evaluate its structure in the country Attaullah et al. (2004).

Online Banking system very beneficial as it provide full information about financial and non financial matters means it provide description about these matters to customer which they can avail these facilities Cinca et al. (2005). CAMEL model is very important and helpful in banking sector to improve their performance standard and efficiency level Sangmi and Nazir (2010). Capital is the basic assets of banking sector which provide help to construct a structure of bank from the view of performance evaluation Bharathi (2010). DEA approach is very helpful for different private banks which work in the country because it improve their performance level and increase efficiency in the banking sector Akhter (2002).

PERFORMANCE EVALUATION IN BANKS OF PAKISTAN

BANKING INDUSTRY

Pakistan Banking industry is referred by Pakistan Bank's Association (PBA). It was established in 1953, its main purpose is to coordinate the efforts of the banking industry, and to share a common vision of progress and development among the companions. PBA Membership is institutionalized and is available only to the Banks operating in Pakistan. Currently there are 46 members, categorized into 6 groups (one of these groups is under formation). Its governing body is an Executive Committee (EC) comprising of 14 members, represented by the Chief Executives of the respective member institutions. PBA's Principal Executive is the Chairman of the Executive Committee, elected periodically from within the EC. Presently, PBA has 11 functional Sub Committees, each chaired by a member of the Executive Committee. Remaining members of the Sub Committees are relevant Executives of member banks.

Over the years the role of PBA has broadened considerably. It is now referred to by the State Bank of Pakistan in formulation of policy for the banking industry, and has been entrusted with the function of regulating and monitoring certain services provided to the banking industry by outside service providers. These service providers include 'Professional Values', who are evaluators allowed to appraise the values of assets collateralized to banks, and Security Agencies offering security services to the Banking Industry. Pakistani banking sector has witnessed drastic changes over a period of 63 years since its evolution in 1947. Initially it suffered from keen shortage of resources and uncertainty due to current political and socioeconomic conditions. Lack of trained human resource and professionals resulted into poor quality of products and services. State Bank of Pakistan was established as the central bank on July 1, 1948 to control the financial sector. Successive amendments were made to extend the control and functions of SBP through State Bank of Pakistan Act 1956. SBP encouraged the private sector to establish banks and financial institutions in the country. It resulted into unhealthy competition and unlawful practices due to bribe and corruption during the decades of 1950s and 1960s.

Today, the Banking sector of Pakistan is playing vital role in the growth of country's economy. In accordance with the State Bank of Pakistan Act, the banking system of Pakistan is a two-tier system including the State Bank of Pakistan (SBP), commercial banks, specialized banks, Development Finance Institutions (DFIs), Microfinance banks and Islamic banks. As of June 2010, the banking sector comprised 36 commercial banks (including 25 local private banks, 4 public sector commercial banks and 7 foreign banks) and 4 specialized banks with a total number of 9,087 branches throughout the country. Among the banks, there are 6 fully fledged Islamic banks as at end of June 2010.

There following are details of banks in Pakistan:

1. Public Sector Commercial Banks 1,621
2. Local Private Banks 6,850
3. Foreign banks 80
4. Specialized banks are 536

Total commercial banks are 8,551. All banks are 9,087. Today, almost 80 percent of the banking assets are held by the private sector banks and the privatization of nationalized commercial banks has brought about a culture of professionalism and service orientation in place of bureaucracy and indifference. Number of the issues is discussed about banking in Pakistan some of them are listed below;

As Akhtar et al. (2011) analyzed the efficiency of Islamic Banks as compare to two types of conventional banks. Khalid and Irshad (2010) found five components of job specification, work, promotion, salary and recognition. Khalid et al. (2011) found customer satisfaction with service quality in conventional banks in Pakistan. Performance evaluation and risk analysis of online banking services. On line banking means internet banking is actually a facility to make easy work for the client of bank in the country Cinca et al. (2005). Islamic bank trend mostly attracted to the people due to interest free investment facility Aggerwal and Yousef (2000). Every bank depend on its capital so, capital is the most important assets of bank which is helpful to construct a structure of bank by adopting CAMEL model which become base for performance evaluation of banks Sangmi et al. (2010).

STUDIED RELATED TO PERFORMANCE EVALUATION

PERFORMANCE APPRAISAL IN HBL

This study is covering not only HBL but this study is providing solution for banks all over in Punjab. This study was conducted to find out the reasons and hurdles which are creating problems for the employee performance in the organization and preventives measure taken which provide different facilities to the employee in the organization from which they perform their work efficiently in the organization.

As discuss above certain preventive measure taken by the organization to improve the performance standard of employee so, this shows that an employee is the most important assets of any organization and whole organization base on his performance because his performance lead to the organization's performance

and its share in the market so, every organization struggle to provision of different facilities and benefits to their employees. Habib Bank of Pakistan today's namely as HBL should deeply focus in performance evaluation of their employees means it provide transport facility such as cars and bikes on leasing and several like as house building loan, medical expenditure and so on. It was the first bank in Pakistan after independence day established in Bombay 1941 and then start working in Pakistan its headquarter is exists in Karachi. Habib bank of Pakistan is well known bank in the country as compared to the other. Habib bank conducted different training program for the improvement of their employee's performance. If senior employee in the organization fully cooperate, helps and support to their lower level employee so, performance standard should be made both lower and upper staff the organization mean there is no jealousy among employees.

FINDING OF THIS STUDY

- The finding of this research shows that many employees have poor performance in using computer. When they work on Microsoft excel they feel a lot of difficulties. When they put transaction such as they balance sheet and deposits sheet on computer because mostly old employee work in the bank so, these have insufficient about this so, their requirement is the provision of training of computer.
- Next finding describes as the employee of the bank claim different types of incentives and compensation support from 56% highly agreed on this claim and 44% minor agreed on this aspects.
- Employees should say that if their proper duties and work should be mentioned in policies structure of bank so we can perform work efficiently.
- If every employee can sincere with his work means they perform their duties honestly so, their performance also improved.
- If bank arrange and construct its quality performance structure through proper planning and discussion. Every employee work hard for the achievement of bank so performance of each employee should be evaluating through this.

DIFFERENCES BETWEEN OUR RESEARCH AND THIS STUDY EXPLAINING GAPS

- Our finding is different from this study as if bank arranged and develop proper training program and if new employee hire on the basis of experiences and technical skills means he know about the banking software and accounting software so, this problem can be overcome as if some employee who are new in the organization but properly skillful about computer technology so, they improve their own performance and they help their old and existing employee in the organization.
- Second difference is that if bank provide them transport facility and house facility through loan system as they require house to live a contented life, motor bike and motor car etc.
- Third difference is that we know as general phenomenon is that mostly employee of bank feel mentally stress so, bank has duty to fully provide facility of medical treatment through providing financial support so, their performance level is up.
- Building and environment of bank is good and better the rooms of the working staff are in good condition in every season means proper pleasure able working condition should be providing to the employee so, the performance of employee should be evaluate.
- Another difference of our research and this study is that the security is the most important issue in Pakistan so; proper provision of security to the employee in the bank performance level is automatically improved through this facility.

OBJECTIVES OF THIS STUDY

There are following objectives of this study such as:

- The first objective is that to identify different problem which effect on the performance evaluation.
- The second main objectives to analyze these problems according to their situation and performance level.
- Suggest the appropriate preventive measures which we take to overcome these problems.

LITERATURE REVIEW

VARIOUS STUDIES FROM ALL OVER THE WORLD

Performance evaluation is perhaps most important issues in all over the world. It can be the worldwide phenomenon about task conflict among employee in the organization. There are several studies have conducted on this research topic. Through these studies it can be observed that mainly focused issue among most studies are To improve the behavior, Performance level and Satisfaction level which has provided number of solutions that will improve the performance of employee by using proper evaluation system or training programs. These methods are adopted almost all over the world. These systems are supporting to acquire the knowledge and experience and which is they gain from their training and program. Through establishing and implementing banker's performance evaluation programs many bank and different financial organization can easily be access by monitor effective program and ineffective performance of employees.

For any organization either it is small or large there is a need of performance evaluation. For any company how much performance evaluation is effective it depends on number of factors, it also includes how effectively the process of any task is documented and communicated, training which is provided to a managers and supervisors. The result of training and effort of supervisor will be resulted after analysis and evaluation.

As Dedreu and Weingart (2003) noted that many organization made a task and targets for their employee to evaluation and development of the performance level. As Thatcher and Zanutto (2003) assert that there are lots of conflicts and problems among employees and these conflicts affect on employee performance and evaluation. According to Passo and Cactano (2005) mostly the conflicts arises from among employee of the banks from internal structure of the bank. As Bannu and Cooke (1986) explained that performance evaluation is actually a specific technique which should be used for evaluation of employee according to the behavior perspective and accomplishment point of view of employees. According to bernardian (1999) employee performance evaluation based on two factors first one included as effective use of human resources and the second one include as it become base for employee's own decision making in life of an employee. As Jacobs et al. (1980), daughtrey and Ricks (1989) asserted that performance appraisal is helpful for those employees who are suffering from their sessions in the organization to establishing goal for their development and getting feedback. According to Milkovich and Newman (2010) every employee in the organization have different ranks based on best and effective performance evaluation of employee in bank or other organization through proper rating of their performance or performance level.

Performance appraisal have some positive impact on the evaluation of employees include as employee's commitment with organization. As Waldman and Saks (1998) explained that many organization make the performance evaluation of employee based on the employee's age and their job experience because mostly studies focus on employee attitude and behavior in the job of employees. According to Meyer and Allen (1991) asserted that employee are the most important asset of an organization on continuous effective bases which give positive result to both employee and organization. According to Guetzkow and Gyr (1954) explained that task conflict is very important factor mostly intra-factors between employees such as they have different ideas and opinion and decision making mind and attitude so, there perception level is also different. Similarly Simons and Peterson (2000) asserted that there is no perfect and direct relationship between task and performance but task and performance effective through team work performance, decision making ability. Those organizations will perform well in the market because commitment and job satisfaction is entirely playing a very vital role for development of employee in the organization. According to Amason (1996) explained that many problems or issues which arises from the task conflicts can be removed or overcome through participatory work and team work decision making and through coordination to solve these problems and issues.

As Milkovich and Newman (2010) described in his studies that there are two main categories of evaluation and they are ranking and ratings on which employees are evaluated. Supervisor uses different styles of measuring and ratings for performance evaluation, output measures and self-evaluation. As Demir (2002) demographic factors and job attitudes mainly job satisfaction, organizational commitment with several behavioral outcomes are tried to be linked such as job

performance and performance appraisal. Similarly Waldman and Saks (1998) they had suggested that the effective and positive aspects can be obtained by the diversity in individual characteristics which could influence in decision making performance evaluation. According to Waldman and Saks (1998) significant predictors of employee's performance appraisal are age, tenure, job satisfaction and job experience.

VARIOUS STUDIES FROM DEVELOPING COUNTRIES

Performance appraisal has described as considerable concentration and practices in the bank mostly cases found also in the developing countries. Performance evaluation is become base for overall performance of employee. We also know that performance of employee base on the standard of organization. Performance evaluation process is communicated not only to the new supervisors but also the running condition of basics it can help to remind all of the supervisors actually what the process is and how to perform it and where there is a need of guidance if required. Supervisors and managers under the supervision of top management and human resources staff should understand the need of performance evaluation and how much it is necessary for employees. Performance evaluation improves when there is a two way communication between employee and supervisor. Some of the cases found in Nigerian banks, Indian banks and Bangladesian, Srilankan Banks. So in this section of literature review mostly discussed the issues and problems which are existed in the developing countries.

According to Zenith Bank Annual Report (2004) employees in the bank communicate with each other by both formal and informal way. Bank provided training to employees for their career development Nigerian bank make a lot of investment on the evaluation of employee. As Dewitte (1999) noted that job insecurity is an important phenomenon. Mostly in banks job security of an employee directly affect the performance of employee. According to Grote (2002) when an organization such as banking sector takes step for evaluation of the performance of employee it shows direction to the top management of organization so that they can motivate employees and can take decision regarding employees future like promotion, terminations or training and development about new work or about new technology in the organization.

As Robbins (1997) asserted that performance evaluation can build ability among employee and manager of the banks to make even any personal decision or about banks performance. According to Robbins (1997) performance appraisal is helpful for the employee to measure and estimate about your own performance standard and level through company's or banks decision about employee performance.

As Delo (2005) assert that banks make better performance of if every individual fulfill all the tasks properly and if any employee does not meet the requirement of any organization there can be a chance of termination which will badly affect the standard of performance. Similarly Robbins (1997) noted that there should be proper criteria according to the specified job to an employee and evaluation process should be designed according to the specified duties of the job. According to Coens and Jenkins (2000) some evaluation process implementing on the employee of banks have low results so organization should focus on the appraisal system and make new strategies which may reform the appraisal system. Performance evaluation system in the Nigerian bank as Wema bank of Nigeria PLC gave better result after reform of their performance appraisal system and implementing on employees. Similarly Robbins (1997) asserted that performance evaluation give a path to the employee to set a better standard of performance in the organization.

VARIOUS STUDIES FROM PAKISTAN

Performance evaluation is actually a core concept for human development. When any organization makes a proper planning and training for their employees it may enhance performance level of employees. Proper evaluation system should be adopted by banks either they are private or public. In Pakistan the trend of performance evaluation is very helpful for the development of employees of both organizations private and public. This review examines the performance appraisal literature published in both academic and practitioner outlets between 1985 and 1990, briefly discusses the current state of performance appraisal practice, highlights the juxtaposition of research and practice, and suggests directions for further research. Here are some issues and problems discussed about employees in the financial organization like UBL, HBL.

As Maslow (1943) discussed there as five major physiological needs of employee in the banks and in other organization like as pay, safety, social and shelter provision. According to Herzberg (1959) motivation is unique factor which help a lot to improve performance of every employee the banks. Similarly Teseema and Soeters (2006) assert that these practices play a vital role in evaluation and development of employee in the banks from NWFP. According to Khan et al. (2011) mostly in Pakistan's bank the performance of older employee is very low as compared to young employee but their retention level is very low due to unawareness about new technology but globalization have brought many changes. As Schneider and Schmitt (1986) explained that recruitment process and right selection play a vital role for the performance evaluation of employee in the banks.

According to Heskett et al. (1994) noted that working environment, design of job and right selection improve the performance of employee in the banks to a great extent. Developing countries they tend to focus on open communication, reward system and bonus through these trends top management enhance the level of performance of employees in the banking sector of Pakistan. According to Kressler et al. (2003) when employees working in an organization, organization are fully responsible to facilitate them for daily work that is beneficial for employee if employee take it seriously for their professional devolvement. Similarly Land et al. (1983) explained that when employee work in the organization they used to focus on their work and become an expert in their duties after passing few year and they can easily perform their work in any organization. According to Khalid (2006) State bank of Pakistan maintain the performance standard of every banks in Pakistan by providing strategies about performance evaluation of employee. As Bahadur and sparrow (2002) explained that HBL also adopted performance evaluation system. Through proper evaluation system in HBL top management is successful in retaining the issues regarding performance of employees. According to Newstron and Douglass (2011) Habib bank Limited of Pakistan have conducted different training and evaluation program for their employee's performance improvement through conducting seminar and meeting to find out the reasons about their problems. As Teseema and Soeters (2006) explained human resources play a very vital role for the performance evaluation of employee human resources include compensation, reward, and promotion of employee in the banking sector of NWFP Pakistan. As Mohanty (2009) asserted that outcome from an employee in bank is very important and it will depend on the strategy making of human resource manger on the issue and problem of employee. As Zhu and Dowling (2002) argued that if the banks or any organization focus on the employee's hard working and his relation and behavior during working so, staffing process emphasize the potential ability and skills of employee that may result better performance.

According to Stringer (2002) performance evaluation is a common concept to solve the problems of employee during working but the organization climate will directly effects on the performance of employee. Similarly Akinboye and Adeyemo (2002) assert that stress is the major factor and reverse emotional intelligence level will directly on the performance of employees. According to Nida College of Management Sciences performance evaluation develop benefits for organization and employee for future perspective and that procedure is helpful for both policy maker about human resources and it will also identify the employee who are not perform well in the organization mean ineffective performer. Evaluation process is very difficult tasks. As Douglass (2011) explained as performance evaluation is actually a tool from which on organization gain information about employee because these information go to negative about performance of employee of an employee, that can be removed.

According to Jamil (2005) Performance evaluations have been conducted since the times of Aristotle. In United States performance evaluation was originated for the very first time after military establishment shortly after the birth of the republic. As Jamil (2005) asserts on the measurement of an employee's performance that allows for rational administrative decisions at the individual employee level. Raw material is provided for the evaluation of the effectiveness of the system components and processes such as recruiting policies, training programs, selection rules, promotional strategies, and reward allocations. It provides the foundation for behaviorally based employee.

FINDINGS FROM DIFFERENT STUDIES

For any organization either it is small or large there is a need of performance evaluation. For any company how much performance evaluation is effective it depends on number of factors, it also includes how effectively the process of any task is documented and communicated, training which is provided to a managers and supervisors. The result of training and effort of supervisor will b resulted after analysis and evaluation. There is no chance of error after performance evaluation it's a formal way to have an effective result. It's just not an asking to a supervisor or a manager to evaluate the staff, an effective system provides a standardized method to evaluate employees by managers. Standardized method not only leads to consistency, but also helps to identify the weak and

strengthen areas where there is a chance of improvement. Making the process as easy as possible for managers to follow will help ensure that performance appraisal is effective.

Performance evaluation process is communicated not only to the new supervisors but also the running condition of basics; it can help to remind all of the supervisors actually what the process is and how to perform it and where there is a need of guidance if required. Supervisors and managers under the supervision of top management and human resources staff should understand the need of performance evaluation and how much it is necessary for employees. Performance evaluation improves when there is a two way communication between employee and supervisor. Communication skills are the skills which are very necessary for an employee and employer to have an effective result. Behavioral characteristics of an individual towards clients and customers make huge contribution to be well informed. Not only in bank the ability of a manager to serve a client or a customer in a competent manner must have a clear understanding to utilize the resources properly and have a realistic approach to accomplish a task.

Responsiveness is an approach according to which a task is well responded cooperatively and timely. Which help a supervisor to solve a problems Slow to “catch on”. In any financial institution there is need of teamwork which needs a spirit to help others to solve their issues to get rid of problematic issues. It's a responsibility of a manager to maintain positive and supportive environment and to promote attitude of “can do” to achieve goals. Career development in a result of performance evaluation actually leads a supervisor to the recognition of the work done by an employee who may result in the form of a reward or an appreciation it becomes a link between the organization and its employees for personal career goal. Performance evaluation also leads towards another dimension which is potential appraisals which helps a supervisor to identify hidden talents of their employees. Identification of these hidden talents may lead an individual for higher responsibilities and higher position for future. The performance appraisal process in itself is developmental in nature. Different process of HR are highly dependent on performance evaluation it helps to identify the need of training and development, promotion, demotion, changes in compensation etc. In the result of the actions which are performed on the basis of performance evaluation gives a positive feedback which gives a long way of motivation to employees. Based on the evaluation, employees can develop their career goals, achieve new levels of competencies and chart their career progression.

Performance appraisal encourages employees to reinforce their strengths and overcome their weaknesses. According Burchell (2002) now a day's job insecurity becomes a worldwide phenomena and it will keep on growing in future due to the globalization.

HR staff members tried to give assessment solutions to the top management of bank which solves all aspects of hiring and selection process of new employees. The comprehensive assessment library includes skills and abilities tests, behavioral and personality assessments, structured interviews, assessment centers and simulations, performance indicators, cultural fit, job fit and career fit, realistic job previews, leadership assessments and custom-built assessments. HR staff manager's designs abilities test to measure reasoning skills which is necessary for successful completion of every day works tasks. They had designed a series of ability assessments which is applicable on both the candidates of graduate and managerial level. Employee evaluation helps you sift large volumes of candidates quickly and easily—helping you reduces time-to-hire and enhances the efficiency of your recruitment process. This performance evaluation tests to improve recruitment technology and administered automatically Behavioral and Personality Assessments.

In a result of performance evaluation in banks HR managers design Behavioral and Personality Assessments which gives proper tools to identify the personality traits which is applicable on both the potential and current employees for their development. These tools help to give a quick report to identify the areas where there is a need of improvement and enhancement within the organization.

Performance evaluation in banks develops specific criteria for the employees to perform their duties this criterion is defined in the form of performance standards.

These standards are as given below:

- Performance Standard 1: Professional Knowledge.
- Performance Standard 2: Instructional Planning.
- Performance Standard 3: Proper implantation of plan.
- Performance Standard 4: Learning Environment.
- Performance Standard 5: Professionalism

FURTHER DISCUSSION

Due to the reduction in the funds or work the organization restructure itself by eliminating one or more regular staff members. Management has the sole right to determine staffing and operational needs without regard to the source of funding.

Incentive system is the most important system which is used by different companies to put motivational spirit among the employees. Performance evaluation system or procedure preplanned through structure from getting effective result.

Current performance is the source for an organization to do performance evaluation. In a bank case study where there is no current performance appraisal, the employee's performance is considered satisfactory. The employee's performance is considered unsatisfactory if disciplinary action (written warning, disciplinary probation, or disciplinary suspension) was issued after the current performance appraisal. Performance evaluation is considered as most effective tool to enhance the evaluation of an employee when there is an accurate assessment and fair judgment is made. Inaccurate evaluation is one reason because of which most employees dread going through performance appraisals. An employee always expects his appraiser to recognize and appreciate his achievements, support him to overcome the problems and failures.

An employee prefers an accurate performance review with no increase in the salary over inaccurate performance review with an increase in salary.

SIMILARITIES AMONG STUDIES

- Performance evaluation is useful to improve communication.
- After performance evaluation a check and balance situation where training is required for career development.
- Performance evaluation increases a psychological stress which creates job insecurity.
- Performance evaluation strengthens the organization through finding out the opportunities and threats like promotion, termination, and awareness about new technology.
- Performance evaluation build an ability to estimate about own performance standard.
- Employee can know about future retention and survival.
- Complex structure of banking working and other issues.
- Layoff phenomenon means older employee remove and young employee.

DIFFERENCES/GAPS AMONG STUDIES

- Focus on the need of employees.
- Performance evaluation gave path to the employee to make standard of performance.
- Motivation factor.
- HR practices and policies or strategies.
- Globalization and unawareness about new technology.
- Working environment, design of job, right selection and appropriate appraisal system.
- Banks make better rules and regulation, strategies about working of employee.
- Conducting seminars and meetings.

- Better working conversation among employee with lower staff and staff
- Emotional intelligence level.
- Job satisfaction level employee attitude and behavior

METHODOLOGY

This study is base on the actual performance of the employees in banks because the statistical data of this study explained the actual measurement of the objective of this research. This type of study elaborates the problem related to employee's performance and evaluates this performance through particular preventive measure taken to solve the problems related to their jobs.

SAMPLE/DATA

In this study 102 questionnaires were taken as sample. These questionnaires were filled by the employees of different public and private sector bank. 52 questionnaires were filled from the different branches of private banks. These are Habib Bank Limited, Muslim Commercial Bank, United Bank Limited, Bank Al-Falah, Bank Al-Habib, Al-Buraque Bank, Kashaf Bank and Allied Bank etc and 50 questionnaires were filled by the employees of public banks. These are National Bank of Pakistan, Punjab Bank and National Rural Support Program Bank (NRSP) etc.

INSTRUMENT AND MEASURES

This research is actually used the questionnaire technique to apply the statistical tool/instrument. SPSS software used to find out the relationship between independent and dependent variable. In this research we measure the mean, standard deviation, which is based on the expression of descriptive statistics while the "t-value" and "p-value" and coefficient of variation are used to evaluate the relationship between variable in order to express the acceptance or rejection of null hypothesis.

FINDING AND DISCUSSION

TABLE 1: COMPREHENSIVE REGRESSION ANALYSIS

SR.NO.	VARIABLES	TYPES OF INSTITUTES				T	SIG. (2 TAILED)
		PUBLIC BANKS		PRIVATE BANKS			
		MEAN	STD. DEVIATION	MEAN	STD. DEVIATION		
1	Specific objective	4.23	0.555	4.33	0.785	0.713	0.477
2	Objective settings	3.69	1.151	3.91	0.838	1.096	0.276
3	Feed back	3.57	1.156	3.75	1.207	0.76	0.449
4	Unbiased behavior	3.15	1.302	3.51	1.171	1.458	0.148
5	Effective communication	3.65	1.101	3.75	1.181	0.432	0.667
6	Training needs	3.35	1.176	3.94	1.145	2.534	0.013
7	Lack of appropriate training	2.61	1.321	2.77	1.436	0.587	0.558
8	Difficult to achieve objectives	2.58	1.302	3.21	1.35	2.36	0.02
9	Performance assessment by stakeholders	3.56	1.351	3.87	1.225	1.191	0.236
10	Training Need	3.35	1.176	3.94	1.145	2.534	0.013
11	Performance appraisal enhancements	3.15	1.229	3.87	1.155	2.96	0.004
12	Appropriate mechanism	2.61	1.341	2.77	1.436	0.587	0.558
13	Primary Training	4.33	0.93	3.98	1.152	-1.68	0.096
14	Standards of evaluation	3.55	1.176	3.9	1.159	1.493	0.139
15	Coaching guidance	3.09	1.104	3.73	1.097	2.829	0.006
16	Action against poor Performance	4.21	0.824	3.72	1.35	-2.18	0.032
17	Assessment Criteria	3.81	1.104	3.87	1.272	0.233	0.816

1. SPECIFIC OBJECTIVE

STATISTICS: As the results indicate that the mean score for Public bank is 4.23 and for Private bank is 4.33 and the standard deviation is .555 and .785 respectively. The t-score for equality of means is that 0.713 with p-value 0.477. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: Respondents of public bank revealed in their interview that although performance evaluation activities can affect their performance positively but most of them do not know about their specific objectives they have no proper knowledge and guidance from their respective boss. On the time of training they just trained about their specific work they have to perform. According to some respondents, their specific objectives are only related with their work quality.

PRIVATE REASONING: Respondents of the private banks disclose that primarily they have their clear and specific objectives related to their job. But as the time passes or for the achievement of organizational goals strategies are been made by the management. According to those goals our objectives are being changed and reset that are required or need for goals achievement. Employees are provided incentives in purpose of motivating them, when they are motivated they performed better and efficient work. It is helpful to do work on their specific objectives.

COMPARATIVE REASONING: Study shows that there is no significant difference between private and the public sector. These organizations have their specific objectives as whole as well as individually. Every new employee hired is well aware of its objectives regarding to his job and organization. Due to the work over load the employees of private sector have to work till late at night. Few of them do not know or might be possibility that they forget their objectives because they have a routine work which they consider is their objective.

2. OBJECTIVE SETTINGS

STATISTICS: As the results indicate that the mean score for public bank is 3.69 and for private bank is 3.91 and the standard deviation is 1.151 and 0.838 respectively. The t-score for equality of means is that 1.096 and p-value 0.276. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: The mean score from public is 3.69 which is approximately equal to 4 which indicate that employee of public are satisfied with that statement there they have a corporative manager who provide them good coaching and strong financial support which help them in setting their objectives but some of the employees not sure about this statement that they have corporative supervisor but the employee who have high length of service are strongly agreed with this statement. They are supported by top management on the basis or their experience and analyzing techniques.

PRIVATE REASONING: The mean score from private banks is 3.91 which is approximately equal to 4. Which means that the employee of private sector is mostly agreed from this statement because their head is involved in setting their objectives as in the objective setting mostly in private banks meeting are held for the solution of employees problems. Majority of the respondents said that their institute provides them incentives and bonuses for their affective and valuable performance. This thing makes sure them about their objectives while some of the respondents are not sure about their objectives because they are provided with appropriate incentives according to their work in which they deserve.

COMPARATIVE REASONING: from both of the responses researchers conclude that there is no significant difference of the view point of public and private banks respondents that they have great supervisor or top management for the setting of their objectives, this shows that employees are satisfied with their supervisors in setting of their objectives and this thing keeps them motivated and committed with their work.

3. FEED BACK

STATISTICS: As the results indicate that the mean score for public bank is 3.57 and for private bank is 3.75 and the standard deviation is 1.156 and 1.207 respectively. The t-score for equality of means is that 0.760 with p-value 0.449. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: in public banks the mean score is 3.57 which shows that the employees from public sector received clear feedback from their supervisor during performance appraisal the reason is that the government bank implements proper and predetermined appraisal programs for the affective for their employees.

PRIVATE REASONING: private banks the mean score is 3.75 which is approximately equal to 4 which indicates the employee of this sector is satisfied with this statement that they received their clear feedback from the head of their institute during their performance appraisal. The reason of this positive response is that because the private sector is mostly involved to give financial to their employees according to their work performance but few employees not sure about this statement.

COMPARATIVE REASONING: by viewing responses of both private and public sector it's been concluded that the employees of both sectors believe that they get proper feedback from top management during performance appraisal. Although the employees are relatively satisfied with this technique but still this system get further updated it may result for better than our expectation.

4. UNBIASED BEHAVIORS

STATISTICS: As the results indicate that the mean score for public bank is 3.15 and for private bank is 3.51 and the standard deviation is 1.302 and 1.171 respectively. The t-score for equality of means is that 1.458 with p-value 0.148. These results indicate that there is significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks do not agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: Mainstream of public sector do not sure about this statement according to their performance appraisal system is not resulting well, because they thought that employee are benefited not on the basis of their work performance but on the basis of their relationship with the top management. In the public sector benefits in the result of performance appraisal are actually in the basis of seniority which shows biased and unfair behavior of the organization. In this sector the performance appraisal report or ACR is maintained by the employees with mutual concern to avoid any unhealthy result which is unfair behavior.

PRIVATE REASONING: Majority of the employee in private sector agreed with this statement that their organization is fair and unbiased during performance appraisal. The reason is that employee believe that the performance appraisal form is viewed by appraise during performance appraisal. This shows the unbiased behavior of the organization with its employees but few of the employee not sure with this statement because they are newly appointed and do not know the culture of the organization.

COMPARISON REASONING: According to Public bank respondents they do not sure that there is a fair and unbiased performance system. Whereas the private respondents are agree with the statement that there is transparency in performance evaluation of every one. They have no unfair treatment with anyone from the management. Study shows that if proper appraisal system is implemented in the public sector then this gap can be fulfilled.

5. EFFECTIVE COMMUNICATION

STATISTICS: As the results indicate that the mean score for public bank is 3.65 and for private bank is 3.75 and the standard deviation is 1.101 and 1.181 respectively. The t-score for equality of means that is 0.432 with p-value 0.667. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement.

PRIVATE REASONING: Majority of respondents are agree with the statement. According to employee of private sector the organization occasionally arranged a meeting in which all of sub ordinates or employee sit together and share their ideas in making policies during performance appraisal. Employees are quite satisfied because they able to have an effective communication with the top management during their performance appraisal. Employee use focuses on self ingratiation present them self to the supervisor as polite and friendly person. They show them themselves hard working letting the supervisor know about their progress. Which shows good effect on the performance appraisal?

PUBLIC REASONING: In public sector with the ratio of 50-50, half of the agreed with this statement they believe that having interaction with management and supervisor during performance appraisal is beneficial for them they had a chance of self ingratiation and was focus in ingratiation which result sometime promotion. On the other hand the employees with the ratio of 50% means half of the employee are not sure about the statement due to the newly appointment. They are still unaware of the rules regulations and policies on which they can show their actual performance and have good communication during performance appraisal.

COMPARATIVE REASONING: Employees of both sector are almost agree with the statement they have affective communication with bank head but some of employees with the ratio of 50% are not sure about the statement. Researchers suggested however that ingratiation does not always succeed in obtaining good performance ratings and this may tend to be bad for morale then employee observe person true performance is not up to the mark just on the basis of ingratiation they get merit awards and promotion and marks and favors.

6. TRAINING NEEDS

STATISTICS: As the results indicate that the mean score for public bank is 3.35 and for private bank is 3.94 and the standard deviation is 1.176 and 1.145 respectively. The t-score for equality of means that is 2.534 with p-value 0.013. These results indicate that there is significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement.

PRIVATE REASONING: Main stream of private sector is agreed with this statement. Employees have very positive response that their training needs are discussed in performance review meetings. If any employee needs training, seminars and conferences are conducted. If any new technology is introduced in banking sector top management shows great concern to train all of the employees.

PUBLIC REASONING: Employees of the public are sure about the statement, according to them training at early stage of appointment was given to them but with the passage of the time top management focus on time to time training session if they thought it is necessary. They are satisfied with their top management and confident about their good performance appraisal system.

COMPARATIVE REASONING: In comparison there is a very minor difference of the both sectors according to the statement that their training needs are discussed in the meetings. They believed that management is very conscious about their effective performance. They trained their employees time to time to meet the current standards of the market. Researchers believed that if the training module should be design time to time it will enhance the efficiency of the employee and this thing will ultimately leads to the effective performance.

7. LACK OF APPROPRIATE TRAINING

STATISTICS: As the results indicate that the mean score for public bank is 2.61 and for private bank is 2.77 and the standard deviation is 1.321 and 1.436 respectively. The t-score for equality of means that is 0.587 with p-value 0.558. These results indicate that there is significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement.

PRIVATE REASONING: The mean score of private sector shows that the employees are not sure about this statement that they have not been given appropriate training for achieving their job tasks. In fact in the private sector the top management is highly involved in the management function. But there may be work over load that's why employee are not sure about the proper planning and scheduled to give knowledge to them. Few employees are disagree with this

statement because they know bitterly about the appropriate training mechanism given by their supervisor or top management, due to this factor the private sector is running in the successful way and the organization is achieving its designed goals.

PUBLIC REASONING: Researcher elaborated that majority of the employee in public sector is disagreeing with this statement. According to their view point the public sector is very rich and providing better knowledge, skills, techniques and appropriate training as well so the employee have given a proper scheduled training and guidance to perform the complex tasks, specially to the newly appointed employees. This thing increases their efficiency, and they do their work according to their job requirement. Through the appropriate training the employee tries to perform well and to show quality and effective work which is beneficial for them and all so for the organization.

COMPARATIVE REASONING: In comparison both of the mean score are appropriately equal, means there is no significant difference between the views of both sector and both are in the situation of not sure. It should be recommended that appropriate training should be organized more properly and time to time so that employees are sure and satisfied that they are given proper training which is beneficial for them. Few respondents show that they are not giving the proper training for their work.

8. DIFFICULT TO ACHIEVE OBJECTIVES

STATISTICS: As the results indicate that the mean score for public bank is 2.58 and for private bank is 3.21 and the standard deviation is 1.302 and 1.350 respectively. The t-score for equality of means that is 2.360 with p-value 0.020. These results indicate that there is significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement.

PRIVATE REASONING: By observing the behavior and listening the views of the private sector employee, researcher elaborated that people of this sector is not sure about this statement that their work objectives are difficult to achieve. Because in this sector the top management is supervisor play a supportive role in making employees objective and also help them to achieve those objectives. So that employee is fully satisfied with the management who provide better opportunity to achieve the predefined objectives. More over the employees who have determination and highly committed with their work, dissatisfied with this statement that their work objectives are difficult to achieve.

PUBLIC REASONING: It is clear from the mean score of public banking sector that employee are highly satisfied with their organization scheduled, rules, regulations and policies which are very beneficial for them to achieve predefined objectives. Some of the respondents said that their supervisor is playing a marvelous role in coaching and mentoring and they do not have any difficulty to complete their task with great efficiency and effectiveness. So the employees disagree with the statement that there is a difficulty in achieving the work objectives.

COMPARATIVE REASONING: Comparatively it is elaborated that there is minor difference between the mean score which cannot be bothered. Employees are very satisfied with their supervisor and they have been given proper opportunity to meet their objectives. If this system is improve more, then more and more objectives will be achieved and there will be overall success and objective achievement of the organization.

9. PERFORMANCE ASSESSMENTS BY STAKEHOLDERS

STATISTICS: As the results indicate that the mean score for public bank is 3.56 and for private bank is 3.87 and the standard deviation is 1.351 and 1.225 respectively. The t-score for equality of means that is 1.191 with p-value 0.236. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: The mean score of performance assessment of employee from client of the public banks 3.5. Which is approximately equal to 4 means its indicated that most of the employee from public bank are agree with this statement because they want to know how about their performance. Client are the main source of assessment of their performance because bank get information about employee for its clients according to the provision of service so, employee try to fully satisfied the customer from service. But from the view point of public sector respondent are that customer is the asset of bank and employee performance should be accessed through customer viewpoint.

PRIVATE REASONING: The mean score of performance assessment of employee from client viewpoint of the private bank is 3.87 which is approximately equal to 4. Which shows that most of the employee from private banks are strongly agree with this statement. The reason is that private bank performance of employee can also be assessed from customer point of view because in private bank top management could focus on its business to some extent so that is performance assess by now how from customer about the service quality of employee that directly relate the profits the bank.

COMPARATIVE REASONING: There is minor difference between public and private banks respondents both of the respondents agree about that statement because employee should be assessed from customer or client resulting attitude and their views. More over it will be concluded that customer is actually away for bank to get feedback about the performance of employee.

10. TRAINING NEED

STATISTICS: As the results indicate that the mean score for public bank is 3.35 and for private bank is 3.94 and the standard deviation is 1.176 and 1.145 respectively. The t-score for equality of means is 2.534 with p-value 0.013. These results indicate that there is significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks do not agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: The mean score from public banks about training needs of employee is 3.35. Which is approximately equal to 4. Which shows that in public sector mostly employee are agree with this statement that training is very important to effective work and overall performance of employee. In public sector when any new technology introduced so, proper training are necessary for the employee to work through this technology. In public sector respondents said that a proper training session conducted by head office to make awareness about new technology. But few respondent feel that there is no need training and no awareness about new technology mean they do not like their awareness about new technology.

PRIVATE REASONING: The mean score from private bank about training need of employee is 3.94. Which indicate that most of the respondent from private bank are agree with this statement. The reason is that mostly in private banks, employee have highly needs of training coaching about their job work and about new technology, because in private sector the top management is very conscious about the performance of every employee and have no compromise about the training of each employee in the organization so, the respondent said that proper training and evaluation system adopt by every private bank to enhance the quality work of every employee.

COMPARATIVE REASONING: In comparison of both public and private sector bank according to fulfill training needs of every employee if they feel very difficulty in work situation. There is a significant difference between the mean of both because both sector's employee have equal views about their work but the difference lies on that in public sector provision of training is like a fulfill the casualty, not to make any proper improvement. While in private sector proper and schedule training provided to every employee in the organization so, the researcher recommended that in public sector effective measure taken by head office and top management to improve quality of work among employees through effective training program, and meeting could be held to discuss that needs.

11. PERFORMANCE APPRAISAL ENHANCEMENTS

STATISTICS: As the results indicate that the mean score for public bank is 3.15 and for private bank is 3.87 and the standard deviation is 1.155 and 1.229 respectively. The t-score for equality of means is 2.960 with p-value 0.004. These results indicate that there is significant difference between the two mean scores. The mean scores also indicate that respondents of public banks are not agree and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: The mean score from public banks about performance appraisal enhancement is 3.15. Which shows that in public sector employee are not sure about that statement because the mostly respondent from public banks said that due in appropriate training means although training program held but no proper implementation will be made so, there is no way for every employee to improve their performance due to this program so, mostly employee feel that there is no change in their performance due to their evaluation system.

PRIVATE REASONING: In the private mean score which is 3.87 indicate that in private sector employee are agree with this statement. The reason is that there is a proper evaluation and appraisal of employee will be made so, mostly employee learned from their evaluation system to improve the quality standard of the

work, because the respondent said that their top management take it seriously to improve the overall standard and performance of bank and their employee both so, employee also get learning from that system. They have a chance to improve over all performance of their work.

COMPARATIVE REASONING: In comparison of public and private bank there is a significant difference between mean score of both bank's respondent. The reason is that adoption of evaluation system in the organization but some organization take it serious like private bank but few public bank are not take it serious so, there is no chance remain for the employees to improve the performance level. Moreover researcher recommend that if public bank make appropriate evaluation system so, employee's performance ever been enhanced.

12. APPRAISAL MECHANISMS

STATISTICS: As the results indicate that the mean score for public bank is 2.61 and for private bank is 2.77 and the standard deviation is 1.341 and 1.436 respectively. The t-score for equality of means is 0.587 with p-value 0.558. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow disagree with the statement that there are appropriate mechanisms established in the organization for achieving the job tasks.

PUBLIC REASONING: The mean score of public bank about performance appraisal mechanism is 2.61. Which is clearly shows that most of the employee or respondent are strongly disagree with this statement. The reason is public employee feels a lot of difficulties from system and management, work also done but no proper manner. Top management take the work easy means no burden or no tension about losing of job because they permanent employee of the bank. So if any new employee policy implement on top management or middle level employees they take it easy no proper adoption of this policy. So overall performance appraisal mechanism will be affected by this attitude.

PRIVATE REASONING: While According to private mean score which is 2.77 indicate that in private sector also most of the employee are not take the appraisal mechanism seriously but due to some extent it is negotiated that in private bank mostly involve in the evaluation of their employee to make effective work through effective appraisal mechanisms.

COMPARATIVE REASONING: In comparison of both public and private sector there is a minor difference between mean score of both sector this shows that although there is found performance appraisal mechanism but it is mostly take serious in private banks as compared to the public the reason is that the public bank spending a lot of amount on the employees to improve their work and provide them full training and coaching so, that as compared to public sector the private sector take the appraisal steps seriously to improve the quality work of each and every employee in the organization.

13. PRIMARY TRAINING

STATISTICS: As the results indicate that the mean score for public bank is 4.33 and for private bank is 3.98 and the standard deviation is 0.930 and 1.152 respectively. The t-score for equality of means is -1.680 with p-value 0.096. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PUBLIC REASONING: The mean score of public bank about primary training of employees from public banks is 4.33. Which indicate that most of the employees are strongly agree with this statement because when they start their job so, public bank provide them an opportunity to obtain primary formal training about job? In public sector this is involved in rules and policies that if new employee enter in this sector government should provide fully support about initial training and know how to their employees about their work, routine, time schedule and all the activities related to the job.

PRIVATE REASONING: The mean score of private bank about initial training of the employee in this sector is 3.98. Which shows that the employee in private sector are agree with this statement because they gain also an initial or primary training when they start their job. In private banks when a new employee hired so, top management feels that new employee not make proper work according to the requirement up to mark mostly in private sector employee gain learning from their colleagues and upper staff. The respondents from private banks said that they also give proper primary training from bank when they start their job.

COMPARATIVE REASONING: In comparison of both public and private banks there is a significant difference between the view point of public and private bank's employee because in public sector employees get initial training that is formal and predetermined mean it is lists in the policies of public bank that to provide training to new employee in the organization about their tasks and performance. Moreover the researcher believes that if in private sector predetermined and appropriate training provided to the employees, they make the work efficient and effective at the start of the job.

14. STANDARDS OF EVALUATION

STATISTICS: As the results indicate that the mean score for public bank is 3.55 and for private bank is 3.90 and the standard deviation is 1.176 and 1.159 respectively. The t-score for equality of means is 1.493 with p-value 0.139. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow not sure with the statement that there are known standards of performance evaluation in their institutes.

PRIVATE REASONING: The mean score of this sector shows that most of the employees agreed with this statement that they are fully aware of the standards on which they are evaluated. The reason is that when an employee is newly hired, they must be reviewed performance appraisal standards in written form which are designed by the top management. So that they know the standards on which they will be evaluated in future. This may help employees to cover all the sides of their weakness regarding their performance.

PUBLIC REASONING: In the result of the mean score of this sector revealed that employees are not sure about this statement according to them standard of evaluation are not known to them. Top management decides according to the current scenario by keeping in views own benefits. Top management of public sector set standards by their own without bothering what would be its impact on the organizational employees. The strategy of designing standards at eleventh hour will leave a question mark in the fairness and biased behavior of an employee.

COMPARISON REASONING: As a researcher by observing the current situation of both sectors, employees of private sector are relatively much satisfied with the standards on which they are being evaluated as compare to the public sector employees. Moreover the gap between public and private sector can be removed by applying the proper system of designed standard on which they will be evaluated.

15. COACHING GUIDANCE

STATISTICS: As the results indicate that the mean score for public bank is 3.09 and for private bank is 3.73 and the standard deviation is 1.104 and 1.097 respectively. The t-score for equality of means is 2.829 with p-value 0.006. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PRIVATE REASONING: The mean score of private banks is 3.73 about formal coaching or mentors for the effective performance of employees which indicate that mostly employees in the private bank are agree with this state the reason is that in private employees get proper coaching or work with the supervision of employees because in private bank top management take it serious to implement coaching of every employees to improve its performance.

PUBLIC REASONING: The mean score of public bank is 3.09 about formal coaching or mentor for effective performance of employees which shows that employees in public sector are disagree with this statement because the reason is in public bank there is no proper supervision or coaching promoted to the employees. The session will also conduct but no proper implementation through the process.

COMPARATIVE REASONING: In comparison of both public and private sector there is a huge difference between public and private bank about this statement the reason is that in private sector proper coaching provided to this employees and effective result getting through this statement while in public sector coaching provided to these employees through proper session but no feedback receive from this due to poor implementation process.

16. TABLE ACTION AGAINST POOR PERFORMANCE

STATISTICS: As the results indicate that the mean score for public bank is 4.21 and for private bank is 3.72 and the standard deviation is 0.824 and 1.350 respectively. The t-score for equality of means is -2.180 with p-value 0.032. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PRIVATE REASONING: Actions are been taken against those who are not performing their work according to standards set by the organization. If any employee is found who is not followed the rules and regulations management takes any action against him. Respondents said that if the organizations do not take action then it will affect the whole performance of the organization.

PUBLIC REASONING: In public sector respondents are strongly agreed that actions are being taken against those who are not performing well. They have fair of elimination so that they work according to the predefined standards. They try to keep their ACR good because they are very conscious about their job. They always try to meet the standards of organization. They also want that organization should take steps so that all the new employees who are on initial stage will remain honest with their work.

COMPARISON REASONING: Public respondents emphasizes that this system should be implemented strongly in the organization whereas private sector respondents are not sure with statement because very strict actions are taken by the organization. They are freighted of being dismissed from job even on the minor violence. Organization should not only provide the training and feedback but also they have to implement the actions as well for the better productivity of employees.

17. TABLE ASSESSMENT CRITERIA

STATISTICS: As the results indicate that the mean score for public bank is 3.81 and for private bank is 3.87 and the standard deviation is 1.104 and 1.272 respectively. The t-score for equality of means is 0.233 with p-value 0.816. These results indicate that there is no significant difference between the two mean scores. The mean scores also indicate that respondents of both public and private banks somehow agree with the statement that there is significant impact of performance evaluation activities on job.

PRIVATE REASONING: It is clear from the scores that their performance evaluation is assist on all aspects. Not a single factor is included. All the performances from past are also reviewed by the management. Most of the employees in private sector are doing their works with great care and with concentration because their evaluations are made time to time. They are observed continually that's why they are honest with their work.

PUBLIC REASONING: Respondents sure and agreed with the statement that their evaluation has been made on all aspects. On the other hand they also said might be possible some biased and unfair practice is also involved. In general and according to the standards they have maintain performance evolution is done on 360 degree feedback.

COMPARATIVE REASONING: there is no significant difference between the two means. Respondents from public as well as from private banks are agreed with the statement. There evaluation is made from all aspects. If this system becomes more better then the performance of the employee's increases.

RECOMMENDATIONS

1. As all the factors which are mentioned above they need to be focused and there should be an action plan to remove all the factors so that the level of performance of employees can be increased. Training program should be implemented twice a year to improve the performance of employees. In Public sector action should be taken strongly against the poor performance of employee. On the other hand in Private sector all the actions plans are already taken to improve the poor performance of employee.
2. Performance appraisal is also an important phenomenon and it should be conducted twice a year. Employee feels difficulty to remove their deficiencies they should be assessed time to time. Mostly in Public banks it must be conducted more than one time in a year. Public banks as well as private banks should improve the performance of every employee in the organization. Semiannual performance appraisal gives positive result about the performance of every employee in the organization.
3. Customers are the most important assets of the organization. Through performance evaluation system employees can be assessed by customer views means from the satisfaction of customer employees performance can be assessed. If customer is fully satisfied from the behavior and performance of employee this information can be helpful in performance appraisal. Customer satisfaction directly linked with the performance of employee means if customer is satisfied there is no need to assess the performance of an employee.
4. Training is like the fulfillment of causality means there is a need of improvement. In Public sector there is proper provision of formal training but mostly employee takes it easy and don't bother. In Private sector appropriate and predefined training is provided to the employee means through proper process and schedule. Public sector should efficiently and effectively try to involve employees to improve quality of work through effective training program, meetings and seminars should be held to discuss the need of it.
5. Coaching is the most important issue in banking sector mostly employee are unaware about their tasks, work performance, regular work activities and especially new employee must be aware about tasks related to job. Mostly Private Banks take it serious to enhance and make effective performance of their employees. Coaching guidance provided to improve skills and make possible survival in the market.
6. It is elaborated that most of the employee in Private sector difficult to achieve their objective due to complex schedule of working and due to stress of work. Mostly the employee in Private sector is highly committed with their work and due to the fear of losing of job the employee feel difficulty to achieve their objectives.
7. There is a need of appropriate training provided to the employee mostly in Public sector the training is also provide but not in an appropriate manner. In Private sector employees have better knowledge, skills, techniques which provides help to avail an opportunity to have appropriate training to the employee to perform complex task specially the newly appointed employees in the organization. So, it is suggested that there should be proper methodology to adopt training method which will increase the productivity and to improve the quality of work of employees.
8. Top management create burden of work and regulations impose unjustified rules and regulation on employees and with the fear of losing job employees follow all illegal activities. On the other hand in public sector the organization have appropriate mechanism of performance evaluation but the mechanism is not followed properly. The recommendation employees should focus to have benefit from the mechanism and organization should focus to develop and implement appropriate mechanism of performance evaluation.
9. Specific objective is a basic key to achieve required goals. When developing performance goals it is necessary to have objective and precise language. Every individual should have all of its objectives in written form so that how much objectives are accomplished can be checked and with the passage of time an employee if it is detracted can bring back to the required track.
10. Biasness in any organization can ruin the environment of that place. They observed the employee individually and then make a decision about him. Or might they have formed the unit of third person having no link with the concern branch. They go there observed the performance of employee and then proceed further. And there is also another way to avoid from the biasness and unfair activities is the use of electronic equipment like CCTV cameras. So the management is able to evaluate the employees not only by personal observation but also by the evidences in shape of recording.
11. It is also necessary that training needs of employees are also being discussed in the meetings. For this purpose they have to arrange the meetings directly with the employees. In meeting they can discuss the needs of the employees. They can hold the periodical surveys that can also find out the training needs of employees. Another way to overcome this issue is job rotation. Employees become more skillful and experienced.
12. Management should discuss each and every thing with the employee and tells him the weak points of the employee so that he can focus on them and become strong. In this way one can be satisfied that performance evaluation system is helpful in improving their performance.

CONCLUSION

In the above mentioned emergence there is a significant difference between performance evaluation process of Public and Private sectors in a Bank. In this study there are about seventeen factors are concluded which are affecting performance of employees. By giving some recommendations these factors are tried to be removed removing which will support an employee to be motivated and enhance level of performance and it will reduce the intention of employee to leave organization. It will improve productivity, profitability, growth and customer satisfaction. The company's greatest asset is not its financial, buildings, equipments and services a company's most important assets is its employees productivity they allow the employee to grow by providing opportunities to learn

new skills and to move towards a new position. By providing facilities and training it is necessary to have a look what is the result of this favor and check out the result manager's use tools performance evaluation. This tool ensures that employees are being utilized efficiently. Performance evaluation may be defined as a full-fledged formal interaction between an employee and an employer through which an employee's performance can be discussed and examined, with a view to identify the weaknesses and strengths as well as opportunities for improvement and skills development. Performance evaluation is the periodic evaluation of an employee's performance measured against the job's stated or assumed requirements. It is important that members of the organization know exactly what is expected of them, and the yardsticks by which their performance and results will be measured. "Performance evaluation serves multiple purposes in organizations because they monitor workforce progress and help determine if promotions, terminations, transfers, and training/development are warranted". When employees' skills are deficient, performance evaluation can be used by managers as a criterion against which training and development programs are validated.

Performance evaluation is necessary for every employee in any organization even this organization is developed or undeveloped. It is helpful for any sectors which work in the country. By using the techniques significant ratings are taken on which its concluded that if both private and public sectors focus to remove these factors by using appropriate mechanism of training and monitoring of employees. The Goal of the study is to analyze issues related to the performance evaluation of an employee in an organization. If performance evaluation is taken as training tools it would be beneficial for both the employer and employee. There is a need to identify the factor which would affect the quality of evaluation process. It would be necessary to identify the result of performance evaluation among employees. Performance evaluation would be benefited if the employer take an advantage to control on the work that need to be done, to enhance the motivation, commitment, productivity. It is necessarily to identify goals and objectives for employee. This research would be beneficial to increase the motivation level and satisfaction of the basic human need for recognitions. There are some factors which are highly responsible to effect performance of an employee and they are unbiased behavior, Lack of appropriate training, Difficult to achieve objectives and appraisal mechanism, Training needs, Performance appraisal enhancement. Biasness in any organization can ruin the environment of that place. It's been observed that's in most of organizations there is a trend of single interviewee basically which is a wrong approach. There can be another choice an organization can hire a person who is not known about the person who is going to be evaluated. There is a need of appropriate training provided to the employee mostly in Public sector the training is also provide but not in an appropriate manner. In Private sector employees have better knowledge, skills, techniques which provides help to avail an opportunity to have appropriate training to the employee to perform complex task specially the newly appointed employees in the organization. So, it is suggested that there should be proper methodology to adopt training method which will increase the productivity and to improve the quality of work of employees. The most common issue is training need. Employees training needs are not discussed in performance review meetings. Management only discusses those training needs that are necessary to achieve the goal of an organization. It is also necessary that training needs of employees are also being discussed in the meetings. For this purpose the top management should arrange the meetings in the employees are directly linked with higher authority. Management should discuss each and every thing with the employee and tells him the weak points of the employee so that employee can focus on them and can remove all deficiencies. In this way one can be satisfied that performance evaluation system is helpful in improving their performance. There are number of organizations which don't have appropriate mechanism of performance evaluation the reason is that the employees of Private banks face a lot of difficulties from its top management, during performance evaluation top management on the bases of self priorities change the mechanism which result biasness. It creates conflicts among employees. The recommendation employees should focus to have benefit from the mechanism and organization should focus to develop and implement appropriate mechanism of performance evaluation. It is elaborated that most of the employee in Private sector difficult to achieve their objective due to complex schedule of working and due to stress of work. Mostly the employee in Private sector is highly committed with their work and due to the fear of losing of job the employee feel difficulty to achieve their objectives. In Public sector employees have knowledge about duties they are highly satisfied because they are fully aware of rules and regulations with their work, policies which are actually predefined when the employee start job. It is suggested that proper coaching and mentoring provided to the employees who are beneficial to manage their task so they can work with effectiveness and full satisfaction by this technique they can achieve their objectives.

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