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PREPARATION AND ANALYSIS OF VALUE ADDED STATEMENT OF VISAKHAPATNAM PORT TRUST**ARUNA POLISETTY****ASST. PROFESSOR****KLUBS****K L UNIVERSITY****VADESWARAM****SHEELA.P****PRINCIPAL****GITAM INSTITUTE OF MANAGEMENT****GITAM****ABSTRACT**

In India, over the past there are several changes that had occurred in the presentation of corporate reporting, in terms of presentation of its financial reports. Presentation of 'Value Added Statement' along with the common financial reports has become a common practice. The research indicates that social accounting theories can best be used to motivate the organizations in the publication of the value added statement. 'Value Added Statement' shows the wealth created and its allocation to the key productive resources and it provides a mode of understanding the responsibility of different stakeholders of an organization in creating and maintaining 'Value Addition'. Presentation of Value Added Statement, as well with the regular financial statements will assist the management in making economic decisions, used as a performance indicator. It is also used to increase the accurate and fair examination of their financial position during a specific period. This fact is to include the value added statement in a separate social reporting. The value added statement might provide an informative advantage with limited marginal costs because the performance report can be disclosed with figures already recognized in the income statement.

KEYWORDS

social reporting, value added statement.

INTRODUCTION

An organisation, which operates in a society, affects the socio and economic welfare of the entire community. Organizational activities are very conscious, in satisfying the needs of their stakeholders. Value Added is a concept, which helps to appraise the performance of an organization in terms of wealth created for a specific period by the combined efforts of the organization's stakeholders, i.e. employees/human resources, creditors/ providers of capital, government. Each stakeholder contributes to the generation of value added and at the same time gets a proportionate share in value added.

R. R. Gillchrist (1970), North American Census of Production was a place where the value added concept was used initially in the year 1790. W.W. Suojanen was the first person, who used the value added concept in terms of accounting, under his research work on "Accounting theory and the large corporation- An Accountant's role", value added is a concept of income measurement, with the help of income statement and balance sheet. Value Added Statement is used to report the results to various interested parties W.W. Suojanen (1954).

According to ICAI (1985) Value added is the improvement in market value brought about by an alteration in the form, location or availability of a product or service excluding the cost of bought-in-materials and services, this can be expressed in the following equation:

Value added = Value after alteration – Value before alteration.

The word value added may be defined as the value of sales less the bought-in-goods and services expenditure used in producing that sales value J.L. Brown & L.R.Howard (1992)

According to C.J. Van Staden (2000) Value added is the value created by the activities of an organization and its employees, i.e., sales revenue less the cost of bought in goods and services, the calculation of value added and its application among the stakeholders of the organization was done with the help of Value Added Statement (VAS) reports. VAS reports presents the information in a more theoretical, logical and understandable way.

INTRODUCTION TO VALUE ADDED STATEMENT (VAS)

Value Added Statement functioned as a part of workers participation orientation towards the management's economic performance of an organization in the United Kingdom. S.Burchell, C. Clubb & A.G. Hopwood (1985)

According to The Corporate Report, Value Added Statement represents how the value or worth created or generated by an entity is shared or distributed among different stakeholders. Thus, the concept of Value Added Statement represents a shift in a new route for financial reporting ASSC (1975)

Value Added Statement is a statement, which shows the size of 'value added cake' and how the 'cake' has been divided amongst the various stakeholders J.Sizer (1979)

Value Added Statement (VAS) reveals the value added by an organization with which, it has been able to produce and its allocation among those contributing to its generation known as stakeholders ICAI (1985)

Value Added Statement (VAS) is in fact designed as a supplementary to the financial reports, as a new dimension to the existing corporate financial accounting system and which is reporting through the disclosure of additional information regarding the amount of wealth created by an organization for a financial accounting period P.M.Rao (1999)

The official acknowledgment of the Value Added Statement (VAS) was primarily made in a discussion, article entitled "The Corporate Report" which was published by the Accounting Standards Steering Committee of the UK in 1975 A.K.Basu (1992)

Value Added Statement (VAS) is defined as the performance of an organization during a specific period of time, and to what extent the organization has added value to its capital providers, who have contributed towards the generation of value added R.S.Agarwal (1993)

A business venture especially a company is conscious, purposeful in its creation for satisfying the requirements of the society at large, as it is a sovereign and a separate legal entity. The joint efforts of the stakeholders namely- employees, government, shareholders, creditors, plays vital role for survival and growth of an organization as well as wealth created by the organization. All these stakeholders are the parties to whom the result of operations of business is communicated P.M.Rao (2001)

REASONS FOR THE PUBLICATION OF THE VALUE ADDED STATEMENT

Value Added which represents in Value Added Statement can be used to gauge the performance of the business in an improved way. There is an evidence that the meaning and significance of profits are widely misunderstood, when using the traditional financial accounting system. In such a situation value added may be regarded as a preferable method for describing performance.

According to M.F.Morley (1978) Profit-based reporting is likely to be more subjective in nature ; on the other hand, product-based reports are more objective in nature. Preparation of Value added statement puts the profit in a different way and focuses attention on the success of an organization, in creating and increasing its wealth. Which is used in computing the national income. There is an ease of understanding and creating a greater awareness to the general public in knowing the role of an organization and society at a large by their capacity in the production of goods and services.

According to M.F.Morley (1978) for the Employees or the workforce, the value added statement is very much useful since the draw backs of the conventional reporting of Profit and Loss accounting.

The income statement, apart from being more complex than a value added statement, is not of particular relevance to the employees. The optimize value added is more meaningful than optimize profit because added value determiners reward for employees as well as providers of organizational capital C.J.Van Staden & Q.Vorster (1998)

R.Gray et.al(1996) Value Added Statement, is much more useful in improving the morale and the attitudes of the employees towards their services to the organization, who gave them employment. Human behavioural patterns are very complex and changes according to the situation and moreover, influenced by several factors. Simply presenting the Value Added Statement as a supplementary statement, does not guide human attitude and behavior.

ASSUMPTIONS IN PREPARATION OF VALUE ADDED STATEMENT

According N.Mandal & S.Goswami (2008) assumptions be made to compute the value added during the preparation of Value Added Statement (VAS)

1. Value Added Statement is not a replacement but a supplement to the regular Profit and Loss Account.
2. The preparation of Value Added Statement is based on the data presented in the traditional accounting system.
3. The Principles, concepts and conventions of traditional accounting system remains the same, in the preparation of Value Added Statement
4. It is easy to prepare the Value Added Statement from the traditional profit and loss account, but in practical, there is huge difference between these statements. Only because profit and loss account contains only non-value added items, but in case of Value Added Statement preparation only value added items will be considered.

CALCULATION AND CLASSIFICATION OF VALUE ADDED

Value Added may be classified into two categories:

- Gross Value Added (GVA) which refers to sales plus income from other services less bought in materials and services purchased from outsiders; and
- Net Value Added (NVA), which refers to the difference between GVA and Depreciation. In other words, NVA is the sum of the value added to employees, to providers of loan capital, to Government and to owners. C.J.Van Staden(1999b)

1. Bernard Cox suggested the following two methods for computing Gross Value Added (GVA) B.Cox (1979)

i) Additive method: under this method gross value added is computed by using the n following equation –

$$GVA = PBT + EC + D + I \dots\dots\dots(1)$$

Where, PBT= Profit Before Taxes, D = Depreciation

EC = Employee Cost and I = Interest

ii) Subtracting method: under this method Gross Value Added (GVA) is calculated by using the following equation:

$$GVA = S + IS - CBGS \dots\dots\dots(2)$$

Where, S = Sales

IS = Income from Services

CBGS = Cost of Bought-in-goods and services

2. According N.Mandal & S. Goswami (2008) Studneski Paul suggested following two methods for calculating Net Value Added:

i) Income Distribution Method: In this method Net Value Added (NVA) is determined by the following equation:

$$NVA = VAW + VAG + VAF + VAE \dots\dots\dots(3)$$

Where, VAW = Value added to workers/employees, VAG = Value added to Government,

VAF = Value Added to Financer, VAE = Value Added to Entity.

ii) Net output method: under this Net Value Added is determined by the following equation

$$NVA = GVA - D \\ = (S + IS) - CBGS - D \dots\dots\dots(4)$$

where, S = Sales, IS = Income from other services, CBGS = Cost of bought-in-goods ad services and D = Depreciation.

3. Accounting Standard Steering Committee (ASSC) suggests a formula for computing Value Added (VA), which is as follows:

$$VA = a - b + c + d + e + f \dots\dots\dots(5)$$

Where, VA= Value Added, a = Turnover, b = Bought-in-materials and services, c = employees wages and other benefits, d = Dividend and Interest payable, e = Tax payable and f = Retained profit.

THE IMPORTANT ELEMENTS OF VALUE-ADDED ANALYSIS

According to S.Aravanan (2005), the important elements of value added analysis are as follows:

- Value added is a concept, which is based on a self-sustaining economic activity;
- Value added uses basis of remuneration to staff;
- Value added is used as a basis for financing the budget;
- Value added is the basis to increase reserves and surpluses for the entity

TABLE 1: SKELETON STATEMENT OF VALUE ADDED

| Particulars | Amount (Rs.) |
|--|--------------|
| A. Generation of Value Added: | |
| Sales/Turnover (Including excise duties and sales tax excluding Returns, rebates & discounts etc.) | *** |
| ± Stock of semi-finished and finished goods Production value | *** |
| Add: Income from services | *** |
| Less : Bought-in-goods and services purchased from outsiders | *** |
| Gross Value Added (Gross Value Added) | *** |
| Less : Depreciation and deferred Revenue expenses | *** |
| Net Value Added (Net Value Added) | *** |
| B. Application of Value Added: | *** |
| Receipt by Employees/ Workers | *** |
| Receipt by Providers of Loan Capital/ Creditors | *** |
| Receipt by Government | *** |
| Receipt by Owners/ entity | *** |
| Net Value Added (Net Value Added) | ***** |

Source: N. Mandal & S. Goswami (2008)

USES OF VALUE ADDED STATEMENTS

In order to evaluate the performance of an organization or a corporate sector, the value added reporting is a new method which can be beneficial in many ways to the same. In India value added concept is still in infant stage, but even companies have started introducing the concept of value added in their books of accounts as an important tool. Inclusion of value added concept in organizations is useful not only for the internal users but also for the external users. According to K. C. Nandi (2005), there are many benefits of using value added concept; a few benefits of using value added in an organization are as follows:

1. Value Added Statement provides a better system of describing the performance of business undertakings in terms of capital productivity and labour productivity. Labour productivity can be used to measure in terms of value added per employee in order to help in wage settlement and the capital productivity can be measured in terms of value added per rupee of capital employed to find out the effective utilization of capital employed in the business S.Evraert & A. Riahi-Belkaoui (1998)
2. From a Nation's point of view, the preparation of Value Added Statement is most important, the contribution made by respective organization, towards the overall value added or wealth created of that particular nation S.J.Gray & K.T. Maunder (1980)
3. As explained in the above uses of value added concept, an organization can survive without earning profits, but cannot survive without adding value. The optimized profit is less important than the optimized added value of an organization. This value added is reward for employees and as well as the creditors (providers of capital) of an organization. Therefore, Value Added Statement is very much useful for the company to introduce "productivity incentive schemes based on value added" M.F.Morley(1978)
4. With introduction of value added, it can be observed in terms of team spirit in the organizational environment K.C.Nandi (2005)
5. At present, tax authorities are also using value added statements of respective organizations in making decisions P.M.Rao (2001)

IMPORTANCE OF HUMAN RESOURCES UNDER VALUE ADDED STATEMENT

In literature, Human Resources are often treated as the user group, who uses financial information that should get the most use from the value added statement. (For example M.F.Morley (1978), C.J.Van Staden (2000) To encourage employee group organizations should present value added statements in their financial statement IAS1 (1997) Gray et al. (1995) describes the VAS as an allegedly employee-related development. D.S.Joubert(1991) some surveys are conducted among organizations, who publish value added statement, and found that these statements are mainly used for employee communication and wage negotiations.

Human Resources and their representative groups are interested in information about the stability and profitability of their employer. They are also interested in information which enables them to assess the ability of the enterprise to provide remuneration, retirement benefits and employment opportunities D.E.Purdy (1981). During wage negotiations they are interested in information that demonstrates the employer's ability to afford higher wages. Many companies also publish an employee report internally. The aim of the employee report is to meet the needs of the Human Resources and as such it should be accessible to them in terms of the language used and the financial information given. Value added statements are often included in the employee report. It was established that the employee reports of individual companies are also available to the unions representing the company's Human Resources P.Karpik & A. Belkaoui (1990)

LIMITATIONS OF VALUE ADDED STATEMENTS

There are a few drawbacks according to Chitta ranjan sarkar & Kartik Chandra Nandi (2011) with the value added reporting system

1. One of the important limitations of Value Added Statement is that, if the value added statements presents along with the organizational annual reports, it may lead to overload information to various parties and may lead to confusion. An ordinary employee of an organization cannot understand the organizational annual reports and the value added statements, and how these two can be matched. Similarly, a non accountant employee or a shareholder reading the annual report of his company, may get confused by observing a fall in the value added and increase in profits and as well as if he would observe and confused, why the value added is rising while earnings are falling, N.Mandal & S.Goswami (2008)
2. Even though, profit is a part of value added, the maximization of value added does not necessarily lead to maximization of profit. A business organization can maximize its value added by introducing a number of inefficient policies (which cannot lead to increase in profit) but it cannot maximize profits in the similar way R.S.Agarwal (1993)
3. Value Added Statements can be used as a supplementary account to general financial statements. Value added statements does not have place in conventional financial statements. Value added statements are not published in a standard format. Sometimes in the calculation of value added statements, it takes in to consideration of the historical values, and therefore, it may lead to confusion, and misleads the user of the users P.M.Rao (2001)
4. The inclusion of Value Added Statement in the Annual Report of an organization, incurred extra cost and time. So it may create delay in publishing annual reports.
5. In general, Retained earnings are used as the fund for future expansion of the organization and it implies that every one of the team feels that they have a claim on it. But in reality, it does not hold good. M.Dalvadi Yagnesh (2010)

FORM OF VALUE ADDED REPORTING STATEMENT OF VISAKHAPATNAM PORT TRUST

The study concentrated on the critical analysis of data available from the financial statement of Visakhapatnam Port Trust for a period of 10 years (i.e from 2002-03 to 2011-12). On the basis of the data the Value Added Statement has been prepared over the period under study.

The accounting procedure of Value Added reporting divides the statement into two parts

(1) Generation of Value Added

(2) Application of Value Added A.K.Basu (1992)

Generation of Value Added

The generation of value added may be regarded as the Revenue generated from Sales which referred to as Sales Revenue (SR) plus Income from other Services (IS) over the cost of bought-in-goods & services (CBGS) from outsiders. It may be shown in equation form

$$VA = (SR + IS) - CBGS \text{ G.Sinha (1983)}$$

Sales Revenue (SR): Sales Value of Visakhapatnam port trust comes from Cargo Handling & Storage, Port & Dock Facilities, Railway Working and Rentable lands & Buildings. Sales revenue means net sales value minus sales returns, rebates, trade discount, commission and brokerage etc. but excise duty and sale tax are included because excise duty and sales tax are to be recovered from customers. Major portion, nearly 60% of sales revenue for Visakhapatnam Port Trust comes from Cargo Handling, storage and Port & Dock facilities.

Income from other services (IS): It represents the services rendered by the organization, which consists of interest on Government securities, interest on long term fixed deposits, dividend from subsidiary company, rent, compensation, royalty, interest, interest on revenue account, miscellaneous income, sundry receipts, profit on disposal of capital assets, cent age charges, sale of tender documents, stores adjustments, items relates to the previous year.

Bought-in-goods or materials and services (CBGS): Bought –in-goods include consumption of stores on spare parts, consumption of raw materials, repairs to plant and machinery and buildings and civil structures, general stores, electric power, damages and deficiencies payable railways, hire charges for floating crafts, hire charges for vehicles, safety, freight and handling charges, security charges, dredging charges etc., whereas bought in services includes repairs and maintenance, power and fuel, bank commission, insurance charges, advertising and publicity, postage, telephone & telegram, printing & stationery, audit fees, rent & rates, travelling expenses, legal charges, carriage outwards, entertainment expenses etc.

Application of Value Added

The application of value added is the summation of the amount distributed to the stakeholders of the organization i.e.

i) Application towards Employees or Workers (RE/ RW): Remuneration to Employees (RE) or Remuneration to Workers (RW) includes the amounts of salaries and wages, payment of bonus, contribution to provident fund, ESI and other benefits, staff welfare expenses, payment of gratuity, director's remuneration etc.,

ii) Application towards Providers of Capital Loan Interest (RCP): Remuneration to Capital Providers (RCP) includes the parties from whom the firm borrows money in the form of debentures or in the form of equity share capital and preference share capital. Interest is being paid to debenture holders while dividends are paid to shareholders. Interest is paid before the taxes levied on profits, whereas, dividends are paid after levied taxes paid to respective government.

iii) Application towards Government (RG): Remuneration to government (RG) includes the amount of excise duty, customs duty, local taxes, sales tax, octroi duty, rates and taxes, other direct taxes (e.g. income tax, wealth tax) etc. In some cases, amount of export incentives, subsidies received, refund of any duty or taxes like duty draw backs, excess of provision of taxes are granted by the government and are deducted from Government's share.

iv) Application towards Owners (RIB): Remuneration to owners of the organization is also referred to as Amount Re-invested In the Business (RIB); it includes the amount transferred to various types of reserves, statutory or non-statutory including retention, and depreciation. It can be understood by the following Value Added Statement.

Finally, from the above explanation it can be understood that the Value Added is the summation of the four groups, and it can be written as $VA = (RE + RG + RCP + RIB)$

Depreciation

In respect to depreciation the following three alternative treatments are possible:

1. To show it in the application of value added under the head either 'retained profit' or 'growth and expansion';
2. To include it under the Bought-in-services and ascertaining directly the net value added;
3. Reducing from the gross value added separately.

In the present study depreciation is treated by using the 3rd alternative treatments mentioned above i.e. reduction of depreciation value from gross value added separately.

TABLE 2: VALUE ADDED STATEMENT OF VISAKHAPATNAM PORT TRUST FOR THE PERIOD 2002-2003 TO 2011-2012 (Rs. In Crores)

| Particulars | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Generation of value added | | | | | | | | | | |
| Sales Revenue | 427.56 | 454.28 | 501.87 | 528.45 | 533.74 | 564.42 | 599.72 | 660.80 | 738.64 | 726.42 |
| Total Sales value indices | 100 | 6.25 | 17.38 | 23.59 | 24.83 | 32.24 | 40.26 | 54.55 | 72.75 | 469.89 |
| Other income | 14.04 | 11.12 | 14.64 | 14.43 | 20.92 | 25.48 | 51.14 | 56.86 | 77.66 | 450.91 |
| Gross output | 441.60 | 465.40 | 516.51 | 542.88 | 554.66 | 590.90 | 650.86 | 717.66 | 816.30 | 1177.33 |
| (-) Bought in materials and Services: | | | | | | | | | | |
| Materials used (stores) | 25.47 | 13.77 | 13.59 | 21.77 | 14.57 | 14.75 | 19.90 | 28.65 | 18.67 | 18.12 |
| Repairs | 11.28 | 18.90 | 19.26 | 18.22 | 21.77 | 24.01 | 31.09 | 39.06 | 35.68 | 31.07 |
| Power and fuel lubricants | 17.72 | 27.70 | 32.27 | 35.05 | 34.12 | 38.64 | 41.36 | 37.00 | 46.46 | 50.59 |
| Dredging | 9.28 | 7.31 | 6.90 | 6.95 | 1.47 | 8.40 | 2.86 | 34.39 | 34.11 | 34.52 |
| Other operational expenses | 25.72 | 19.46 | 82.99 | 25.14 | 21.67 | 23.42 | 35.28 | 156.38 | 134.44 | 155.85 |
| General expenses | 10.18 | 9.90 | 12.00 | 9.56 | 12.86 | 12.96 | 16.21 | 14.32 | 10.81 | 17.02 |
| Gross Value Added | 341.92 | 368.33 | 349.46 | 426.17 | 448.18 | 467.23 | 504.16 | 407.84 | 536.05 | 758.08 |
| Gross Value Added Indices | 100 | 7.72 | 2.21 | 24.64 | 31.07 | 36.64 | 56.54 | 2.65 | 34.07 | 154.48 |
| Depreciation charged | 25.72 | 26.86 | 28.37 | 31.24 | 30.99 | 32.42 | 31.74 | 00.00 | 00.00 | 00.00 |
| Net Value Added | 316.62 | 341.47 | 321.08 | 394.93 | 417.18 | 434.80 | 472.42 | 407.84 | 536.05 | 758.08 |
| Net Value Added Indices | 100 | 2.08 | 1.87 | 25.35 | 32.41 | 38.00 | 59.96 | 11.40 | 45.49 | 161.58 |
| Distribution of Net Value Added | | | | | | | | | | |
| To workers/Human Resources (Staff Cost) | 235.66 (74.42) | 223.11 (65.33) | 288.89 (89.97) | 210.67 (53.34) | 205.83 (49.33) | 298.18 (68.57) | 279.74 (59.21) | 375.01 (91.95) | 388.08 (72.39) | 667.33 (88.02) |
| To providers of capital loan interest | 6.66 (2.08) | 1.35 (0.39) | 1.22 (0.37) | 1.07 (0.27) | 1.33 (0.32) | 0.68 (0.15) | 1.83 (0.39) | 0.93 (0.23) | 0.75 (0.14) | 0.45 (0.059) |
| To Government (Tax) | 13.44 (4.24) | 32.27 (9.45) | 19.90 (6.19) | 20.97 (5.31) | 86.85 (20.81) | 22.38 (5.15) | 95.97 (20.31) | 26.50 (6.49) | 29.34 (5.47) | 29.01 (3.82) |
| To owners (Div.+ Retained earnings) | 65.05 (20.54) | 84.72 (24.81) | 11.08 (3.45) | 162.22 (41.07) | 123.17 (29.52) | 113.62 (26.13) | 166.44 (35.23) | 5.40 (1.32) | 117.88 (21.99) | 61.29 (8.08) |

Source: Data are compiled on the basis of information available in annual reports of Visakhapatnam Port Trust during the period (2002-03 to 2011-12)

(Note: figures in brackets indicate the percentage distribution of net value added)

TABLE 3: GVA & NVA OF VPT AT A GLANCE

| Years | Gross Value Added | Net Value Added |
|-----------|-------------------|-----------------|
| 2002-2003 | 3419253200 | 3166233009 |
| 2003-2004 | 3683328216 | 3414708025 |
| 2004-2005 | 3494651720 | 3210882970 |
| 2005-2006 | 4261755396 | 3949301407 |
| 2006-2007 | 4481831102 | 4171879559 |
| 2007-2008 | 4672303729 | 4348075066 |
| 2008-2009 | 5041619271 | 4724237356 |
| 2009-2010 | 4078403469 | 4078403469 |
| 2010-2011 | 5360528260 | 5360528260 |
| 2011-2012 | 7580850280 | 7580850280 |

Source: Data are compiled on the basis of information available in annual reports of Visakhapatnam Port Trust during the period (2002-03 to 2011-12)

ANALYSIS

Value added statements is very much useful to judge the performance and productivity of an organization both in public and private sector organizations in managerial decision making, as of now the usage of Value added Statement is still at the infancy stage in the arena of financial management. The main reason behind this fact is very difficult to unseat any age old idea deeply entrenched not only in practice but also in allied usages and also in legal set up. That is why, in spite of some obvious limitations the traditional financial statements are still in use.

Table shows Gross Value Added and Net Value Added figures of Visakhapatnam Port Trust, it is found that both Gross Value Added and Net Value Added figures has been on an increasing trend over the study period except in the years 2004—2005 and 2009-2010. The distribution of Net Value Added is also clearly shown in the table over the period of ten years. The Gross Value Added and Net Value Added indices (taking 100 in the year 2002-2003 as base) reveal a continuous increasing trend (except in 2004-2005 and in 2009-2010) in Visakhapatnam Port Trust.

In absolute term, Gross Value Added(GVA) and Net Value Added (NVA) of Visakhapatnam Port Trust in the year 2002-2003 was Rs. 341.92 crores and Rs. 316.62 crores whereas in 2011-2012 the GVA and NVA was Rs.758.08 and Rs.758.08 crores. This increase in the value added (both Gross Value Added and Net Value Added) was mainly due to the increase in the value of services over the years. Value added indices also show that in 2011-2012 the Gross Value Added and Net Value Added have increased to about 154.48 and 161.58 from the base year 2002-2003 (taken as 100). The value of services (sales revenue) is noted to be on an increasing trend during the study period of 10 years, except in the year 2011-2012, even though the gross output was high in this year due to greater increase in other income from finance and other miscellaneous services the gross output is continuously on an increasing trend, noticeable increase in gross output is identified in the year 2011-2012. It is also observed from the above table no. 5.2; Visakhapatnam Port Trust has not charged depreciation to their assets for the last three years of the study period i.e. 2009-2012.

While examining the distribution of Net Value Added, it was noticed that Visakhapatnam Port Trust had made greater contribution of its value towards Human Resources of the organization. It is evident from the above table no 4.3 in the study period. More than 50% of net value added is shared to Human Resources of Visakhapatnam Port Trust during the study period, except in the year 2006-2007 where 49.33% of the net value added was only distributed. The highest distribution of net value added with the Human Resources is identified in the year 2009-2010 of 91.95% total share. The second important stake holder to whom the net value added was distributed was to the owners ie, the organization, was in increasing trend during the study period, it is observed to be very high in the year 2005-2006 with 41.07 %. The third stake holder who received the third highest net value added is the Government; it is observed throughout the study that a noticeable share was distributed to government in the years 2006-2007 and 2008-2009 with 20.81% and 20.31% share respectively. The last stakeholder who received the fourth highest share of the net valued added was the creditors (providers of capital), and it was observed the share distributed was very negligible.

CONCLUSION

Based on the above analysis it may be concluded that the generation of value addition made by Visakhapatnam Port Trust has been increasing continuously with slight fluctuation during the study period only due to sales revenue and operational efficiency. So far as the disposal of value added is concerned it was found that the payment to the Human Resources has been increased significantly that indicates social contribution by the company. Retained earnings and depreciation was sufficient over the study period. On the basis of above interpretation, it can be concluded that the management of Visakhapatnam Port Trust has contributed to the society about 71.25% of total value added was distributed among the Human Resources. Government, financial institutions, banker share stands as 7.53% and the remaining 21.21% of the total value added is re-invested in the form of retained earnings and that is an appropriate amount of investment for the development, growth and expansion of the business. The analysis clearly signifies that the management of the company has not only improved its profitability but has also fulfilled its responsibility towards the society at large and emphasised that human capital was given utmost importance for their contribution towards the success performance of organization.

The result of the study highlights the fact that all the contributors of Value Addition have significant impact on the profits of the company. However, major share contributor's i.e. human resources have huge impact on the profits of the Visakhapatnam Port Trust, and followed by the retained earnings. It indicates that greater 'Value Addition' can be possible by plough back of retained earnings. Comparatively Share of 'debt capital contributors' has insignificant impact on the profits of the company.

TABLE 4: VALUE ADDED RATIOS FOR MEASURING PERFORMANCE AND JUDGING PRODUCTIVITY OF VPT

| PARTICULARS | SET OF RATIOS | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|---------------------------------------|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Value Added to Net Worth Ratio | GVA to Net worth | 2.64 | 2.70 | 2.92 | 2.81 | 2.76 | 3.26 | 3.34 | 4.35 | 3.68 | 2.35 |
| | NVA to Net worth | 2.86 | 2.92 | 3.18 | 3.03 | 2.97 | 3.50 | 3.57 | 4.35 | 3.68 | 2.35 |
| Value Added to Capital employed Ratio | GVA to Capital employed | 2.13 | 1.85 | 2.17 | 1.72 | 1.65 | 1.55 | 1.55 | 1.95 | 1.53 | 1.18 |
| | NVA to Capital employed | 2.30 | 2.00 | 2.36 | 1.86 | 1.78 | 1.67 | 1.65 | 1.95 | 1.53 | 1.18 |
| Value Added to Sales ratio | GVA to Sales Revenue | 1.29 | 1.26 | 1.48 | 1.27 | 1.24 | 1.26 | 1.29 | 1.76 | 1.52 | 1.55 |
| | NVA to Sales Revenue | 1.39 | 1.36 | 1.61 | 1.37 | 1.33 | 1.36 | 1.38 | 1.76 | 1.52 | 1.55 |
| Net profit to Value Added Ratio | GVA to Net Profit | 0.17 | 0.21 | 0.03 | 0.48 | 0.42 | 0.24 | 0.33 | 0.11 | 0.32 | 0.13 |
| | NVA to Net Profit | 0.18 | 0.23 | 0.03 | 0.52 | 0.45 | 0.26 | 0.35 | 0.11 | 0.32 | 0.13 |
| Value Added to Employee Cost Ratio | GVA to Employee Cost | 0.27 | 0.25 | 0.25 | 0.21 | 0.22 | 0.26 | 0.31 | 0.62 | 0.40 | 0.29 |
| | NVA to Employee Cost | 0.29 | 0.27 | 0.28 | 0.23 | 0.24 | 0.27 | 0.33 | 0.62 | 0.40 | 0.29 |
| Value Added to Total cost Ratio | GVA to Total Cost | 1.12 | 1.05 | 1.45 | 0.79 | 0.82 | 1.03 | 0.96 | 1.65 | 1.20 | 1.68 |
| | NVA to Total Cost | 1.21 | 1.14 | 1.58 | 0.85 | 0.88 | 1.10 | 1.03 | 1.65 | 1.20 | 1.68 |
| Value Added to Material Cost Ratio | GVA to Material cost | 0.07 | 0.04 | 0.04 | 0.05 | 0.03 | 0.03 | 0.04 | 0.07 | 0.03 | 0.02 |
| | NVA to Material cost | 0.08 | 0.04 | 0.04 | 0.06 | 0.03 | 0.03 | 0.04 | 0.07 | 0.03 | 0.02 |

Source: Compiled based Data are compiled on the basis of information available in annual reports of Visakhapatnam Port Trust during the period (2002-03 to 2011-12)

ANALYSIS ON VALUE ADDED RATIOS

The computed ratios are shown in above table no 4.4 depicts the information about the computed ratios of Visakhapatnam Port Trust for the period under study (i.e. from 2002-2003 to 2011-2012).

1. Value added to Net Worth Ratio indicates the amount of wealth (i.e. value added) Created per rupee of Net Worth. Greater the Ratio, higher will be the safety to the providers of capital. Value added to Net Worth ratio of the company has more or less an increasing trend over the period under study, a proportionate decrease observed in the years 2010-2011 and 2011-2012. In spite of the decrease, it indicates a good sign for the contributors as regard the safety of their funds.
2. Value added to Capital Employed Ratio reflects the efficiency of capital utilization in generating the quantum of value added. The main purpose of computing this ratio is to find out how much value is added per unit of capital investment. This ratio is recognized as more significant than traditional ratio of 'Net Profit to Capital Employed' as an index of managerial efficiency. Value added to Capital Employed Ratio of the company has almost had a decreasing trend over the periods of ten years. Though the actual values seen to be in increasing trend but the real value of capital employed has decreased, because of inflation and increasing interest rates etc.,
3. Value added to Sales Ratio reveals the contribution of Company's sales revenue towards the value addition. An effective sales promotion policy would enable a company to enhance the performance of the company in this regard. Value added to Sales Ratio generally describes whether the company has an effective sales promotion policy to enhance the performance. Visakhapatnam Port Trust (VPT) had this ratio in increasing trend; it was observed very high in the year 2009-10 again it was noticed that the ratio had decline trend due rough weather and the ongoing global downturn. A significant decline in overall cargo handling at VPT is on a steep decline in handling of its main commodities -- iron ore and petroleum, oil and lubricants (POL) handling, according to sources.
4. Net Profit to Value added Ratio expresses the owner share in the pool. Higher the ratio, higher will be the concentration of income in few hands and vice-versa. Net Profit to value added ratio of VPT was found very less in the year 2004-05 and immediately for the two consecutive years had increased. Again there was a decline in the year 2007-08 due to increase in operating expenditure, stores expenditure, and Increase in salaries and wages due to normal increase in wage bill, provision made for full years impact of wage revision due from 1-1-2007.
5. Value added to Employee cost Ratio reveals the labour productivity of the enterprise. A high ratio indicates that the enterprise is highly efficient in terms of labour productivity. Value added to employee cost ratio has a proportion of fluctuations over the study period and it was observed to be high in the year 2009-10 due provision made for pension arrears payable consequent on pension revision, by normal increase in wage bill, increase in payments by Rs.712.95 lakhs balance payment for arrears as per 6th pay commission recommendation.
6. Value Added to Total Cost Ratio reveals the expenses incurred by the enterprise for a specified period of time; less the ratio higher the efficiency in terms of cost control. Value Added to total cost ratio, the less the ratio indicates, efficiency of the organization in terms of cost control during the study period, it was observed to be in fluctuating trend, whereas this ratio was observed to be less in the year 2005-06.
7. Value added to Material Cost Ratio focuses the material productivity of the enterprise. Higher the ratio greater will be the efficiency of the enterprise in terms of utilization of materials.

It is observed from the table that the Value added to material cost ratio shows fluctuations over time. It ranges from 0.02 to 0.07 (for GVA to material cost) / from 0.02 to 0.08 (in case of NVA to material cost). The fluctuations of the ratio are also observed over the period under study. This ratio indicates that VPT is highly efficient in terms of utilization of materials. Thus it is clear that the financial ratios using Value Added figure can be regarded as the index of managerial performance and they would be more sensitive to display the vivid picture about the efficiency of management of a firm in a highly complex and competitive business environment.

FINDINGS

- i. The distribution towards human resources was high with 71.25% and followed by 21.21% towards entity in the form of reserves and surpluses, which can be used for re-investment in the business.
- ii. VPT had very less long term debt from outsiders, it had funds from government with less cost of capital. This can be clearly understood with the help of contribution towards bankers share, financial institutions and government with 7.53%.
- iii. In spite of a few decreases was observed in the value added to net worth ratio, it indicates a good sign for the providers of capital as regard the safety of their funds
- iv. Value added to sales ratio was observed to be in increasing trend during the study period, in the year 2009-10 was noticed a decline due to global downturn.
- v. Value added to employee cost ratio was observed to be high during the study period and it shows the labour productivity.

IMPLICATIONS OF THE STUDY TO MANAGERS AND ORGANIZATIONS

The following are the most important implications of our study:

1. The performance analysis of the company on the basis of Value Added figure reveals the distributive judgment in respect of all the participants of the company. This is not possible through the performance analysis on the basis of Net Profit figure only.
2. Value Added Statement of the company provides the means to satisfy all the stakeholders and as a result, the analysis creates feelings in the minds of all the participants that the company is able to create wealth for the society and ultimately it favours a strong basis for the society at large.
3. Our analysis also gives us an impression about the future contribution by the business unit towards different stakeholders of the company and also the targeted profit of the company in future.
4. There is a high degree of association between GVA and NVA. Unlike traditional financial ratios, value added ratios are equally important and useful to judge the efficiency and effectiveness of the enterprise as regards sales promotion, utilization of fund, capital productivity, labour productivity, etc.

CONCLUSION

In India, over the past there are several changes that had occurred in the presentation of corporate reporting, in terms of presentation of its financial reports. Presentation of 'Value Added Statement' along with the common financial reports has become a common practice. The research indicates that social accounting theories can best be used to motivate the organizations in the publication of the value added statement. 'Value Added Statement' shows the wealth created and its allocation to the key productive resources and it provides a mode of understanding the responsibility of different stakeholders of an organization in creating and maintaining 'Value Addition'.

Presentation of Value Added Statement, as well with the regular financial statements will assist the management in making economic decisions, used as a performance indicator. it is also used to increase the accurate and fair examination of their financial position during a specific period. This fact is to include the value added statement in a separate social reporting.

The value added statement might provide an informative advantage with limited marginal costs because the performance report can be disclosed with figures already recognized in the income statement.

Further investigations of the firms' characteristics and international comparisons could contribute to a better understanding of the possible role of the value added statement in accounting language, both in the national and international context.

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A STUDY ON CONSUMER PREFERENCE TOWARDS SAKTHI MILK WITH SPECIAL REFERENCE TO COIMBATORE CITY

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ABSTRACT

India was the second largest producer of milk after the per capital availability of milk has improved over the year from 107 gm. /day in 1970 to 190 gm. /day in 1994. The recommendation is how ever 220 gm. /day. However, the estimated output will be around two million tones. The country's milk production in 1994-1995 was 63.5 million tones. The processing and marketing of dairy products because milk is an excellent source of proteins, carbohydrates, calcium phosphates. Vitamins and other important ingredients which are essential for physical and mental have assured market for milk.

KEYWORDS

milk production, dairy products, market, recommendation.

INTRODUCTION

In spite of the fact that the Indian cattle in an inevitable element in the agricultural sector as well as in supplying milk it did not receive due recognition till recent years. Though infrastructural facilities are promoted in a large scale still dairying faces many problems which make the progress of the same. Till recent years dairying was not considered as a business and there was no adoption of sciences and technology in either production (or) distribution today science in applied to every aspect of dairying namely in the areas of better production, procuring, storing and distribution without causing any damage (or) spoilage to the quality of milk.

OBJECTIVES

1. To study the consumer opinion and preference for Sakthi milk.
2. To study the consumer satisfaction towards use of Sakthi milk.

SCOPE OF THE STUDY

The study mainly has elicited views from consumers about price, quality, package, availability, sales promotion and encourages of Sakthi milk and enables to ascertain the respondent's level regarding the product; the study has been conducted among consumers at different place of Coimbatore city where Sakthi milk is marketed.

METHODOLOGY

The collected data have been categorized and processed manually as well as through computer. The important tools used for analysis are as follows.

- Percentage wise analysis

LIMITATIONS OF THE STUDY

- The study was limited to in Coimbatore city only.
- Due to time and distance constraints an extensive study was not possible.
- The researcher found that many of the respondents were busy in their work. So, it was difficult to interact with them further.

REVIEW OF LITERATURE

There is hardly any study available on consumers purchase behavior that deals exclusively with milk products. So in reviewing the literature, interest is focused on studies conducted, in India and abroad, dealing not only with milk products but also on such investigations as offers findings related to milk products.

1. **Shiralashetti and Hugar (2007)** in his article titled "Consumer Satisfaction with Special Reference to Milk Consumers in Gadag City" points out that more number of unpasteurized milk consumers' satisfaction level is high compared to pasteurized milk consumers towards quality, price and taste whereas it is the reverse towards supply of milk in the study area.
2. **Akbay and Tiryaki (2008)** in their study entitled "Unpacked and packed fluid milk consumption patterns" suggest that unpacked fluid milk preference is related positively to household size, income and age of the household head, and negatively to education level of the household head and status of the household wife. Similarly, pasteurized and sterilized fluid milk preferences are related positively to income and the education level of the household head, and negatively to household size and age of the household head. Results from these analyses are used to suggest techniques for marketing fluid milk products to specific segments of the consumer population
3. **D. Kalaivani (2015)** in her study focused to know the problems of milk producers towards supply of milk to Coimbatore district milk product union Ltd. The study revealed that for milk union often delayed the payment for milk supplied. They also expressed that all the quality of milk obtained was not purchased by the milk union.

DATA ANALYSIS AND INTERPRETATION**PERCENTAGE WISE ANALYSIS****TABLE 1: AGE WISE GROUP OF THE RESPONDENTS**

| S. No | Particulars | Number of respondents | Percentage of Respondents |
|-------|--------------|-----------------------|---------------------------|
| 1 | 15-20 | 21 | 19.09 |
| 2 | 20-30 | 51 | 46.36 |
| 3 | 30-40 | 17 | 15.46 |
| 4 | ABOVE 40 | 21 | 19.09 |
| | Total | 110 | 100 |

The above table shows that out of the total respondents taken for the study 46.36% respondents belongs to the age wise group of 20 to 30, 19.09% of them belong to 15-20 years and above 40 years remaining 15.46% of them belong to 30-40 years old.

Inference

The majority (50%) of the respondents are having age group between 20-30 year of their age category.

TABLE 2: OCCUPATIONAL STATUS OF THE RESPONDENTS

| S. No | Particular | Number of Respondents | Percentage of Respondents |
|-------|---------------------|-----------------------|---------------------------|
| 1 | Business | 11 | 10 |
| 2 | Government employee | 12 | 10.90 |
| 3 | Private employee | 27 | 24.55 |
| 4 | Others | 60 | 54.55 |
| | Total | 110 | 100 |

It is observed from the above table that total respondents taken for the study out of 54.55% of the respondents are others, 24.55% of the respondents are Private Employee, 10.90% of the respondents are Government Employee and 10% of the respondents are Business.

Inference

The above table reveals that among 110 respondents, majority of them are in other (54.55%).

TABLE 3: LEVEL OF SATISFACTION OF SAKTHI MILK

| S.no | Particular | Number of respondents | Percentage of Respondents |
|------|--------------------------|-----------------------|---------------------------|
| 1 | Hygienic | 23 | 21 |
| 2 | Balanced nutritive value | 17 | 15.4 |
| 3 | Price | 30 | 27.2 |
| 4 | Capacity | 13 | 11.8 |
| 5 | Availability | 27 | 24.5 |
| | Total | 110 | 100 |

It is observed from the above table that total respondents taken for the study out of 24.5% of the respondents are falls under the category of availability, 11.8% of the respondents are falls under capacity, 27.2% of the respondents are falls under price, 15.4% of the respondents are falls under the category of balanced nutritive value and 21% of the respondents are falls under hygienic category.

Inference

Therefore, it is concluded that, the majority of the respondents (i.e., 27.2%) are in the satisfaction level of price.

TABLE 4: HOW MANY PERSONS ARE IN YOUR FAMILY

| S. No | Particular | Number of Respondents | Percentage of Respondents |
|-------|--------------|-----------------------|---------------------------|
| 1 | 2 | 8 | 14.04 |
| 2 | 3 | 12 | 21.05 |
| 3 | 4 | 30 | 52.63 |
| 4 | 5 | 7 | 12.28 |
| | Total | 57 | 100 |

The above table reveals that out of 57 number of married respondents, 27.27% of the respondents are having 4 members, 10.91% of the respondents are having 3 members, 6.36% of the respondents are having 5 members and 7.27% of the respondents are having 2 members.

Inference

The table 4.6 indices that out of 110 respondents, the majority of 4 number of persons in family.

SUGGESTIONS

1. Most of the consumers suggested that price and quality are the main factor for purchasing milk.
2. They feel that Sakthi price is high. Steps should be taken to reduce it, society price
3. It should adopt aggressive marketing strategies to expand its market size particularly in rural areas and micro towns.

CONCLUSION

A consumer is not someone to argue or match with the needs and satisfaction level differ from individual to individual and no company can satisfy the needs of consumers. Consumer oriented thinking helps the marketer to define consumer needs from the consumer's point of view. The present study attempts to bring out the factors leading to the purchase behaviour and perception of consumers in buying Sakthi milk.

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EMPOWERING HEALTH SECTOR THROUGH DIGITAL INDIA INITIATIVES**CHINNASAMY. V****SCIENTIST D****MINISTRY OF ELECTRONICS & INFORMATION TECHNOLOGY (GOVERNMENT OF INDIA)****NEW DELHI****ABSTRACT**

Digital India is strengthening the Information and Communication technology (ICT) Infrastructures across India. This is more helpful in extending urban health care services into rural, unreachable and remote parts of India. Health MMP has become more digitally innovative by implementing e-Kranti principles. Mother and Child Tracking System (MCTS), Kilkari & Mobile Academy schemes have exploited USSD and IVRS services to check and combat Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) etc across nook and corner of India. The common Services Centre (CSCs) platform has been utilised to extend the telemedicine services along with other services. Web based e-Hospital Application has created innovations in Public Hospital Management eco system.

KEYWORDS

digital India, e-healthcare, common service centers, telemedicine, e-hospital.

INTRODUCTION

India has around 70% of the population resides in rural area. Rural India's economy is still largely agricultural based economy. Hence, prosperous and healthy lives of rural citizens are assets of India economy. Availability of various urban health facilities needs to be extended to the rural citizens with the help of ICT facilities. Every Government hospital serves approximately 61011 people across India. India has a doctor to patient ratio of 1:1700. In this juncture Digital India has taken various measures on utilising the ICT benefits to extend the urban Health services into rural India. Digital India empowers technology and the technology has power to improve access to healthcare services especially for people residing in rural, remote and far-flung areas

Recent developments in the ICT sector are revolutionising health care system by transforming health care administration, in public health care service delivery and management system. In Modern society, Internet is transforming the healthcare industry. Telecommunication networks and internet are best utilised to extend the health care services to the remotest corner of India. Government of India focuses on maximising the use of digital technologies for public wellbeing through Digital India Initiatives. National e-Governance Programme 2.0 (e-Kranti) has brought out various principles such as Mandatory Government Process Reengineering (GPR), Infrastructure on demand, Integrated services, Infusing Transformation, Cloud by default and Mobile first across all Mission Mode Projects (MMPs). Health MMP is one of the projects which are being rejuvenated by NeGP 2.0 Principles.

"e-Health is professional Application of Information and communication technological developments for the welfare of the healthcare of all living organism".

It initiates the healthy interaction between patient and doctor irrespective of distance. The increasing number of tools of ICT provides opportunity for extending efficient healthcare services to Rural India. Under Digital India, various healthcare initiatives have been taken to strengthen the public health care eco system in India. Government of India aims to access Universal health coverage (UHC) by 2022.

1) NETWORK FOR RURAL e-HEALTH SERVICES

Internet is becoming significant sources of public health initiatives and it provides increasingly accessible communication channels for growing segment of health conscious population. It provides an increasingly accessible communication channels for a growing segment of the population. Internet offers greater interactivity and better tailoring of information to all sectors including health sector. It also provides enough space for preventive care by providing better online clinical information. Robust Network connectivity can take Internet to nook and corner of our country.

Network connectivity is the major component in providing rural e-health services. Connectivity will extend health related activities in rural areas. The rural tele-density is just above 50%. The mobile Network across the country has to be used effectively for delivering services including health related services. Setting up of Network connectivity and its maintenance is a challenging one in the thinly and sparsely populated rural areas. In India, almost 75% of the qualified medical professionals are working in urban areas. A robust Network connectivity to rural, inaccessible and difficult terrain would help to extend the services of health professionals to those areas. The connectivity helps the health care eco system to reach out to individuals and it is the back bone of the electronic service delivery mechanisms for any scheme. Digital India has provided various initiatives for strengthening rural networks. The programme altogether focuses on improving network penetration across India and envisages filling up the gaps in connectivity across the country.

- 2,50,000 village panchayats would be covered under NOFN (National optical Fiber Network). This would be providing High speed connectivity across rural areas. Out of 2,50,000 gram panchayats so far, more than 48,199 connectivity have been established. Health eco system across rural India is envisaged to leverage NoFN high speed bandwidth Connectivity from Block to panchayat level for extending healthcare services.
- Around more than 2.2 lakh Common Service Centers (CSC) have been established to provide e-services in rural regions to bridge digital divide. The CSC platform is also being used for extending telemedicine services across India.
- A comprehensive plan has been launched for providing Mobile coverage to all uncovered villages. Hitherto unconnected 55,619 villages in the country will be extended with mobile coverage in a phased manner including connectivity for North eastern areas.
- DoT has initiated process to install around 4000 telecom towers and related infrastructure in North-eastern states with the help of viability gap funding and BSNL has also been advised to embark on network rollout schemes for Arunachal Pradesh and two districts of Assam.
- CSCs would be strengthened by providing connectivity through NOFN service points and its number would be increased from 2.2 lakhs to 2.5 lakhs through CSC 2.0 programme.
- Recent National Health policy supports for using National Knowledge Network(NKN) for tele-education, tele-consultations and access to digital library etc.
- It is envisaged to setup National Medical College Network (NMCN). Initially 41 Govt. Medical Colleges will be riding over National Knowledge Network (NKN). It is to be completed in another five years.
- There is a proposal to Create National Telemedicine Network (NTN) to connect Government Medical Colleges, District hospitals, Sub Divisional Hospitals, Community Health Centre (CHC) & Primary Health Centre(PHC) across India in a phased manner with incremental approach.

A Mission of project called Digitally Inclusive Smart Community has been initiated which envisages to reduce distance barrier of rural areas through nationwide implementation of telemedicine technology by establishing Tele-Consultation Centres (TCC) and linking community level institutions with specialised healthcare institutions. This initiative intends to create more numbers of Tele-Consultation Centres (TCCs) across the country including rural and semi urban areas and plans to augment sufficient number of Tele-medicine Centres in a phased manner at Specialist Hospitals (SH) in state /UTs for delivery of specialised health care services. Ministry of Health and family welfare shall leverage all these initiatives for various services like Telemedicine, m-Health, National Medical College Network (NMCN), National Rural Telemedicine Network, and for various other e-Governance activities to improve National health care eco system etc.

In the National Medical College Network (NMCN) Scheme, which is being implemented by Ministry of Health and Family welfare (MoHFW) 41 Government Medical Colleges including six medical colleges from North eastern region would be networked using National Knowledge Network (NKN) in the first phase. In this scheme, each medical college would be provided with latest ICT equipment for video Conference, Tele-Consultation facility, Tele-Mentoring, Live Lecture streaming etc. It will be useful for e-education and National Rural Telemedicine Network for e-Healthcare service delivery.

2) HEALTH MMP

Health MMP under Digital India is envisaged to establish a pan-India integrated health information system along with online medical records & Health information exchange. The MMP has been restructured & revised. The key components of the MMP are mother & Child tracking system (MCTS), Health Management Information System (HMIS), Training Management Information System, Drug Supply Chain Management, National Health Portal (NHP), Promotion of Electronic Health record (HER) etc.

Integrated Health Information platform is envisaged to be established in selected states to facilitate, interoperability, creation & exchange of medical records, citizen services and programme management etc. There is also a proposal to facilitate interoperability and information exchange between different IT systems including private sector systems. It would be in compliance of Meta data and data standards of Govt. of India. NHP (National Health portal) has launched a voice portal for providing various information like health related issues, diseases, lifestyle, first aid, directory services, health programme etc. through a toll free number. Presently, the information is available in 5 languages namely English, Hindi, Tamil, Bangla and Gujarati. In future more languages will be covered. The Voice portal has been architected to meet the needs of the common people. Though information accessed through voice portal is limited, it can be accessed even through Low end mobile handsets. It also facilitates for wider reachability of Information.

a) MCTS

Mother and Child Tracking System (MCTS) is one of the successful Mission Mode Projects (MMP) under National e-Governance Plan (NeGP). It consists of web and mobile based monitoring applications. Total registration in MCTS includes over 10 crore mother, over 9 crores children & over 11 lakh Health workers (ANM & ASHA) for tracking and monitoring health services being offered to pregnant women and children under various scheme. It boosts institutionalized deliveries and provides access to health related services to pregnant women before and after delivery. It is a national System. It has been integrated with SMS, USSD and IVRS as delivery channels for providing real time services to the MCTS beneficiaries and workers.

- It tracks and delivers services of health care and immunization services to pregnant woman and children upto 5 years of age. It establishes two-way communication between the service provider and beneficiaries.
- It provides mother and Children fact sheets, reporting and seeding of Aadhaar number for direct cash transfer to relevant beneficiaries and its monitoring.
- Generation of work plans of ANMs (Auxiliary Nurse Midwife), sending regular alerts to the service providers as well as beneficiaries about the services due and user friendly dashboard for health managers at various levels to monitor delivery of services. The health worker receives regular SMS from MCTS portal to follow up the child and provide immunization services.
- It ensures that immunization is given to children as per schedule by sending SMS to beneficiary mobile phones.
- The Health worker ANM (Auxiliary Nurse Midwife)/ ASHA (Accredited Social Health Activist) provides services to the parent/child and the updated real time data are fed into MCTS portal by USSD messages through Mobile phone from the remotest part of the country. It also helps for validation of Mobile Numbers of ANM/ ASHA. The users need not pay any cost for using the services in MCTS. The USSD messages create a real time connection during the session.
- Dedicated IVRS (Interactive Voice Response System) services platform is envisaged to educate beneficiaries about the pregnancy and childcare.
- Recently an audio based weekly mobile service has been launched on MCTS platform for the beneficiaries. The voice messages delivered will be relevant to the stage of pregnancy or the age of the infant.
- It is a management tool to reduce MMR (Maternal Mortality Rate) /IMR (Infant Mortality Rate) /TFR (Total Fertility State) and track the individual healthcare service delivery.
- By implementing High-speed network connection across rural India, the real time data collection into MCTS system can be improved further.
- There is also a proposal to include the MCTS scheme in ESIC to track every pregnant mother and new born of an insured person. In this regard, a pilot project is to be launched soon in New Delhi.

b) KILKARI & MOBILE ACADEMY

Kilkari is an initiative of the central government for providing cost effective solutions to create proper awareness among pregnant women, parents of children and field workers about the importance of Anti Natal care, institution delivery, post-natal care and immunisation. The first phase of Kilkari was launched on 15th January 2016 under Digital India in 6 states viz. Uttarakhand, Uttar Pradesh, Odisha, Rajasthan and Madhya Pradesh in high priority districts. Kilkari is an IVR that delivers free weekly time-appropriate 72 audio messages each of two-minute duration about pregnancy, child birth and child care delivery to family's mobile phones from the trimester of pregnancy until the child reaches a year old.

The project is basically to check and combat Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) across state/UTs. The database for the Kilkari programme will be taken from the successful Mother and Child Tracking System (MCTS) to monitor pregnant women and babies. It is known that the programme was first piloted in Bihar. Based on its success on Bihar, it was decided to launch it nationwide.

The first phase of the mobile Academy was launched on 15th January 2016 under Digital India in 4 states Viz Uttarakhand, Jharkhand, Rajasthan and Madhya Pradesh. Mobile Academy is a free audio training course designed to expand and refresh the knowledge base of Accredited Social Health Activities (ASHA) and improve their communication skills.

c) DIGITAL TECHNOLOGY BASED HEALTH ECO SYSTEM

Recent National Health Policy recognises the role of e-Health, m-Health, cloud, IoT and wearables etc) in delivery of healthcare services. It strives for implementation of Digital based public health care system. It envisages to set up National Digital Health Authority to regulate and deploy digital healthcare facilities across the Public health care eco system and to function as nodal National body for strategic initiatives in Public Health Sector. It envisages to promote integrated Health Information System and would strive for adoption of standards for promoting exchange of patient's health records across facilities in a secure way. IoT (Internet of Things) helps health sector for better Management of medical resources through supply chain management and introduces easy way for accessing real time information.

3) TELEMEDICINE

Healthcare is the basic need of any citizens. But lack of other infrastructure facilities and dearth of medical professional deprives rural population from accessing basic health care needs. Close to 30% of the rural population has to travel about 30 KM to get needy medical treatment. Due to this, rural population is reluctant to seek medical attention. By augmenting various infrastructure facilities across rural India health and telemedicine services can be provided.

a) CSC AND TELEMEDICINE SERVICES

The CSCs (Common Service Centers) are the ICT enabled front end service delivery outlet at the village level for enabling delivery of G2C, B2C services such as government, financial, social and private sector services in the areas of agriculture, health, education, entertainment, FMCG Products, banking, Insurance, pension, Utility payment etc. Health care is a basic need of every citizen. But lack of quality infrastructure and dearth of medical facilities thwarts its reach to the rural population. The key challenges here are lack of awareness, limited access to facilities and lack of affordable health solution for the low income rural population. The presence of nearly 2.2 lakh Common Service centres (CSC) across rural India provides various opportunities for rural population to access all these services including healthcare services. e-Health and telemedicine services are the solutions to provide access to quality health care to the rural masses of India.

Common Service Centres (CSC) at Panchayat level and in rural areas are manned by Village Level Entrepreneurs (VLE). It provides telemedicine services to rural areas in collaboration with Super speciality hospitals like Apollo Hospitals. It is based on Public Private Partnership model (PPP). CSC SPV had signed a MoU with Apollo Tele- Health Services to promote health care services in rural India through CSCs. Currently more than 10,000 CSC centres are active on the tele-consultation platform across all states in our country. The primary objective of this collaborative partnership is to provide grass root level access points for health services among the communities, developing health seeking behaviour and promoting preventive health care services among the rural population.

b) TELE-CONSULTATION SERVICES ON CSC PLATFORM

The custom designed web based telemedicine application is used for providing tele-consultation and medical advice services to patients at distant and remote locations. The Apollo telemedicine Electronic Medical Record (EMR) system helps rural CSCs to get appointment, store the medical record securely in the digital storage system. The data is accessed by doctors at the tele medicine Medical Response Center (MRC). Doctors examine and review the patients in real time remotely over the integrated video conferencing system. For every patient a case history is built at the MRC and online medical advice is extended. The medical advice and related information are shared with the respective CSC operator to ensure that the rural patient has understood his/her health conditions and the course of treatment, medication or routine tests and reports which the patient has been advised. Digital prescription is also shared with patients. The schemes are being utilised well on West Bengal, Uttar Pradesh, Tamil Nadu etc.

Through CSCs Tele-consultation platform, patients in locations that do not even have access to primary health care facilities can now connect to a doctor. Remote Tele monitoring devices are also used to monitor basic vitals and maintain patient health information electronically under single platform. CSC SPV has also initiated for providing Jiva Ayurvedic telemedicine consultation services. Through this scheme Ayurvedic based medicines and other products would be made available through CSCs.

Telemedicine requires videoconferencing, which demands higher data bandwidth. In rural areas, availability of higher bandwidth is the real bottleneck. This teething problem would be solved by speedy augmentation of NOFN infrastructures across rural India which is part of Digital India. There is also an initiative for developing low cost video conferencing facility.

Overall, the scheme envisages to create a healthy rural India. It reduces their travel to the nearest district head quarter hospitals. Moreover, it improves the lives of the citizen socially and economically. Through telemedicine service, CSCs provides Diagnostic and other support services. It also provides opportunity for rural entrepreneurship for the VLEs to increase their revenue and sustain their CSCs.

4) JAN AUSHASHI SCHEME THROUGH CSCs

Almost 80% of health care expenses are due to cost of medicines. Thus, access to low price generic drugs is very crucial for ensuring healthcare at affordable prices. The Jan Aushadhi Scheme launched by Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India aims to make available quality generic medicines at affordable prices to all citizens through special outlet known as Jan Aushadhi stores to be opened in each district of all states.

CSC has also been included as services center for extending the Jan Aushadhi Scheme across rural population. Under this scheme, CSCs will be hiring a pharmacist for opening Jan Aushadhi Stores. The omnipresent status of Common Service Centres and its vast infrastructure support across India helps the scheme for dispensing of Generic Medicines to the needy population. It helps to extend the scheme to the length and breadth of our country. Around 16 numbers of CSCs have opened the Jan Aushadhi stores. Moreover, nearing 3000 Applicants (VLEs) have requested for using the services under the scheme.

5) e-HOSPITAL SOLUTIONS

e-Hospital Suite is a web based solution, using Free Open Source Software (FOSS) tools. It helps patients across India to take appointments across 44 premier institutions. It facilitates Aadhaar based online registration. It provides appointments with various departments of different Hospitals. It conforms to HL7 standards for managing healthcare service delivery in public hospitals in India. The application has been hosted on the GI (Government of India) Cloud of NIC for all the public hospitals in India as Software as a Services(SaaS). It uses Digi-locker to store patient related records and sensitive information. It also brings more transparency in public healthcare system.

The Members of AIIMS and NIC teams have successfully launched the e-hospital Modules. AIIMS is poised to become the first fully digitalized public hospital. The digitalisation of hospital in terms of OPD registration, billing, electronics records, laboratory services and clinical diagnosis will result in enhancing patient satisfaction. AIIMS would hereafter be recognised not only for its unparalleled collective expertise in Medical sciences but also for its full-fledged augmentation of electronics platform. The innovations in terms of Nursing Information specialists, patient registration counters, self-service Kiosks and electronics record management are highly commendable.

It is also envisaged to set up ICT based Patient feedback system in public hospitals which will reduced the gap between the health practitioners and services seekers. The objective is to improve quality of care by obtaining patient feedback through technological based solutions and develop action plans at different levels of health system through different channels such as web portal, Mobile application, Short Message Service (SMS), Interactive Voice Response System (IVRS), etc. The applications will be integrated with e-hospital software.

6) OTHER USEFUL INITIATIVES

- NOFN pilot project has been launched in 59 Gram panchayats at three different states. Telemedicine services have been launched on NOFN platform to study its successful implementation by establishing DKC (Digital Knowledge Center). It is envisaged that the study will be useful for launching telemedicine services at National level.
- M-Cessation aims at reaching out to those willing to quit tobacco use and support them towards successful quitting through text messages sent via mobile phones.
- e-Sanjeevani is a web based comprehensive tele-medicine solution developed by CDAC, Mohali. It extends the reach of the specialised health care services to masses in both rural areas and isolated communities.
- All MMPs including health MMP have the support of cloud computing to host various services like M-Health, Health Information System (HIS) and, M-Apps via App store etc.
- Digital Lockers can be used to store health related documents, Medical reports in the form of electronic records. It will provide access to government issued documents. Aadhaar shall be used to authenticate the documents. The facility of e-Sign provided as a part of the system helps hospitals to share e-documents and minimise the use of physical ones.
- Ministry of Health and Family welfare (MoHFW) under M-health initiatives has hosted various Mobile-Apps. The Total number of mobile Applications in National Health portal adds to 70 including the Popular Mobile Application of National Health Portal (NHP). Apart from this, Mobile sewa App Store and Government App store hosts various health related Mobile Applications including e-Hospital App and MCTS App etc. Improved access to health related Apps empowers the patients and health seekers for easy access of health related information.
- Geospatial Portal Bhuvan can be used for health related applications such as Disease Surveillance System, tracking and monitoring of Disease outbreaks etc. In addition to this, various health related applications can also be developed using geospatial data.

7) CONCLUSION

Digital India is making ICT (Information and Communication technologies) more pervasive. M-Health initiatives have used SMS, USSD & IVRS Services effectively to reach health related information for vast number of needy population including rural and hitherto unconnected/remote population. The telemedicine & Tele consultation services are useful services for the citizens of India living inaccessible /difficult terrains to have specialist consultations through e-visits, e-consultations and m-prescriptions etc. Various Network expansion initiatives of Digital India empowers, the Health Ministry to augment various health related services on integrated Digital platform to reach across India including rural India. More and more R&D activities are being carried out on effective utilisation of telemedicine services. e-Hospital is striving to bring all the public hospitals into Digital Platform by taking cloud support into it. By following the principles of e-kranti (NeGP 2.0) Health MMP leverages more technology and transforms the public healthcare echo system. Thus, Digital India is empowering health sector to create more health conscious society.

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COACHING: TRY FEEDFORWARD INSTEAD FEEDBACK FOR LEADERSHIP PERFORMANCE**C. NIKHILA REDDY****STUDENT****SYMBIOSIS INTERNATIONAL UNIVERSITY****PUNE****JYOTI ADHIKARI****STUDENT****SYMBIOSIS INTERNATIONAL UNIVERSITY****PUNE****DR. RAVINDER KAUR****PROFESSOR****SYMBIOSIS INTERNATIONAL UNIVERSITY****PUNE****ABSTRACT**

We live in a VUCA world where the business is dynamic, fast changing and evolving at a very high pace like never before. Given the growing demands of the organisation, employees are left with an infinitesimal scope for errors. Organisations often adopt coaching as an approach to maximise productivity by unleashing the potential of an employee. The sheer purpose of coaching is to plan and develop new skill and hone the existing ones. This self-awareness can be provided with feedback as a tool. Though feedback aims to enable an employee to learn from past mistakes and consequently take corrective measures, nonetheless, various studies prove that often feedback is inimical to employee's self-confidence and demotivating. Therefore, a considerable alternative to cover up for the lacunas of feedback as a tool would be the feedforward. With feedforward, organisations can foresee achieving their objectives with high levels of predictability and as a result minimise the likelihood of failure. The paper tries to address the perplexity over the two tools and explore if the feedforward has an edge over feedback or whether the two methodologies can go hand in hand to bring out the best results in coaching. Also, the paper suggests on how organisations craft out the best practices and policies of these approaches. The inferences have been drawn based on study of 30 review papers and 10 articles. The research considers only constructive feedback and focuses only on implementation of the feedforward and feedback approach from the coaching perspective.

KEYWORDS

feedback, feedforward, coaching

INTRODUCTION

Coaching is a development intervention, intending to bring out the best of an individual's potential (Jarvis, 2004) and organisations do understand the power of coaching as a tool to drive performance and growth. The expectations of the coach, coachee and the organisation (in case of a business relation) are set right from the beginning. But, how would you know that you are on the right path? How would you evaluate that your devised roadmap is on track (Porter, 2006)? Feedback is the solution to this problem. According to Fielden, feedback aims at increasing one's self-awareness. It is an essential skill to be a leader. It lets the employees know how they are doing and whether their performance is up to the mark, what are the leaders' expectations and how could they improve themselves. This communication is done effectively through a feedback (Jarvis, 2010).

Feedback mainly focusses on four dimensions (Frey and Fisher, 2010); feedback about the task (FT), about the processing of task (FP), about self-regulation (FR) and about the self as a person (FS). A few examples on the mentioned dimensions, would make the concept more clearer. Consider a situation in which the coachee is being coached on being a good interviewer (Grint, 2010).

About the task: "Always recruit a person smarter than the manager". This feedback has limited usefulness and might not be applicable to other tasks (Berglass, 2002).

About the processing of the task: "Make sure that the questions posed to the interviewee are not random but are based on the candidate's previous answers. This will also be a good method to check the integrity quotient". This kind of feedback is going to be more useful and comprehensive for the coachee to understand (Bass and Block, 1999).

About self-regulation: "Try going through all the resumes before the interview". This form is considered to be the best form of feedback as it suggests alternatives for the individual to improve at his competency (Eichinger, 2003).

About person: "You are a good HR professional". This is least useful feedback. Though positive, it doesn't add on to the individual's learnings.

Thus, feedback is an encompassing tool to make one aware of their potentials and capabilities (Susie and Hall, 2008). However, in spite of the good motive of the exercise, and the fact that all of us do want to get better at both personal and professional front, it cannot be denied that on receiving feedback, one feels criticised and becomes defensive (Thorn, McLeod and Goldsmith, 2007). None of us ever liked being pin-pointed by our teachers at school. It might be too direct and not considered very enlightening and motivating. It focuses on the past mistakes and not at the infinite future opportunities (Thorn and McLeod, 2013). At the same time, it is too direct and static and not dynamic and expansive.

In today's VUCA world and a workforce dominated primarily by the millennials who are big time opportunists and striving hard to be the best, feedback might not be an apt and effective tool any longer. Thanks to Marshall Goldsmith, there is a better way now called the feedforward. Feedforward is simply giving an individual a suggestion on for what they can do in the future, instead of dwelling on the past. It helps to revamp the future.

In the following section, an attempt would be made to compare the two concepts of coaching, feedback v/s feedforward. The paper would elaborately discuss the pros of feedforward over and feedback and how organisations could adopt the mechanism.

OBJECTIVES

1. To understand the conceptual difference between feedforward and feedback in coaching.
2. To infer on the efficiency of feedforward approach to coaching over feedback.

DISCUSSION

Consider yourself to be a singer. You just gave a live performance and you know that it did not go that well. Your music coach tells you that it seemed as though you hadn't rehearsed enough and that it wasn't a good performance (Bowles, 2007). That would make one feel awful, right? That is the traditional feedback. It

focuses on the past events that can't be changed, it's critical in nature and might make one feel defensive and filled with self-doubt. Now, contemplate if the coach asks you instead about what went wrong with the performance that day and what could be done to not repeat the same mistakes in the next performance. These questions make us feel respected, encouraged, relieved and hopeful. Such questions would lead to a shift into self-reflection and focus on solutions (Mc Dowell and Butterworth, 2014). Icing on the cake would be the coach sharing an idea that would help you to progress. This is the feedforward method. The two goals of feedforward method are "Learn as much as you can" and "help as much as you can" (Goldsmith, 2010).

There are two aspects to providing feedforward (Linley and Harrington, 2012);

1. Asking open ended empowering questions: Humans are generally more convinced with their own ideas and take more ownership and responsibility compared to when told what to do. In this way, we can shift the focus on more realistic solutions.
2. Asking permission: This is to share the coach's own experiences and ideas with the coachee. This makes the coachee feel less threatened and more receptive (Hay, 2003).

Goldsmith had coined the term with the idea to create and provide individuals, teams and organisations with suggestions for future and help them achieve a positive change in their behaviour. Fish and Fisher were of the opinion that feedforward is the process of making instructional decisions about what should happen next. It is commonly adopted method to coach athletes. Basketball players are asked to visualise the ball going into the hoop and aiming for a perfect shoot. Car racers are taught to look at the road and not at the wall. In the ancient times too, archers were asked to imagine their enemy in front of them and shoot the arrow (Caplan, 2003). According to Goldsmith, feedforward is the best tool to achieve success. The tool works well with successful people as they are open to ideas and resist negative ideas or judgement. Feedback would not work out in leadership coaching as leaders have a positive image of themselves. As per human psychology, people generally tend to accept feedback which is in alignment to their self-image and neglect the ones defying their self-image. There are some other benefits too over feedback, which are worth considering.

1. The most important reason which is being persistently reinstated in the paper also for preferring feedforward over conventional feedback is that it aids people to focus on positive future rather than failed past.
2. Mc Carthy and Milner said that like feedback, feedforward too is a tool of self-evaluation. However, instead of receiving inputs on what went wrong, the individual is aware of the skills he lacks and can proactively work upon them.
3. Negative feedback most commonly is not taken in the right spirit. Even if the feedback is given in a constructive manner, it might be offensive to the receiver, since it points out mistakes and shortcomings. Such a scenario will not arise in case of feedforward as it focuses on solutions rather than pitfalls.
4. Feedforward doesn't require any personal experience or acquaintance with the person. It can come from any person who is familiar with the task; anybody who has good ideas (Tschofen, 2016).
5. Theoretically, feedback should be on the performance and not the person. However, practically, it's hard to give a dedicated professional feedback. It ought to be taken personally. There is no probability of critique in feedforward as the matter of discussion is something that is yet to happen.
6. Feedback could reinforce the feeling of failure (Corso, 2016).
7. The other school of thought could also be that the feedback may not be an honest one, but diplomatic, which might not hurt the sentiments of the receiver, but does not benefit either (Hattie and Timperley, 2007).
8. Gams said that feedforward does not imply any judgement or superiority. It is based on the principle of being a "fellow traveller" than being an "expert".
9. Feedforward also gives a better understanding of what is expected. For instance, a professor setting his expectations clear helps in students getting better grades. Similarly, team leaders can set their goals and expectations more comprehensively (Goldsmith).
10. In Sen's opinion the tool does not classify people as good or bad. It does not rank people.

In spite of the numerous benefits that feedforward approach has in coaching, the fact that cannot be ignored is that without acknowledging and learning from the mistakes of the past, a control plan for the future cannot be devised (Kirkpatrick, 2000). Also, feedforward prevents a person from entering into their uncomfortable zones and always remains in a protective shell.

So, by and large if feedback promotes awareness, the feedforward boosts change in an individual.

RECOMMENDATIONS

Feedforward could prove to be a very effective tool for business coaches focussing primarily on behavioural change (Clutterbuck, 2016). The intentions of exercising the feedforward in organisations is that the workforce could develop skills that are needed to perform better and additionally also know the dynamics of demonstrating their new skills and knowledge at workplace.

Feedforward could be a good tool to set the goals for an employee and for skill gap analysis. It might well as be used to create goals and key result areas (KRAs). As feedforward fosters self-efficacy, the probability of goal attainment is higher. However, the system would be full proof only with the implementation of a concept by the name 'ring fencing'. (Danvorbes, 2016) Ring fencing the roles would mean giving the employees the ownership and at the same time allocating certain risk areas that should be handled by the next level reduces business risks.

It might not be a bad idea to consider feedforward as a complementary approach to the appraisal system. Wherein the feedback is provided on an employee's performance round the year, instead, now the employees could be made well aware of what would be expected out of them and the employees could accordingly drive their own success (Parlsoe, 1999). The feedforward coaching could serve the purpose of annual feedback and espouse an engaged human capital.

Nevertheless, tweaking existent practices and labelling them as feedforward approach could only prove to be detrimental to the organisation. The organisations will have to realise that the new approach will have new demands from everybody in the hierarchy. Organisations must put in efforts to be more transparent, managers more vigilant and the employees more accountable for this outlook to be successful. Managers will have to be trained effectively to practice feedforward method. It will have to be deep-rooted in the organisation's DNA.

CONCLUSION

The Great Napoleon said "A leader is a dealer in hope". Whether a parent or a teacher or a manager or an entrepreneur, we all are leaders and we strive to make ourselves and the people around us better (Elaine, 2016). Feedforward helps in providing insights by minimising the stress for the receiver and lets the coach partner in offering solutions. Feedforward is associated with "fun" and is very effective and efficient for daily interactions between managers and employees. It not just is visionary in its approach but also establishes a good quality communication across all the levels of the organisation, conveying the right message to the recipient. The purpose of the paper is not to abandon the idea of feedback but to incorporate and practice the feedforward method to develop employees. This would definitely call for a shift in mind-set for one cannot be the substitute for the other. The onus lies with the manager to weight the situation and accordingly imbibe the feedforward within the feedback to make the objective of coaching more meaningful for both the employee and the organisation.

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ROLE OF LOGISTICS IN BUILDING CUSTOMER SATISFACTION

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ABSTRACT

Logistics do play a vital role in today's international business. Logistics is the flow of resources between the point of origin and the point of consumption in order to meet the requirements of customers or corporations. Logistics is commonly seen as branch of engineering that creates "people systems" rather than "machine systems". The importance of an industry will not be felt without its customers. Customers are said to be the brand ambassadors of any company, their presence and word of mouth do play a vital role in any business and logistics industry is not an exceptional to it. This paper provides an insight into the impact of customer satisfaction on financial performance of the company.

KEYWORDS

customer satisfaction, logistics, financial performance.

INTRODUCTION AND LOGISTICS

Logistics industry is an upcoming industry which has lot of resources to be tapped within it. Huge demand in this industry has led to intense growth in India. This industry has its origin right from 19th century. The term logistics has been taken from the French word *logistique* means lodge. Along with logistics another function which is inseparable is supply chain. This industry has categorized its activities into two types as inbound and outbound logistics. At present this industry is \$14 billion US dollars which leads to growth rate of 9-10% every year. Logistics comprises of not only movement of goods from place to another. It comprises of lot of functions within itself like freight, passenger transportation, warehousing etc. Freight means and shipment of goods from one place to another via a single or multiple carriers via air, marine, rail or highway. Among them freight transportation do play a vital role which contributes 90% of the revenue to the industry. The road freight constitutes 60% of the total freight traffic in India.

CUSTOMER SATISFACTION AND RELATIONSHIP MANAGEMENT

Customers do play a vital role for any business. If business is successful it means customers are satisfied with the services rendered by the companies. The companies have fulfilled their obligations placed by their customers. Companies do always follow 20-80 thumb rule i.e. 20% of the customers brings balance 80% new customers to the company and help in increasing the revenue of the company. Satisfied customers need to be retained and sustain and the company generally thinks to have a long term relationship with those customers which is termed as customer relationship management.

REVIEW OF LITERATURE

Kearney, A T (1994), the author focuses on companies to set up their logistics processes to meet the needs of the average customer. Using logistics excellence to achieve total supply quality brings a customer satisfaction mission to life. The approach has 3 main components: 1. Forge strong links with customers, suppliers, and service suppliers by aligning strategies, agreeing on requirements, and synchronizing product and information flows. 2. Integrate planning and procedures internally across functional areas and locations to satisfy customers as efficiently as possible. 3. Ensure effective management to drive and implement a continuous quality improvement process. **The Council of Logistics Management (1998)** states that logistics is a part of supply chain management that plans, implements controls effective flow and storage of goods and services and hence fulfills what is required for customers. **Bolton, Ruth N (1998)**, The author analyses that many service organizations have embraced relationship marketing with its focus on maximizing customer lifetime value. Recently, there has been considerable controversy about whether there is a link between customer satisfaction and retention. **Wang Yonggui, Iohing Po, Renyong Chi, Yang Yongheng (2004)**, the author highlights on modern customer-centred era, customer value is a strategic weapon in attracting and retaining customers. Delivering superior customer value has become a matter of ongoing concern in building and sustaining competitive advantage by driving customer-relationship-management (CRM) performance.

NEED AND IMPORTANCE OF THE STUDY

The logistic companies would like to know about the services provided. Hence the study above study was conducted.

STATEMENT OF THE PROBLEM

For any successful business, customers are the asset. They are the ultimate decision makers. To be successful, concern must satisfy the customers. They can be satisfied only when their perceptions are better understood by the concern. The company services, market position and above all their revenues are determined by the customers.

- This study helps to avoid the loss of customers.
- The study helps to know the current level of customer satisfaction.
- It helps to solve the problems faced by existing and new customers.
- The study helps to maintain a good customer- service provider relationship.

Customer satisfaction does play a vital role. Customers are the kings of the business. They do bring revenue and new customers to the business. Hence it becomes important to know their satisfaction level.

OBJECTIVES OF THE STUDY

1. To analyze the customer satisfaction on the services provided.
2. To analyze the normality of the sample distribution using Shapiro-Walk statistic.

RESEARCH METHODOLOGY

In order to know the satisfaction level of the current customers' data was collected from 35 existing customers in a logistics company.

RESULTS AND DISCUSSIONS

TABLE 1: SHOWING COMMUNICATION TECHNIQUES WITH CUSTOMERS

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | strongly agree | 15 | 42.9 | 42.9 | 42.9 |
| | agree | 19 | 54.3 | 54.3 | 97.1 |
| | neutral | 1 | 2.9 | 2.9 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

Inference: Based on the first objective the customers 54.3 per cent of the customers agree that the company uses various communication techniques to reach their business customers.

TABLE 2: SHOWING CUSTOMER SERVICE AND ENQUIRIES

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | strongly agree | 2 | 5.7 | 5.7 | 5.7 |
| | agree | 31 | 88.6 | 88.6 | 94.3 |
| | neutral | 2 | 5.7 | 5.7 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

Inference: From the above table it is inferred that 88.6 percent of the customers agree that customers' service and enquiries of customers are attended by the company.

TABLE 3: SHOWING CUSTOMER REQUIREMENTS AND EXPECTATIONS

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | strongly agree | 1 | 2.9 | 2.9 | 2.9 |
| | agree | 26 | 74.3 | 74.3 | 77.1 |
| | neutral | 8 | 22.9 | 22.9 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

Inference: from the above table it is concluded that 74.3 percent of the customers agree that the company are able meet the customer requirements and expectations.

TABLE 4: SHOWING INFORMATION FROM CUSTOMER CARE

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | strongly agree | 4 | 11.4 | 11.4 | 11.4 |
| | agree | 30 | 85.7 | 85.7 | 97.1 |
| | neutral | 1 | 2.9 | 2.9 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

Inference: It is known from the above table that 85.7 percent of the customers agree that the company looks into the information provided by the customer care of the company.

TABLE 5: SHOWING HANDLING OF COMPLAINTS

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | strongly agree | 5 | 14.3 | 14.3 | 14.3 |
| | agree | 29 | 82.9 | 82.9 | 97.1 |
| | neutral | 1 | 2.9 | 2.9 | 100.0 |
| | Total | 35 | 100.0 | 100.0 | |

Inference: it is concluded from the above table 82.9 per cent of the customers agree that company shows interests in handling customer complaints. According to the **second objective** to test the normality of the distribution Shapiro-Wilk statistic was used. This test was used to know the significance of effective Customer relationship management.

TABLE 6: CASE PROCESSING SUMMARY FOR EFFECTIVE CUSTOMER RELATIONSHIP MANAGEMENT

| | Cases | | | | | |
|--|-------|---------|---------|---------|-------|---------|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| managing customer relationship effectively | 35 | 100.0% | 0 | 0.0% | 35 | 100.0% |

TABLE 7: DESCRIPTIVE FOR EFFECTIVE CUSTOMER RELATIONSHIP MANAGEMENT

| | | Statistic | Std. Error |
|--|----------------------------------|-------------|------------|
| managing customer relationship effectively | Mean | 2.1143 | .05456 |
| | 95% Confidence Interval for Mean | Lower Bound | 2.0034 |
| | | Upper Bound | 2.2252 |
| | 5% Trimmed Mean | 2.0714 | |
| | Median | 2.0000 | |
| | Variance | .104 | |
| | Std. Deviation | .32280 | |
| | Minimum | 2.00 | |
| | Maximum | 3.00 | |
| | Range | 1.00 | |
| | Interquartile Range | .00 | |
| | Skewness | 2.535 | .398 |
| | Kurtosis | 4.689 | .778 |

TABLE 8: TESTS OF NORMALITY FOR EFFECTIVE CUSTOMER RELATIONSHIP MANAGEMENT

| | Kolmogorov-Smirnov ^a | | | Shapiro-Wilk | | |
|--|---------------------------------|----|------|--------------|----|------|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| managing customer relationship effectively | .524 | 35 | .000 | .372 | 35 | .000 |

a. Lilliefors Significance Correction

H₀: The sampling distribution is normal

H₁: The sampling distribution is not normal

If the significance level is less than 0.05, null hypothesis is rejected and sampling distribution is not normal. The sample is 35 we should interpret the normality of distribution using Shapiro Wilk test. As the significance level of Shapiro-Wilk test is less than 0.05, we interpret that the distribution of managing the customer relationship effectively is not normal.

CONCLUSION

The world of business is dominated by customers as they are king. It becomes very important for the organizations to retain their existing customers. Hence various dimensions of customer satisfaction in the form of queries, complaint handling, information handling need to be checked in. Customer Satisfaction helps the organizations to improve their financial performance. Hence retaining existing customers from this point of angle becomes very essential.

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INFORMATION TECHNOLOGY ENABLED SERVICES IN PROMOTING SERVICES MARKETING

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ABSTRACT

The service sector has emerged as the fastest sector of the economy throughout the developed world. Its growth has been accompanied by a corresponding decrease in the importance within the balance of trade of primary industries such as agriculture and fishing and secondary industries such as manufacturing. The growth of service industries and the service economy has stimulated interest in services marketing theory and practice. A further development is the internationalization of services. Changes in lifestyle has led to increased demand for leisure services and foreign travel, for example, while developments in technology have led to increased demand for hi-tech services such as computing. New Technologies have also revolutionized service provision processes through the use of automation and computerized systems. There is every sign that service economy will continue to grow in size and the importance and this will be reflected in future developments in services marketing. In striving to gain and maintain competitive advantage, both productivity and quality are the key importance. However, the nature of services implies that it is difficult to avoid a trade-off situation, when improvements in service productivity can lead to sacrifices in the level of quality. This is the most sensitive in services marketing where people are the service deliverers. If a bank cashier or travel agent needs to process globally, the Indian software services and ITES-SM industries have introduced a novel management system and work culture into the Indian Work place. I.T.E.S. industry should make strategic decisions to proactively fulfill those needs that will become the dominant players in their respective markets.

KEYWORDS

information technology enabled services, services marketing.

INTRODUCTION

The booming Information Technology Enabled Services – Services Marketing (ITES – SM) has become an emblem of success, a liberalization agenda in India and an ongoing process of Globalization. The ITES – SM has contributed substantially to the rapid economic growth and cultural transformations that have taken place. The study has generated a significant data on a wide range of topics, which include work culture and management practices in ITES – SM providing companies.

SERVICES MARKETING

In 20th Century service industries have developed a lot in most of the Western countries. Service industries represent a very substantial proportion of both domestic and international trade, and are the major employers in the UK, the USA and other countries. There are number of key factors which have contributed to the development of service industries. New technologies and more complex products have led to an increase in demand for after sales service, and long-term maintenance and support services. Consumers enjoy more affluent lifestyles in today's society than they did fifty years ago, and they also have considerably more free time. This factor has led to the growth in the demand for leisure services and luxury services such as holidays.

Services have number of economic activities which will not include a product, is generally served at the time of production of the product and it will be in various forms such as (such as convenience, amusement, timeliness comfort or health) which are usually intangible to purchaser.

USAGE OF I.T.E.S. IN PROMOTING SERVICES MARKETING

Services marketing have been developed due to the establishment and development of services industries in most of the areas of United States and World economies globally.

BENEFITS OF I.T.E.S

Increases Company's flexibility: Through Business Process Outsourcing (BPO) which is a part of ITES the companies will increase their flexibility.

Most services provided by I.T.E.S vendors are offered on a fee-for-service basis. This helps the company to **change their structure of cost from Fixed to Variable cost**. A variable cost helps a company to respond to changes very quickly and make the firm more flexible through Outsourcing.

One more way in which I.T.E.S contributes to a company's flexibility is that a company **focuses on its core competencies**, without any burdens from bureaucratic restraints. With this main employee are released from performing non-core operations or administrative processes and can spend more time and energy in building the firm's main businesses.

Another way in which I.T.E.S increases organizational flexibility is **by increasing the speed of business processes**. Using techniques such as linear programming we can decrease the production time and inventory levels, which can increase effectiveness and controls or decreases cost. Supply chain management (SCM) with the effective use of chain partners and business process outsourcing increases the speed of several business processes.

Lastly, flexibility is one of the stage of organizational life cycle. *I.T.E.S helped to convert Nortel from a bureaucratic organization to a very reliable competitor*. I.T.E.S therefore helps the firms to retain their speed and ability, which they have to otherwise sacrifice in order to become efficient.

A company grows at a faster rate as it will be less constrained by large capital expenditures for people or equipment which may take years together to gradually write-off the cost.

Though the above-mentioned arguments are in favor of I.T.E.S and increases the flexibility of organizations, management needs to be very careful with the implementation of it. The company has to look into the challenges before it decides to engage in business process outsourcing.

Another issue is that in many cases there is less scope to differentiate BPO from other with size. They provide same services, have same geographic footprints, same technology stacks, and have same Quality Improvement approaches.

THREATS OF I.T.E.S

Risk is the major threat with I.T.E.S. Outsourcing an Information system, can cause security risks both from part of communication and from privacy. The Security of North American or European company data is very difficult when accessed or controlled in the Sub-Continent. From the perspective of knowledge, a change in attitude in employees, underestimation of present costs and the major risk of losing independence, outsourcing leads to a different relationship between organizations.

Risks and threats of outsourcing can be managed, to achieve any benefits. If we are able to manage outsourcing in a structured way, maximizing positive outcome, minimizing risks and avoiding any threats, a Business Continuity Management (BCM) model arises.

SUMMARY & CONCLUSION

The service sector has emerged as the fastest sector of the economy throughout the developed world. His growth has been accompanied by a corresponding decrease in the importance within the balance of trade of primary industries such as agriculture and fishing and secondary industries such as manufacturing. The growth of service Industries and the service economy has stimulated interest in services marketing theory and practice. A further development is the internationalization of services.

Changes in lifestyle has led to increased demand for leisure services and foreign travel, for example, while developments in technology have led to increased demand for hi-tech services such as computing. New Technologies have also revolutionized service provision processes through the use of automation and computerized systems. There is every sign that service economy will continue to grow in size and the importance and this will be reflected in future developments in services marketing.

In striving to gain and maintain competitive advantage, both productivity and quality are the key importance. However, the nature of services implies that it is difficult to avoid a trade-off situation, when improvements in service productivity can lead to sacrifices in the level of quality. This is the most sensitive in services marketing where people are the service deliverers. If a bank cashier or travel agent needs to process globally, the Indian software services and ITES-SM industries have introduced a novel management system and work culture into the Indian Work place. I.T.E.S. industry should make strategic decisions to proactively fulfill those needs that will become the dominant players in their respective markets.

TECHNICAL DEVELOPMENTS IN SERVICES MARKETING

With the impact of new technology in services marketing there's a move away from traditionally people-based service to higher degree automation. Transactions such as e-commerce, e-banking, e-trade, BPO, Credit Cards, Paper Currency, e-transfer, FOREX, Information Technology, Electronic Funds transfer and the use of databases have metamorphosed Services Marketing Management. This creates vast opportunities for marketers in service organizations.

Promotion is perhaps the well-developed element of the marketing mix as far as not-for-profit organizations are concerned. Advertising, Sales Promotion, Publicity and Personal selling – are the elements of Promotional mix – have been used regularly. However, promotion has frequently not been designed as a part of an integrated marketing programme, with the result that it has been less effective than it could be.

Advertising and promotion is not-for-profit organizations are generally aimed at the sponsor or contributor market more than the client/recipient market. Campaigns to raise funds utilize mass and specialist media advertising, as well as direct mail and other methods to attract interest.

An important component of the Promotion mix, telemarketing has gained popularity particularly in the developed countries. In the Indian perspective, we find just a beginning and the 3 process has, of course, been initiated by foreign banks. The telemarketing is a process of promoting the business customers more quickly to improve productivity; we can ensure that there is resulting raise in quality.

Generally, it is seen that new technology increases the demand for services. It creates opportunities for marketers in service organizations and hence there is influence of quality on services marketing and I.T.E.S. is useful as a promotional activity for services marketing.

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INTEGRATED MARKETING COMMUNICATION IN HEALTHCARE & BRAND BUILDING**K. SRIKANTH****RESEARCH SCHOLAR****SCHOOL OF MANAGEMENT STUDIES****UNIVERSITY OF HYDERABAD****HYDERABAD****DR. SAPNA SINGH****ASSOCIATE PROFESSOR****SCHOOL OF MANAGEMENT STUDIES****UNIVERSITY OF HYDERABAD****HYDERABAD****ABSTRACT**

Healthcare is one of the India's largest and fastest-growing sectors comprising of Hospitals, Medical Infrastructure, Medical Devices, Clinical Trials, Outsourcing, Telemedicine, Health Insurance all of which delivers goods and services to treat patients on preventive, curative, rehabilitative and palliative care basis. The Indian healthcare industry is expected to reach US\$ 160 billion by 2017. Emerging trends in healthcare industry includes the rise of medical tourism, emerging health insurance market, the growth of telemedicine, expansion of healthcare infrastructure, rising opportunities in pharmaceutical industry, and the rise of clinical trials. Hospitals which is one of the most crucial and integral setting for preventive care relies primarily upon its employees who are the most vital force and communication medium contributing to successful promotion of hospital healthcare systems. In an era of patient driven healthcare, with patients being more informative, knowledgeable and challenging, hospitals need effective marketing to drive their strategies, convey their expanding range of services, make an emotional connection with patients, and create long lasting relationships thereby generating profits. Unless branding becomes central to the marketing director's agenda, it will not have the desired effect and can potentially create a backlash. Hence this paper is an attempt to revisit the literature that will examine the relevance of marketing in healthcare and how healthcare organizations will be incorporating Integrated Marketing Communications throughout their patient management as healthcare organizations are moving from a paper based business model to a "patient-centric" provider network.

KEYWORDS

branding, healthcare, integrated marketing communication, patient centric.

1. INTRODUCTION

In an era of economic liberalization in India, service sector predominantly occupies a pivotal role in the society. Unlike the primary agricultural sector or secondary industrial sector, which is concerned with production of tangible goods, the service is basically intangible and perishable, in the sense that neither the service provider nor the service receiver can store a service.

Healthcare industry which is one of the most crucial components of service sector unlike banking, insurance, hotel, transportation, education is one of the world's largest and fastest growing industries and this health care can form an enormous part of a country's economy. Healthcare industry includes many subsectors in it comprising of Hospitals, Medical Infrastructure, Medical Devices, Clinical Trials, Outsourcing, Telemedicine, Health Insurance all of which delivers goods and services to treat patients on preventive, curative, rehabilitative, and palliative care basis. Emerging trends in healthcare includes the rise of medical tourism, emerging health insurance market, the growth of telemedicine, expansion of healthcare infrastructure, rising opportunities in pharmaceutical industry, and the rise of clinical trials. Leading the healthcare from the front is the hospital industry which is the vital component growing at a faster pace and is expected to be worth US\$ 81.2 billion by 2015.

The Indian hospital service sector generated revenue of over US\$ 45 billion in 2012. This revenue is expected to increase at a Compound Annual Growth Rate (CAGR) of 20 percent during 2012-2017. Aging baby boomers, advances in medical technology, dramatic government reforms and a call for increased transparency in the healthcare delivery are a few of the challenges facing today's hospital healthcare industry. Getting a secured position in this competitive healthcare environment calls for an innovative approach to communication and this is where can IMC help in healthcare delivery system.

2. OBJECTIVES OF STUDY

1. To study the growth and significance of private sector in healthcare.
2. To study the influence of Integrated Marketing Communication in private healthcare.
3. To study the emergence of Brand Building elements through Integrated Marketing Communication.

3. METHODOLOGY

Qualitative content analysis has been done to analyze secondary data sources so as to examine the relevance of IMC in healthcare along with the impact of IMC elements in healthcare branding.

4. REVIEW OF LITERATURE**4.1 REFORMS IN HEALTHCARE SECTOR**

Healthcare industry in India has undergone change in its structure with the increased role of private sector, the emergence of corporate hospitals, and the diffusion of modern healthcare technology. The concept of corporatization of healthcare services has been developed in India in the early 1980's (Sukanya, 1995).

4.2 PRIVATE HEALTHCARE SECTOR IN INDIA

Private sector plays an important role in India's healthcare delivery system. Through a wide network of healthcare facilities, this sector caters to the needs of both urban and rural populations and has expanded widely to meet increasing demands. The significance of private healthcare sector in India can be summarized as follows:

- 1) Total health expenditure in India is estimated to be about 6% of GDP, of which private healthcare expenditure is 75% or 4.25% of GDP. About one-third of this expenditure is on secondary and tertiary inpatient care, the rest meeting the curative needs at primary level (World Bank, 1995).
- 2) Private healthcare expenditure in India has grown at a rate of 12.5% per annum since 1960-61. For each 1% increase in per capita income, private healthcare expenditure has increased by 1.47% (Bhat, 1996).
- 3) About 57% of hospitals and 32% of hospital beds are in the private sector. The share of private sector investment in total health infrastructure e.g. hospitals, investment in medical technology, are also quite significant.

- 4) At present about 80% of 390000 qualified allopathic doctors registered with medical councils in India are working in the private sector (Jassani, 1989; Bhat, 1996). There are 650000 providers of other systems of medicine practicing in India (planning commission, 1998) and most of them are in a private practice.
- 5) Utilization studies show that one third of inpatients and three quarters of outpatients utilize private healthcare facilities (Duggal & Amin, 1989; Yesudian, 1990; Visaria & Gumber, 1994).

The growth of this sector has been quite significant during recent times. There are several reasons for this. The budgetary support of government has not kept pace with the growing population healthcare needs. Moreover, the growth of private sector has also been triggered by factors such as new economic policy regime in India, the rapid influx of medical technology, predominantly urban base and a rising middle class. The dominance of private hospitals, high competition among them and emerging philosophy of viewing hospital enterprises as a commercial business entity have made a large number of medical practitioners to move into private practice.

As the penetration of private sector in healthcare has taken a strong pace from nearly insignificant to one of the biggest proportion in health service delivery and as the private hospitals emerging rapidly in response to increasing population, hospitals need effective marketing to drive their strategies, convey their expanding range of clinical & supportive services, make an emotional connection with patients, and create long lasting relationships thereby generating profits.

4.3 MARKETING IN HEALTHCARE

Hospitals, nursing homes, hospices, physician practices, managed care organizations, rehabilitation centers and other healthcare organizations didn't think about marketing until the early 1970's. Physician to patient communication was very poor and patients had no choice rather than relying solely on physicians for health information. A study by Deloitte Center for Health Solutions stated that physicians influence almost every dollar spent in the \$2.5 trillion U.S. healthcare industry, and their orders are directly responsible for 80% of healthcare spending (Deloitte Center for Health Solutions, 2011). Later on due to the rapid advances in science and technology, communication delivery has taken a strong pace because mass of health information was readily available just on a push of a button, and with so many choices and options available to reach the target audience, patients started relying on other sources for their health information. Patients are able to play a more active role in their treatment decision making with information readily available through the Internet, dedicated health publications and television shows (Anne Gibson, 2002). And as the healthcare delivery system has been moving from provider centric to patient centric brand communications, marketers started designing customized marketing strategies to suit the needs and wants of each individual patient according to their healthcare requirements.

4.4 BRANDING OF HEALTHCARE

Every hospital stands for a certain image or brand value either low cost care or specialized clinical services. It is of essential importance that everyone on staff from CEO to executive at the reception desk should communicate the organization's mission effectively. The result is a brand guided organization (Naveen, Anil, & Smuthi, 2014).

4.5 BRAND IMAGE

In the healthcare context (Kotler & Shalowitz, 2008) suggested that hospital brand image is the sum of beliefs, ideas and impressions that a patient holds towards a hospital. A brand image of a hospital is not absolute; it is relative to brand image of competing hospitals. The patients often form a brand image of a hospital from their own medical examination and treatment experiences (Kim et al., 2008). The growth of senior citizen's population in our country and growing focus on health are dynamically increasing particularly health wants and needs within the general populace. The current medical service market favors the buyer rather than the seller (Lee et al., 2010). Thus in the competitive healthcare environment, hospitals should focus their marketing efforts on effective and strategic brand management.

The nature of healthcare organizations is such that, branding is not strategic but only tactical and frequently is limited to controlling the use of the corporate identity. This is where marketing in healthcare plays an important role in strategic brand management. Brand management involves the design and implementation of marketing activities and programs to build measure and manage brands to maximize their value. Brand management is being performed under the strategies which include Corporate Social Responsibility, Loyalty programmes and Integrated Marketing Communication (Naveen, Anil, & Smuthi, 2014).

4.6 INTEGRATED MARKETING COMMUNICATION

A marketing campaign is not a press release. It's not an advertisement or media placement. It's not a promotion. It's not training, offers, direct mail, web sites, etc. It's all of these items used as part of integrated marketing communications to provide clarity, consistency and maximum communication impact.

Integrated marketing communications is all the buzz these days (Ericka Olin, 2013). American Association of Advertising Agencies (1989) defined Integrated Marketing Communication as the approach to achieving the objectives of a marketing campaign through a well-coordinated use of different promotional methods that are intended to reinforce each other. The main advantage of IMC is that it uses the intrinsic strengths of each communication channel in order to achieve a greater impact together.

Some organizations have separate marketing and communications teams and others treat marketing and communications as one integrated effort. As a part of IMC, the marketing department should incorporate various strategies in order to help to build the brand of the hospital. Through IMC the following marketing strategies can be used:

4.6.1 ADVERTISING & PRINT MEDIA

Without advertising patients will not know that you exist. Eye catching ads would help in creating health awareness through exposure and would generate sales. Advertising media helps in projecting about a healthcare organization and the various services it offers e.g.:

TABLE 1: VARIOUS FORMS OF ADVERTISING

| Marketing machinery | Frequency | Example |
|----------------------|-----------------------|--|
| Pamphlets | New service offerings | PPE Entities –Arogyasree |
| Invites | Conferences | Continual Medical Education (CME) programmes |
| Television(local TV) | Modified services | Introduction of new diagnostic facilities. |
| Newspaper | New service offerings | Arogya Card |

Source: (Naveen, Anil, & Smuthi, 2014).

Print involves advertisements in newspaper health sections, niche magazines and industry trade publications (Anne Gibson, 2002)

4.6.2 PROMOTION OF SERVICES

Every hospital looks to promote their services in a variety of ways. Hospitals engage in promoting their services by using the help of various other media. For ex Public Private Partnership entity which offers free services to Below Poverty Line card holders. The corporate empanelment between hospitals and health insurance companies helps in gaining recognition and indirect publicity.

4.6.3 HEALTH EVENTS

Targeted events are a great way to gather patients or position the organization's corporate strategy and/or marketing strategy before key prospects and influencers. Hospitals need to follow a health calendar and celebrates special and important days in the year. Some examples of events are Diabetes day, Cancer day, Tuberculosis day. These events are organized to publicize the various services offered. It facilitates word of mouth communication which enables the community to take notice of the hospitals and services offered by the hospitals. These events can be advertised by use of hoardings, pamphlet distribution and banners.

4.6.4 PUBLIC RELATIONS

Hospitals maintain public relations through press coverage while organizing community screening camps and by offering health checks to corporate firms under the brand name of specific hospital. Public relations also involve public and patient education regarding diseases, illnesses and available drug treatments and contributions to patient-advocacy groups for ex: National Kidney Foundation and American Cancer Society (Anne Gibson, 2002). Hospitals use this public relations tactic to increase awareness of unfamiliar medical conditions (Wall Street Journal, April 2002).

4.6.5 DIRECT MARKETING (CONTINUAL MEDICAL EDUCATION PROGRAMMES)

Many hospitals conduct conferences almost once every month, where doctors from the hospital interact with doctors in the surrounding area which lack the facilities of a tertiary care hospital. There is exchange of information and direct marketing of services provided. These doctors then refer serious and chronic cases while the follow up cases are attended to by the doctors. This forms a symbiotic relationship between the hospital and the doctors.

4.6.6 BRANDING & CORPORATE IDENTITY PROGRAMS

IMC helps organizations to gain advantage on existing brands and build new identity programs for those who are in need of market repositioning. Innovative ways of communication help the company names, logos and taglines to be adequately represented in their respective markets and position them positively against their competition. Outreach programmes helps in building brand awareness and ultimately brand equity. Corporate Identity not only makes the brand distinguishable, but also gives a persona to the company. Identity also lays the foundation for key communication materials such as brochures, letterheads and newsletters.

4.6.7 INTELLIGENT RELATIONSHIP MARKETING

Intelligent Relationship Marketing is a platform that redefines customer relationship management for hospitals and healthcare systems. It is a service that starts with taking patient's entire database through an automated Health Insurance Portability Accountability Act compliant extract. It helps the organization to identify where you have the best opportunities for growing service line profitability, improving payer mix, and population health management. Then it uses propensity modeling to determine the best audience of most likely users in service areas been offered.

4.6.8 MOBILE MARKETING

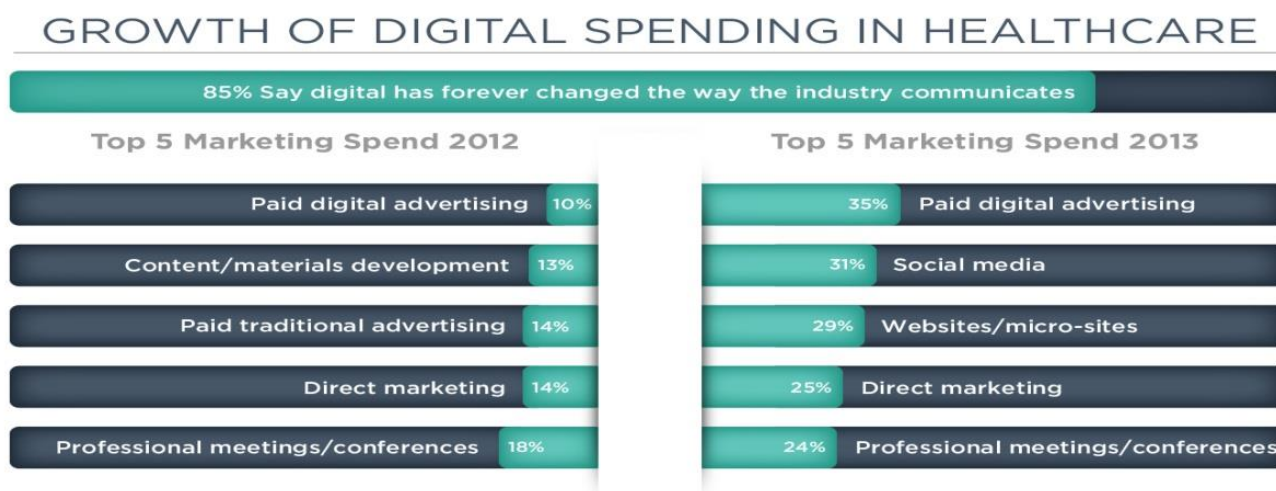
Mobile marketing deals with extracting the most clinically relevant information to identify patients who should receive reminders for preventive/post-operative and follow-up care and sending reminders to patients as per patient preference either through S.M.S, video, customized apps or through other platforms.

4.6.9 INTERNET MARKETING

Health Information is hot online and Internet Marketing is the hottest trend today. 80% of Americans use internet to research health information which includes accessing for diseases, procedures, doctors, hospitals, drugs, test results and insurance. 20% of users contribute towards comments, reviews and updates. Internet Marketing is a point of differentiation for healthcare providers as patients are becoming e-patients and are more involved in the decision making process through Internet Marketing.

4.6.10 DIGITAL SPENDING IN HEALTHCARE

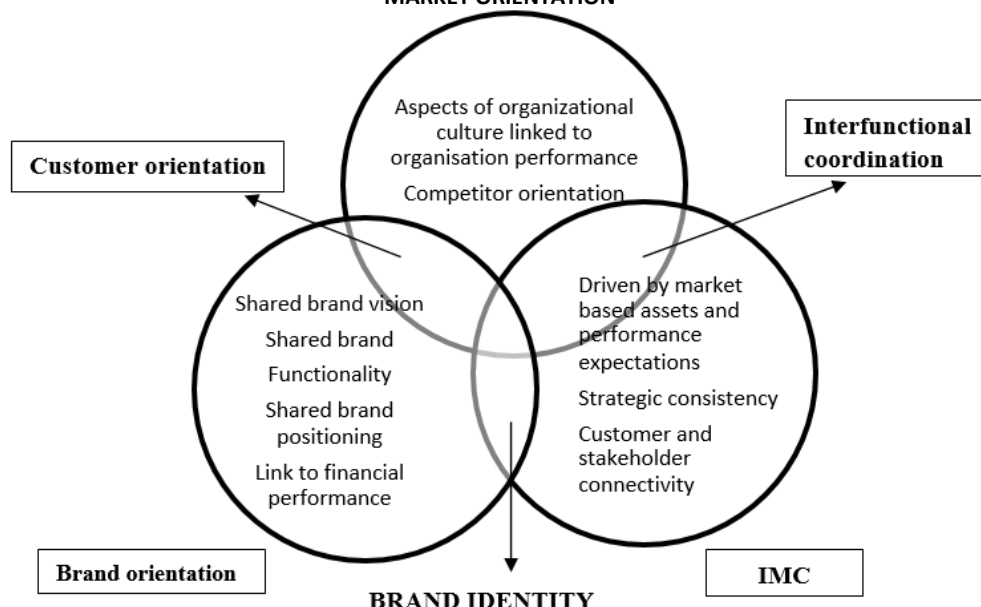
Although traditional marketing tools such as tradeshows/conferences, direct marketing and print/TV ads remains most popular within the healthcare industry, digital spending has grown the most in the last several years. Of all the marketing tactics, paid digital advertising and social media spending increased the most.

FIGURE 1: GROWTH OF DIGITAL SPENDING IN HEALTHCARE

Source: Healthcare Marketers Trends report by Medical Marketing and Media (MM&M) & Ogilvy CommonHealth Worldwide, 2013.

4.7 RELATIONSHIP BETWEEN IMC AND BRAND BUILDING

Using IMC in which advertising, public relations, direct marketing and other tools are utilized; the organizations are able to convey clear and consistent messages to patients and doctors about a brand. Umbrella corporate marketing can support an organization's overall mission and company promise. When the correct message is conveyed, it adds credibility and trust to a hospital's services. Market orientation represents the culture of the organization through the adoption of the marketing concept and the systems and process that underlie being market oriented. Brand orientation represents the functional or business unit focus on brands and brand strategies that support strong customer and stakeholder relationship. IMC in this model represents the development of Integrated Marketing Communication to achieve stated brand and communication objectives and also provide the bridge between brand strategy and actions taken to build the necessary customer and stakeholder relationships.

FIGURE 2: IMC & BRAND BUILDING
MARKET ORIENTATION

Source: Integrated Marketing Communication (B.Balaji & Sunali Talwar, 2011).

5. CONCLUSIONS

Reputation of a health care brand is extremely dynamic in nature, and never constant. It is ever changing according to the nature of external forces. One way of maintaining good reputation is with ideal marketing of services. There are various strategies to highlight the services of a hospital. One of the most important elements is print and advertising media. Internet is also a great equalizer and the most vital IMC element as in the current healthcare delivery system patients are willing for more information and greater level of detail, prefer immediate access to providers and insurers and also expect better tools to use in managing decisions about their health. With this, it can be concluded that with IMC patients become more informed with customized marketing strategies, in turn helping patients to make smarter healthcare decisions and the responsibility lies with healthcare providers in determining the preferred or most effective channel to communicate with the patient, other providers, insurers etc.

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A REVIEW OF LITERATURE ON EMOTIONAL STABILITY AND WORK LIFE BALANCE OF EMPLOYEES OF TEXTILE INDUSTRY IN MADHYA PRADESH

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ABSTRACT

In today's global era most of the population is working. Primarily, every working person has to play personal role as well as professional role. At organization individual has to play all the roles required for job. On the other hand, if personal roles are concerned individual has to play role of father/mother, son/daughter, husband/wife. Each role demands specific performance and increases expectations from others. This demand for specific role creates pressure for performance in the industries and thus leads to emotional disturbances affecting the employees. The purpose of the study is to measure the relationship of emotional stability and work life balance on the part of employees taken into consideration and the influence of work life balance on the part of employees. This study is to determine the influence of emotions on working life of workers of textile industries. An effort has been made to provide an overview of various aspects of Emotional Stability and Work-Life Balance through the review of existing literature

KEYWORDS

emotional intelligence, work life balance, textile industry.

INTRODUCTION

Nowadays better qualification, better degree, competition, compatibility results into enhancement of employee's roles and responsibilities. Higher the position higher will be the authority and responsibility. Due to such increase in work pressure employees are deteriorating to balance family responsibilities and work responsibilities which in turn leads to compromise with their professional and personal life. The increased pressure and performing numerous roles of being an employer, husband/wife and father/mother creates stress which in turn leads to mental and physical imbalances and creates conflict situation. Long term conflicting situation disturbs profession as well as family. The organizational outcome will be absenteeism from work, decrease in production, more wrath and anger, poor decision making. On the other hand, family outcomes will be time hindrance, marriage dissatisfaction, lack of family and personal care, dissatisfaction with job. Emotions also play role in managing work and family life. **M. Chaturvedi (2010)** worked on personality factor and their study reveals that personality is rotating around emotional stability and concluded that emotion stability is necessary for person's life, job, health, wealth and his society stable. Emotion make personality perfect and it will indicate the perfect life style and job performing of person.

Due to organizational demands and personal demands individual find it difficult to make balance between work life and family life. "**Work-life balance** is a broad concept which includes proper prioritizing between "work" i.e. career and aim on one hand and "life" i.e. health, leisure, pleasure and family on the other hand". Individual wants overall satisfaction in life which includes satisfaction with job, leisure and family. A person has to make deliberate choices between which opportunity is to accept and which to decline which leads towards stress. Stress is a result of work-family conflict. Newer opportunities give chance of acceleration and which in turn creates more responsibility and makes it difficult to manage work with life.

REVIEW OF LITERATURE

1. **Srirang Jha, Vandana Malviya (2015)** studied on "Work Life Balance and Organizational Effectiveness". In their study they revealed about Work-life balance of employees at all levels either they are shop-floor workers, supervisors, managers, contract workers or they are independent consultants it has emerged as an important issue in the HR discourse both at academics and practitioners end. Available literature on the theme has conformed and re-confirmed the role of work-life balance in augmenting collective organizational performance as a result of better quality of life and psychological well-being coupled with higher degree of job satisfaction and commitment. Further, work-life balance programs are likely to reduce conflict at workplace as well as home. the authors have tried to resume the concept of work-life balance in the context of existing organizations, establish a rationale of work-life balance programs in a highly competitive world and provide a critique of the agenda of the top management to integrate work and life of the employees in emerging scenario.
2. **Srirang Jha, Swarn Kant Mishra (2015)** in their research article "Best Practices in Implementing Work-Life Balance Programs" discussed on working systems and practices of five companies viz. Google, SAS Institute, NetApp, AutoDesk and National Instruments. Their study showed only Google have work life balance practices. Rest of the companies do not have any system and practices to manage their employees work and family issues. All the four companies (barring Google) in the study have tried to present their all-inclusive employee benefits as part of work-life balance intervention. Actually work-life balance is a small part of the overall employee benefits package. This betrays the stated philosophy of companies to ensure work-life balance of their employees. The authors have tried to present a critique of gaps in current work-life balance programs.
3. **Brijmohan Vyas, Vijayshree Sajjan, Sanjay V. Hanji (2015)** in their article on "A study on Work life balance of KSRTC employees. In this article different employees have different views about managing work and family life. Some employees remain absent from important events of life and some worry about their work. 60% of the employees said their life is affected by work pressure. Some employees said family responsibility affects their personal as well as professional life. Financial factor is also a cause for non-balanced work life as felt by majority of workers. Researcher experienced different reasons according to different class of employees.
4. **Rohail Khan, Mohammad Tariq & Muhammad Farooq (2014)** in their research study "Impact of Emotional Stability on Job Satisfaction". Their research outcome reveals job satisfaction is positively impacted by emotional stability of person personality. This survey studied the job satisfaction and emotional stability of different employees by distributing the questionnaire in various organisation and different departments. This study was to recognize the influence of stable emotions on the satisfied job of employees in organization. This study will help the managers and organizers of different departments that how they will make their departments in order to achieve goal of organization. The study reveals that emotional instability will results into person's dissatisfaction with the job. The results of the study show that emotionally stable persons are highly satisfied with their jobs and thus effectively contribute towards organizational goal.

5. **Caprara & Alessndri, G. (2013)** in their research article "Assessment of Regulatory Emotional Self-Efficacy Beliefs" found that initial levels of emotional stability and self efficacy beliefs are positively correlated. Researcher presented his views suggesting role of self efficacy beliefs in managing negative emotions and showing positive emotions. Researcher also tested the reliability of the instrument by taking gender differences among positive emotions and negative emotions. the results of the study indicated that self efficacy beliefs and emotional stability are positively related. Gender differences of different persons also results into the same.
6. **Pandu, Balu & Poorani, (2013)** in their study "Assessing Work-Life Balance among IT & ITes Women Professionals" explains work-life balance is about creating a productive work culture where the potential for tensions between work and other parts of people's lives is minimized. Experience survey was conducted on 80 IT employees and 80 Ites and these are evaluated on five sub-scales- workload and responsibility, work environment, feelings about work, family dependents and absence from work. The results of the study show that feelings about work, family dependents and absence from work are strong contributors as they affect work life balance of employees while work environment and work life balance have no significant relationship. Older workers, self employees who work for not more than 25 hours and those who did not work overtime can manage their work and work life balance. In IT sector there is need of proper framing of policies as defective policies are also the cause for non-managed work and life. Work life balance practices and programme should be enabled by employees in order to achieve balance between work life and personal social life.
7. **Murphy and Doherty (2011)** in their research paper "The experience of work life balance for Irish senior managers" revealed that it is not possible to measure work-life balance in an absolute way as there are personal circumstances which influence the way that is perceived but establishing a harmony that reflects an individual's priorities whereas employees must draw a firm line between their home and work lives and be confident that the line is in the right place. The objective of this paper is to travel around the experience of work-life balance amongst senior managers, with an importance on the cause of imbalances. The research is done on employees of call centre in Ireland when the economy was moving from growth to recession. In all the results of this study indicates the effect the economy has on the promotion and adoption of work-life balance initiatives. The conclusion also results and indicates that it would not be possible to measure work-life balance in an absolute way, because personal interferences affect the way in which it is perceived. Those managers who have caring farm duties normally have work-life conflicts while managers with careless attitude cannot find a lawful rationalization for addressing their needs. Also the findings show that long working hours and absenteeism also form part of the job while performing a role at a senior level.
8. **M. Chaturvedi (2010)** worked on personality factor and their study reveals that personality is rotating around emotional stability and concluded that emotion stability is necessary for person's life, job, health, wealth and his society stable. Emotion make personality perfect and it will indicate the perfect life style and job performing of person. Different conclusions can be drawn in his research which includes work conflict is more than family conflict. Dissatisfaction in work is more prevalent than dissatisfaction in family. Females experience more family conflict as compared to male. Results also indicates that higher priority given to work will results into more work family conflict. Study suggests that higher the family demands higher will be work family conflict. Job related variables are positively related to work life balance and emotional intelligence has been found to be positively related to work life balance
9. **Baral (2010)** in his research article "Work-family enrichment as a mediator between organizational interventions for work-life balance and job outcomes" examines the role of work-family enrichment as a mediator between organizational interventions for work-life balance which includes job related variables, work-life related policies, supervisor support and work-family culture and job related outcomes viz job satisfaction, organizational support, commitment towards work and work satisfaction. Results of the study shows that organizational interventions for work-life balance will be positively related to job outcomes and work-to-family enrichment will mediate these relationships. Also in a study of 485 employees working in varied organizations in India found that working men and women in India experience more work family enrichment than the work family conflict. It was also found that there were no gender differences in the employee perception of work family enrichment. Job characteristics were positively related to all the measures of job outcomes. Supervisor support and work-family culture were positively related to job satisfaction and affective commitment. No significant association was found between work-life benefits and policies (WLBP) and any of the job outcome measures. Job characteristics and supervisor support were positively related to work-to-family enrichment.
10. **Ramesh.V.M, Dr. R. Sakthivel (2009)** in their study "The Impact of Work Family Interferences on Work Life Conflict among the Workers of Kcmf (Milma) In Kerala" found that women experienced significantly higher family interference with work as compared to men. However, there were no significant differences between men and women in the experience of work interference with family. Works related to family can include childcare, the care of an ageing parent, household responsibilities, as well as additional responsibilities that may arise as a result of one role within the family. Work related tasks encompass hours of paid work, and can additionally include overtime work. All this have negative impact on quality of family life. The study aims at exploring bi-directional relationships between the different types of conflict, to analyse cross sectional and prospective relationships between work - family conflict among the respondents and to measure the impact of each of the selected dimensions of work domain and family domain on Work Family Conflict and Family Work Conflict. The results of the research show that the respondents agree with the statement relating the work conflict which means that they are facing conflict in the work place and the respondents are having family conflict. Overall mean score for the family interfering work we can conclude that the family affairs interfering their work which leads to work conflict in the work place and the overall mean score for the work interfering family conflict, the work interfering their family affairs which leads to family conflict.
11. **Rebecca Bundhun, Satinder Singh, Steiber (2009)**, in their article "Work life balance-A literature review" explains through their research women and men generally have a different perception of what the "life" part of the balance involves. For women it tends to be devoting more time to family, while for men it is spending more time pursuing personal interests. Although work family conflict has not yet reflected the life of many people. Work-family research has long been guided by the role stress theory, wherein the negative side of the work-family interaction is prevailing emphasis has shifted towards the investigation of the positive interaction between work and family roles as well as roles outside work and family lives. Singh in his investigation describes
12. **Krishnaveni, R & Deepa R. (2008)** in their research paper "role of emotional intelligence on performance of employees" explains how Emotional Intelligence(EI) can be used as a soft tool, to enhance the competencies of individuals and teams in Indian organizations and help them to gain competitive advantage as in this highly professional era lots of difficulties arises in performing work which have a negative impact on the well-being of employees and the effectiveness of an organization. This paper consolidates the research activities on EI in four areas namely Conceptualization, measurement, impact, and development. There is a positive relation between the EI and performance of employees. Emotionally intelligent institution can be made if self managing tools and self strategies are properly developed. This study also reveals about age factor i.e. age is also a dominant factor for emotional intelligence. People of young age are more emotional intelligent as they are more attentive and good listener. Also they deal with difficult issues straightforwardly and seek mutual understanding, are more adaptable as compared to older age people. It is concluded that emotionally intelligent employees have an impact on their performance and these employees perform well in the organization. These people are more emotionally stable and they are able to express their emotions, these are motivated, they can empathize with other and they are having good social skills. To perform well your responsibilities in the workplace you need to have good social skills, only then you can perform your work well and can take work out of the others.
13. **Grzywacz et al. (2007)** in his study explains the understanding of how culture contributes to the occurrence and consequences of work to family conflict. The study evaluated predictions drawn from emerging models emphasizing the influence of cultural characteristics, such as collectivism and gender ideology on work family conflict. It was found that immigrant Latinos reported infrequent work and family conflict. The findings were consistent with earlier research that individuals from more collectivist cultures experience fewer conflict between work and family, as in these cultures, work and family are viewed as more integrated. Results also indicated that the level of work to family conflict differed with gender.
14. **Timothy Tumer (2006)** in his study "Emotional Intelligence Practice for an Effective Organization" examined the relationships among employees' emotional intelligence, their manager's emotional intelligence, employees' job satisfaction, and performance for 187 food service employees They predicted and found that employees' emotional intelligence was positively associated with job satisfaction and performance. In addition, manager's emotional intelligence had a more positive correlation with job satisfaction for employees with low emotional intelligence than for those with high emotional intelligence. This study is to examine factors that influence organization's of emotional intelligence. And to determine the factors which have greater impact on emotional intelligence.

Investigation in this research study proved that emotional intelligence improves with age education and experience. Managers ability have direct impact on their job and organisational effectiveness. Their capability proves their emotional intelligence. Many organizations are involving programmes and practices which includes emotional intelligence. Emotionally intelligent organization can be made through organizational strategies, self awareness and self management tools, through leadership skills, development programmes. So the conclusion of the research paper is that emotional intelligence is linked at every point of workplace performance and it is of utmost importance nowadays.

CONCLUSION

In order to achieve work life, balance every employee should set aim both for work and family. The results of the literature above show that flexible working policies, procedure and practices are good for work-life balance. Development of suitable work-life balance policy ensures company trustworthiness and positive attitudes towards work. On the basis of literature reviewed above conclusion drawn is emotional intelligence has been found positively correlated with work life balance. Emotions play significant role in shaping the behavior of employees pertaining to their roles and activities within the organization. Job related variables (working flexibility) have been found to be positively related to work life balance. Work to family conflict is more widespread as compared to family to work conflict. Gender differences in many research concluded that women experience more work family conflict. More importance towards work results into more work family conflict. Many reviews concluded that work-family conflict impinge on the health of employee's family members, organization system and satisfaction in job and family. Various research results show emotional instability mainly results into stress. **Carlson (1999)** in their research reported that highly emotional stable persons experience less WFC. **Wayne et al., (2004)** also concludes that there is a positive link between neuroticism and both directions of work-family conflict. Individuals who report high neuroticism levels may be less likely to deal with the increasing pressures of work and family-and vice-versa.

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A STUDY ON CUSTOMER SATISFACTION ON INTERNET BANKING SERVICES: AN EVALUATION

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ABSTRACT

Among the numerous applications of computer and telecommunication in the modern era, the advent of internet banking had the biggest impact on the functions of banks. Internet banking is changing the way the banks performing their tasks and helps the banks to interact with their customers. By adoption of internet banking, the traditional way of banking is changed, which is beneficial to both customers as well to banks. So an attempt is made to find out the satisfaction on the various services used by the customers in Vellore district, Tamil Nadu, India. Hence, a study was made on private sector bank customers in Vellore district to find out the various services used frequently and the satisfaction level. The study was done on 200 private sector bank customers from Vellore district and the results showed that all the customers are satisfied and there are also some reasons for dissatisfaction. Also, some services were never done through the internet. This will help the banks to motivate their customers to use all the services offered by the banks which are cost effective to both banks and customers.

KEYWORDS

customers, internet banking, services, traditional banks.

INTRODUCTION

In today's world of emerging technologies, business is moving towards the technology. People are going after the e-commerce applications for their day - today needs either for shopping, banking, ticket booking, applying for loan etc., which in turn make the technology very popular. Internet Banking has given both a break and became a challenge to traditional banking. In the present fast growing world, internet banking has become inevitable, as it saves a lot of time. Going to a bank branch or paying bills by cheques or drafts and sending them by post, and balancing cheques at the end of a particular period are all time-consuming routines job. But internet banking is saving time and money as all these transactions as they are automated.

Internet banking is a powerful tool to gain new customers as it helps to eliminate cost on using papers and human interactions in the competitive banking environment. Banks have spent a lot gaining the trust of their customers. As far as internet banking is concerned, banking institutions in India will be able to increase their competitiveness since internet banking can be a powerful source of competitive advantage in penetrating more profitable customers. Through internet banking, banks can work as facilitators and accelerators; hence, the global market became realistic.

Internet banking enables the bank customers to obtain general information about the bank's products and services, helps them to access their accounts, and perform a number of different banking transactions using the internet. The various types of services offered by banks are informational, transactional and request services. Internet banking allows its customers to have direct access to their financial facts and carry out their financial transactions without visiting the bank.

REVIEW OF LITERATURE

In India, though internet banking was introduced in 1990 by the new age private sector banks, the adoption rate is very less compared to developed countries. ICICI bank was the pioneer in the introduction of internet banking in the country. Hence, both public sector and private sector banks have started to offer internet banking to their customers to take advantage of attracting the customers.

Chakib (2010) demonstrates that causal relationship must be there between perceived quality, satisfaction, and commitment in the environment of internet banking. The study exposed that the perceived quality heavily influences the commitment of customers and this effect was direct and not mediated by satisfaction. Since banks offer a variety of services to their customers, it is found necessary to study the previous studies on the usage pattern of internet banking services. According to Fiserv Inc report on Consumer Billing and Payment Trends survey, 2001 in US Customers who pay bills online have consistently used more services offered by their financial institutions than the average customer. The usage of additional services become even more noticeable in recent years and the connection between online bill payment and consumer loyalty has remained strong.

Ashwin et al., (2013) found convenience, intention, and information about internet banking has an important effect on the bank customers. The study recommended that banks should offer internet banking websites as user-friendly with simple operation system. It also mentioned that banks should provide an understandable and simple web design which influence customers to use internet banking.

Mashood Mukhtar (2014), made a study in London and it revealed that most of the participants (45 percent) use internet banking services for transferring money. 31percent of participants use online banking services for the payment of bills. It was also showed that only 16 percent participants used internet banking services for downloading bank statements. 8 percent participants pointed out some other services for using internet banking.

Sadhique et al., (2009) said that in United Kingdom, banks offered initially internet banking with simple funds such as real-time access to information about interest rates, checking account balances and computing loan eligibility. Now they offer services like bill payment, transfer of funds between accounts and cash management services.

Rahman (2002) observed that issues relating to electronic fund transfer require security, availability, authenticity, non-reputability, and audibility. He suggested for appropriate control and efficient security measures and also for proper utilization of audit trail in the e-commerce system.

Mukherjee and Nath (2003) stated that the future commitment of customers to online banking depends on perceived trust in India. The customers believe that the internet payment channels are not secured and can actually be intercepted (Jones and Vijayarathay, 1998)

Mookerji (1998) found that internet banking is becoming very popular in India. However, it is still in its evolutionary stage. It will become a large sophisticated channel and highly competitive internet banking market will develop very soon in the country. The spectacular success in computer literacy and wide adoption of information technology by the educated middle and upper classes in urban India make the issue of consumer trust in online banking even more relevant (Chandra et al., 2002).

Nyangosi et al., (2009) had made a study to collect customers' opinion regarding the importance of e-banking and the adoption levels of different e-banking technologies in India and Kenya. They study highlighted the trends of e-banking indicators in both countries. The result indicated that customers have developed a positive attitude and gave importance to the emergence of e-banking in both the countries.

Reeti Agarwal et al., (2009) determined various factors affecting customer perception and attitude towards e-banking in the northern parts of India. Respondents expressed that using e-banking for balance inquiry to be the most useful, closely followed by inter-account transfer of funds and they found e-banking least useful

for lodging complaints. Their major findings illustrate that customers are influenced by the type of account they hold, their age and profession, attach the highest degree of usefulness to balance inquiry service, consider security and trust affecting their satisfaction level and find the slow transaction speed is the most frequently faced problems while using e-banking.

Qureshi et al., (2008) conducted their study to evaluate the customer acceptance of internet banking. Almost 50 percent of the clients have shifted from traditional banking to online banking because of the perceived usefulness, security, and privacy provided by internet banking.

Frust et al, (2000) said internet banking refers to the use of the internet as a delivery channel for banking services, such as balance inquiry, printing statements, fund transfers to other accounts and bill payments.

The various types of services offered by banks are a) informational, b) transactional and c) Request services.

Informational services are provided by the private sector banks to their customers, which include checking the balance, Interest rate inquiry, TDS, both debit card, and credit card details and for downloading various application forms regarding the banking transactions. Transactions included are inter-account transfers to other local banks, bill payment, ticket booking, and recharge of mobile and DTH services. Request services include opening an account, account statement, cheque information, and standing order instructions, apply for a loan and apply for a credit card.

It was understood from the literature that the customers prefer to use only a few services in spite of the availability of many services offered by their banks. Hence, it was decided to find out the type of services preferred more by the private sector bank customers. If the banks can identify for non-usage of all the services offered through online, they can make the way the services are offered and both customers and banks can be benefitted.

AREA OF STUDY

There are 32 districts in Tamil Nadu of this Vellore district is taken for the study. Vellore district is in Tamil Nadu, India which is known as the very popular industrial district in the State. It has many leather industries, match factories, and beedi industries. There are two important institutions functioning in the district namely Christian Medical College and Hospital and Vellore institute of Technology. There is always a moving population in the district. Also, banks in the district are grouped into three categories: Public sector banks, Private sector banks, and foreign banks. However, due to limitations, the study is confined to private sector banks only.

OBJECTIVES

The main objective of the study is to critically examine the online banking system of the selected private banks in Vellore district.

1. To know the various services offered by the banks
2. To assess the satisfaction of the customers
3. To identify the reasons for dissatisfaction of customers

METHODOLOGY

SAMPLING DESIGN

There are four new age private sector banks functioning in the district. They are called as new age private sector banks as they have started to function. The sample size has been limited to these four Private sector banks, namely, ICICI, HDFC, AXIS and IndusInd banks which are functioning in the district. A total of 200 customers using internet banking from these banks were selected using convenient sampling technique. In order to gather the requisite primary data, a total number of 50 respondents are taken from each of the selected banks purposively for the easy and smooth collection of data.

METHODS OF DATA COLLECTION

The main primary data used for study have been the customers' satisfaction on internet banking offered by selected four private sector banks in Vellore district and the reasons associated with dissatisfaction. All these data were collected using both open end and closed end questionnaire from the respondents on the basis of direct interview method.

The secondary data were collected from the web sites and annual reports of the selected banks.

The study used descriptive statistics in analysing the data. Also, simple percentage analysis and weighted average score were used to make the study more analytical.

ANALYSIS

AVAILABILITY OF INTERNET BANKING SERVICES

The primary factor determining the level of demand for internet banking will be 'connectivity' -- the number of people connected to the Internet. Internet banking is one of the most popular services utilized by Indian internet users. The following table depicts the popular internet banking services provided by private banks in Vellore District.

TABLE 1: AVAILABILITY OF INTERNET BANKING SERVICES

| | Services | ICICI | HDFC | AXIS | IndusInd |
|---------------|-----------------------------|-------|------|------|----------|
| Informational | Check account balance | Y | Y | Y | Y |
| | Interest rate inquiry | Y | Y | Y | Y |
| | TDS | Y | Y | Y | N |
| | Check credit card details | Y | Y | Y | Y |
| Transactional | Fund transfers | Y | Y | Y | Y |
| | Payment of bills | Y | Y | Y | Y |
| | Ticket booking | Y | Y | Y | Y |
| Request | Opening an account | Y | Y | N | N |
| | Account statement | Y | Y | Y | Y |
| | Ordering cheque book | Y | Y | Y | Y |
| | Standing order instructions | Y | Y | Y | Y |

Source: Web sites

(Y= Offering the service, N=not offering the service)

Table 1 shows that 11 basic services are offered through the internet in the country and the results indicate that all the services are offered by the ICICI and HDFC banks in the district. Other two banks namely, AXIS and IndusInd banks offer very limited services to their customers. Hence, it can be said that ICICI and HDFC are already taken a lead in providing the wide range of services through internet.

CUSTOMER SATISFACTION ON INTERNET BANKING SERVICES

Because of high competition in the banking industry, it is indispensable to improve the quality of the services rendered to the customers by the bankers. The more quality services rendered to the customers, the better is the customer satisfaction. This means that the customer satisfaction depends on the quality of banking services. It is also understood that growth of the banks depends on the quality of services rendered by them. Customers and bankers are paired to each other (Hoque and Ismat, 2000). No bank can survive without its customers.

The customer is the king to a bank. They are ones who play the vital role in banking; the entire banking operations orbited around them. It is the customers' money that a bank deals with and customers demand more from the banks. Therefore, the bankers should realize that their first and foremost duty is to provide proper

services to their customers. Accordingly, the bank should formulate and implement its policies, rules, programs, strategies etc. to satisfy the needs of the customers in the most efficient manner (Malyadri, P, 1998).

In order to assess customer satisfaction, 200 customers from the four banks namely, ICICI, HDFC, AXIS and IndusInd banks were surveyed taking 50 from each bank. They were selected based on convenient sampling for smooth and easy collection of data and information. Based on that it is found that most preferred service is checking balance, payment of their bills, funds transfer, credit card details and account statement history. A total number of eleven types of services as shown in Table 2 were asked to the respondents in order to rate their level of satisfaction on these services. The weighted average score was calculated and based on the score, the rank is found.

TABLE 2: LEVEL OF SATISFACTION OF SERVICES

| Informational | Services | Highly dissatisfied | Dissatisfied | Neutral | Satisfied | Highly satisfied | Mean score | Rank |
|---------------|-----------------------------|---------------------|--------------|---------|-----------|------------------|------------|------|
| | | | | | | | | |
| | Check account balance | 0 | 20 | 30 | 80 | 70 | 4.0 | 2 |
| | Interest rate inquiry | 0 | 10 | 38 | 102 | 50 | 3.4 | 4 |
| | TDS | 0 | 15 | 35 | 120 | 30 | 3.5 | 3 |
| | Check credit card details | 0 | 12 | 28 | 90 | 70 | 4.2 | 1 |
| Transactional | Fund transfers | 0 | 17 | 13 | 92 | 78 | 3.6 | 2 |
| | Payment of bills | 0 | 12 | 18 | 110 | 60 | 3.8 | 1 |
| | Ticket booking | 0 | 11 | 29 | 80 | 80 | 3.1 | 3 |
| Request | Opening an account | 0 | 9 | 44 | 97 | 50 | 3.1 | 4 |
| | Account statement | 0 | 8 | 32 | 140 | 20 | 3.6 | 1 |
| | Stop Cheque payment | 0 | 14 | 26 | 80 | 80 | 3.5 | 2 |
| | Standing order instructions | 0 | 13 | 33 | 104 | 50 | 3.2 | 3 |

Source: Primary source

Table 2 reveals the level of satisfaction on the internet banking services offered by the selected four private sector banks in Vellore district on the basis of the opinions of the customers. The calculation is done using the weighted average score and the results are, among the informational services offered by banks, check card details have the highest mean score is 4. 2 followed by check account balance whose mean score is 4.0. Among the Transactional services, payment of their bills has the mean score is 3.8 followed by fund transfers to other bank accounts for which the mean score is 3.6.

The request services provided by banks under this category are numerous. But from the pilot study they are reduced to four namely opening an account, account statement, stop cheque payment, standing order instructions. Among these request services, the private bank customers prefer to use internet banking to get account statement history most for which the mean score is 3.6 as disclosed in Table 2.

The table shows that customers are satisfied with all the services offered by the four private sector banks since all the weighted average score values are more than 3.0. The study testifies the results of Beer 2006 that the most popular online transaction through internet banking is funds transfer/bill payment.

REASONS FOR DISSATISFACTION

Banks are working hard to connect their customer through The Internet, as the profit margins are higher than the traditional bank. However, there are some reasons that make the customers get hesitated on using the online network for their banking purposes. The problems that customers of online banking services are facing are explained on following part of the study.

To identify the problems associated with internet banking services provided by the selected private sector banks, open-ended questions were placed before the respondents. Their responses have been tabulated below:

TABLE 3: REASONS FOR DISSATISFACTION

| Reasons | No. | %age | Rank |
|---|-----|------|------|
| Inadequate reliable and secured information | 25 | 50 | 5 |
| Lack of knowledge | 33 | 66 | 3 |
| No trust on the service provider | 43 | 86 | 2 |
| Inadequate power supply | 45 | 90 | 1 |
| Security | 12 | 24 | 8 |
| Privacy | 18 | 36 | 7 |
| Lack of technology | 22 | 44 | 6 |
| No legal protection | 32 | 64 | 4 |

Source: Primary data

Table 3 shows there are eight major problems associated with internet banking usage in private sector banks in Vellore district. Among these, 90 percent respondents believe that adequate power supply is required for smooth banking in Vellore district. However, 86 percent opined that there is no trust on the service provider, 66 percent feel there is no knowledge and security is found to be the last reason for dissatisfaction.

THE FREQUENCY OF SERVICES THROUGH THE INTERNET

The frequency of services used more often than other services are found out using percentage analysis and given in the following table.

TABLE 4: FREQUENCY OF SERVICES DONE IN INTERNET BANKING

| Services | Frequency of services | % |
|---------------------------|-----------------------|----|
| Check account balance | Weekly | 92 |
| Pay bills | Monthly | 90 |
| Account statement history | Whenever needed | 95 |
| Fund transfer | Whenever needed | 94 |

Source: Primary data

The customers reporting that most frequent activity conducted on a weekly basis is checking their account balances, on a monthly basis is pay bills whereas download statements, fund transfer are done as and when needed (Table 4). The activity conducted on a monthly basis is paying bills which are similar to the study by Gomez 2002.

Services never done through internet banking: Though the customers preferred to do some services through internet banking, some services are not done through online. They are shown in the following Table 5.

TABLE 5: SERVICES NEVER DONE THROUGH INTERNET BANKING

| Services | Frequency | % |
|-------------------------|-----------|----|
| Apply for a loan | 344 | 60 |
| Apply for a credit card | 389 | 68 |
| Cheque information | 430 | 75 |
| Interest rate enquiry | 515 | 90 |
| Opening an account | 487 | 85 |

Source: Primary data

This is because the customers want to conduct activities in person instead of online as they prefer to deal with people directly, a need to have face-to-face communication, need a consultation with the employees, bank sites are not offering enough information about these services and confusing terms seen on the web sites.

Hence, banks have to address these issues by implementing interactive capabilities such as secured chat and e-mail id facility as reported by Ramsaran in 2003. A survey by Google and Compete in 2009 shown in e-marketer report, found that US online customers were more likely to apply for their accounts through the web but in Vellore district, in India, it does not testify this report.

CONCLUSION

From the above analysis, it is seen that all the existing private sector banks operating in Vellore district have implemented online banking technology for rendering quick and safe services to their customers. Analysis signifies that the selected customers have been satisfied with all the services offered by the banks. Also, the analysis shows that customers use very few services regularly and some services as and when needed and some services were not preferred to be done through the internet.

However, there are some reasons mentioned in the analysis. The main reason is the inadequate power supply. Hence, it can be said that regular power supply must be assured and the service provider must be more reliable to provide sufficient IT resources. Therefore, it can be concluded that in order to streamline the internet banking services in the selected banks there is an urgent need to remove those problems to satisfy the customers. In this regard, the selected banks authorities have a great role to play.

The information prompted in the study and its findings may be useful to the researchers, academicians, bankers and policy makers. The academicians interested for further research in this demanding area of the banks may get the findings useful. Again, bankers may also come across the findings of the study while execution of their banking jobs for the full satisfaction of the customers. Lastly, the government and policy makers may also use the outcomes of the study while formulating any policy as regards internet banking services.

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THE ROLE OF FOREIGN DIRECT INVESTMENT IN THE IRAQI ECONOMY

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ABSTRACT

The problematic financing for development and rebuilding what was destroyed by wars infrastructure and the duration of the siege and bridge the underdevelopment gap which is problematic real emerged as a result of declining real income and low savings throughout the past period, causing a lack of domestic investment and the reluctance of foreign investors from entering into the country as a result of the lack of security and safety is known Capital is characterized by cowardice and thus to the reluctance of international banks to lend addition, the magnitude of the debt of Foreign Affairs of Iraq and the subsequent debt service and compensation in addition to that most of Iraq's annual budget allocations go 60% operating expense compared to 30% of investment allocations of a proportion that does not meet the huge burdens and building a country like Iraq, and so the study of impediments to foreign investment and analytical study of deep ultraviolet rays diagnosed depth of the problem .That foreign investment-oriented important economic sectors lead to the development of those sectors and the foreign direct investment directed towards the oil sector leads to the result to increase the financial resources and the promotion of public revenues of the state, which is reflected positively on the economic development and reconstruction process in Iraq.

KEYWORDS

Iraqi economy, foreign direct investment.

1. THE CONCEPTUAL FRAMEWORK FOR INVESTMENT

1.1 The definition of investment: There are many concepts and implications of this economic term, depending on the economic schools and the communities dogma and planners approach it means:

1.1.1 linguistically: - Investment of the fruit, and the fruit is the kind of money, and (invest) meaning develops or increases, but is usually in the money in its various forms, which include real estate or personal property and the rest of the physical forms.

1.1.2 In addition to the stock of productive assets, such as capital goods- capital goods are equipment and facilities or goods. When the company built a new factory, these businesses represent investments. This meaning goes out to the added material goods, whether capital equipment or buildings or additions to existing stock.

1.1.3 Use the money to make more money, or to earn income or capital increase, or both) and the Advanced meaning of what is indicated by the investment depending on the development that took place in the economic studies, particularly macroeconomic theory and the location of investment down of what it meant Investment multiplier. This means in turn, that any increase in investment lead to an increase in income equivalent to the increase in the number of investment times.

1.1.4 Is the change in the balance of the capital during the specified period time and invest here, unlike the capital it represents a flow and not an existing balance and this means that while capital is measured at the specific point in time, the investment can be measured through a given time period.

1.1.5 The investment means the use of cash and material savings in the economy, the composition of the assets of capitalism of the (fixed assets) used in the production of goods and services.

Upon checking in at any notion of investment aforementioned concepts its focus on the physical aspect only, It is with this tendency tend to the old meaning of the Investment where the majority of communities are suffering a recession and the deficit and therefore need to be an annual increase in the gross national product, which means making investments specified any particular rate of a specific investment in accordance with the degree of disability and the recession, this concept no longer acceptable in the current era and the current phase which has evolved everything and the human became the focus of development and the process of evolution, he is the goal and the means and the cornerstone of all economic activity axes.

The modern concept which popularized starting from the seventies and eighties is based on that investment activity multi-dimensional process that includes changes in the structures and tendencies, institutions, and acceleration in economic growth to achieve equality and the eradication of poverty. These are the targets of all communities and individuals it includes materially and humanly sides, the low level of living leads to low levels of education and health services, and these are linked in one way or another with lower level of income and the per capita share of it which would necessarily leads to a low standard of living and it has become not an accumulation material investment, but the ability to produce this accumulation, which comes to investing in human capital and intellectual capital, which has become important factor in the axis of human activity. If the increase in overall capital reflects the physical investment, the human investment expressed through spending on education, training and skills-building also including spending on research, development, and health...We conclude, as we have learned from economics that the work means creating the benefit as well as of the investment is also a work its goal is to increase national output and thus national income and then a good per capita means is reflected on the welfare of people ending reducing poverty, deprivation and inequality areas. The mechanism of this action is to directed the savings towards increasing capital goods by increasing capital formation on the internal level of any investor within the country and there may be funding Outsourcing is the subject of our research.

1.2 The types of investment: investment can be divided according to the following criteria:

1.2.1 Belonging standard which is:

- 1) Private investment: - carried out by natural or moral persons are seeking to develop their public wealth and increase production.
- 2) public investments: - carried out by projects in which the ownership of the means of production is to the state and aiming at achieving the public interest firstly, then go back to turn a profit.

1.2.2 The objective of the investment standard, which is:

- 1) Economic investment and its target is to increase in goods and services, thereby increasing the gross national product.
- 2) Financial investment means the transfer of ownership of the investor money to another.

1.2.3 by the standard of economic activity and divides: -

- 1) Agricultural investment.
- 2) Industrial investment.
- 3) service-investment.

1.2.4 According to standard investment material, namely: -

- 1) Investment in goods and services.
- 2) Invest in other things like machinery and equipment and real estate assets.

1.2.5 Investment in financial assets such as stocks and bonds.

1.2.6 by funding standard:

1) Domestic investment: This type of investment will be financed from within the country any source locally, whether from the private sector or the public and managed by profit-taking and investors hold the nationality of the country foster parent for those investments.

2) Foreign investment: - Investment will be financed externally any source outside the country's borders, and these investments are designed to lock in profits and increased benefits realized it permission to invest outside of the border as a result of the transfer of capital and the various economic resources between different countries.

1.3 Investment targets: the most important goals can be summed up investment activity the following points:

1.3.1 Achieve economic growth increases the gross domestic product, and then the national income.

1.3.2 Achieve a qualitative leap in all high growth and development sectors.

1.3.3 Achieve real renaissance it includes the effects of all citizens, leading to reduce unemployment and improve the services and solving the housing problem and the development of technical skills as well as promote balanced production sectors.

1.3.4 Build and develop master structures of society, including a positive impact on economic performance.

1.3.5 Support the trade balance and balance of payments.

1.3.6 Continuous development and innovation, which is based on the products of the human intellect, which is more important than investment in physical capital, because the latter depends on the first. socially, the investment process to what it means to raise the level of per capita income working to reduce poverty and deprivation areas and thus turning people to the attention of cultural, artistic and sporting issues as well as to reduce the illiteracy rate in the community as a natural result of investment in scientific, educational and research field through the expansion process building schools, universities and research centers, not to mention the construction of hospitals and social care homes and the remaining investment process and investment activity right first and last goal, as is evident by the planned decree facility in this section is the man, needs and aspirations and his humanity

1.4 Investment financing sources: investment is known as an influx of spending and this spending is material in the first place goes to the aforementioned investment requirements and he must know the sources of this spending, namely: -

1.4.1 National and local sources: - The Savings article the first and take the savings here many pictures since there are savings by enterprises (General) sector or individuals (household sector) or may be owed to cram (coercive) by country (domestic borrowing tax deficit financing).

1.4.2 Foreign sources: - in the case of inadequate domestic sources for the purpose of supporting or intentionally hiring external sources in order to obtain goods and services complementary to local factors of production and there are different types of external financing, including: -

A) Foreign loans and the possible obtained as a result of the country's foreign relations with any other countries or regional and international lending organizations.

B) a foreign official financing flows received by the State concerned of other countries, including development aid and concessional flows of official development non-concessional loans to the World Bank.

C) Foreign investment will be touched upon later.

1.5 Strategic investment: The investment process is not a random process or reactions to unexpected situations but organized and planned and drawn scientifically so the investment strategy the need to achieve a successful investment decision, which means a long-term. Plan orientations of the state, investors and their movements both so much of the control institutions, whether public or private has a strategic investment in writing and official based on the doctrine of society and the pattern of the required development and economic orientations of governments and this strategy to minimize the risk of any wrong investment decision can be taken and can be divided into investment strategy into three basic parts: -

1.5.1 Investment philosophy and outlines the nature of the relationship between the investor and the investment in which you must know the answer to the following questions: -

- The investor is who will choose the type of investment and the method of financing.

- Is it the will of its management and follow-up faced problems and difficulties and the investor is meant here either government or individuals or any other side.

- Or is the investor of another kind as it will with the help of the region of the other to do the role. The investment philosophy generally reflects the sensitivity of the investor and his position on the investment that would like to enter into it and the nature of the danger to him return type.

1.5.2 Investment objectives determine the investment policy specifications and characteristics and criteria for investments that must meet the investor's desire, which are commensurate with the investment philosophy and goals These policies include financial criterion of financial and non-used in investing assess it is to enter into investment projects not older than 10 years and the adoption of evaluating the principle of complementarity between the sectors of the national economy as the investment policies also include considerations relating to the size of the investment.

Overall, the investment strategy is a tool through which to see what needs to be done and what should not be done with respect to investment decisions faced by any administrative apparatus for the investor.

1.6 Investment Determinants: determinants of investment intended to factors that affect one way or another on the investment process positively or negatively, namely:

1.6.1 Interest rate (inverse relationship in accordance with the economic concept of investment) if the interest rate affects the opportunity cost of investment projects If the investor can borrow, the interest rate directly affects the cost of investing in a project but if the investor uses financial his assets, he waives interest that could have been derived if he loaned the money to someone else rather than invest it is known that the high interest rate increases the opportunity cost of any investment project and reduces the incentive to stay or low interest rate Votary opposite and this is evident in Figure one.

1.6.2 Sufficiently marginal capital, which means that the marginal productivity of invested capital or return on invested capital of any achieved by monetary unit invested, which can be built upon to direct investments, it is by comparing the interest rate prevailing in the market and among sufficiently marginal capital can set the amount of capital required to invest in any activity as long as the marginal efficiency of capital is greater than the interest rate all encouraged to increase investment, and that the investment process will continue as long as the marginal efficiency of capital is greater than the interest rate.

1.6.3 The degree of risk.

1.6.4 Availability of economic and political stability and investment climate.

1.6.5 Other factors such as the availability of savings awareness and investment as well as provide effective financial market. Conclude by saying that the investment process is the main engine to do economic development and overall development, a special corner in the economic theory that the investment represents a vital and effective element to achieve the physical and social well-being if we take with interest that an increase primarily in investment will lead to increases in income to double investment and that any increase in income must go in part to increased investment by the so-called accelerated (the accelerator) on the other hand we can say that all investment process must be accompanied by a certain level of risk.

And achieve a certain level of revenue and to create a real motivation to fund financial surpluses into investments must be that many of the key factors for the success of these investments, including a high degree of investment awareness of the economic climate, the legal availability, social and political with the availability of safety and the protection of investors' rights are available in addition to the existence of an efficient and effective financial market in space and time wanted to invest Hence, developed countries paid great attention to the investment through its issuing laws encouraging investment, legislation and necessary for the transfer of capital either in developing countries did this topic is given adequate attention despite the scarcity of capital in these countries, which we'll address later

2. FOREIGN INVESTMENT

2.1 Concept: did not stand a concept such as enjoyed by the (foreign investment) from the debate and differences and diligence despite the apparent clarity of verbal him and despite the spread as a prominent financial phenomena since decades of the last century Until a few years was seen for foreign investment, look at where a lot of caution and apprehension and frequency as the window that sneaks through which foreign countries to exercise its activities and policies or effects of the dye is national or anti sometimes. That was the last image is that recent decades brought visions of different ideas in large as ideologies have changed and changed facts and theories in various walks of life and economic especially at a time when the foreign investment during the years of the fifties and the sixties

and seventies are looking for the appropriate fields in which they operate without underserved welcomed by the developing countries and even confronting deduced these countries have become at the moment are looking for foreign investment and initiate its laws and granted the facilities and the issuance of laws and regulations that help them and give more temptations and traveling to areas where it fits within the country but became most developing countries compete in order to get and bring foreign investment.

There are many implications of this concept, including a nutshell:

2.1 (each use going on outside of the financial resources owned by a country of countries).

2.2 WTO definition (WTO) foreign investment when the investor gets stable in a country (Home Country) to own assets or assets in another country (country's future Host Country) with the intention to have in the management of that asset.

2.3 Definition of United Nations Conference on Trade and Development (UNCTAD) investment includes long-term relationships and reflects a lasting interest and control of an entity resident in one of economics is the economics of direct foreign investor or foreign investor of the project.

And extracted from these three concepts for foreign investment are three basic elements make up this concept are: -

2.3.1 This investment outside the borders of the country of financial resources.

2.3.2 The investor's intention to participate in the management of these resources.

2.3.3 Accept the future of the country for these resources the principle of participation or work and share in the fruits of the investment process.

2.4 View historical and Roy thought: back foreign direct investment effectively in developing countries to the nineteenth century history, where these investments were concentrated during periods of colonialism in minerals, agriculture and public services sectors have seen the early twentieth century, the development of a large part of the infrastructure around the world through foreign direct investment, including electric power, telecommunications (but in real numerous studies have pointed to the history of the emergence of foreign investment at the founding of the East India company, which was passed to be held in London in 1600, a transnational company) showed.

The back of foreign direct investment term in the writings of (Herbert Feis 1930 m) for the first time and is the scientific term ((FDI)) summary is common in the English language (Direct Investment foreign) and was first used by the (Cleona Lewis 1938 m).

Foreign direct investment has played an important and key role in economic development and industrial development for the different diameters of the developed world is now like the diameters of Western Europe and the United States of America and by the year 1914 had accumulated global balance of foreign direct investment is estimated at \$ 15 billion and the United Kingdom at the time the largest source of foreign investment, followed by US United And Germany, and America was the largest recipient of foreign direct investment. In 1928, foreign direct investment amounted to about \$ 66 billion, and British companies were still the largest investors have turned more than half of those investments to developing countries, particularly in Latin America and Asia, especially in the sectors of agriculture, mining, infrastructure and overall Britain took control in pre-World war I on about 42% of total global international financing total.

In the wake of World War II, foreign direct investment pattern has changed since becoming the United States the main source of those investments and became investment in manufacturing most common type of investment has prevailed fear among developing countries was motivated by the potential negative effects of foreign direct investment such as creating dependency economic and political interference was Chan so that these investments have experienced significant declines in that era... in the seventies foreign direct investment, improvement in commodity prices, particularly oil and gas, as well as surplus budgets of countries exporting goods to those but they were not in favor of foreign investment affected Where that money is recycled to developing nations re in loans provided by international banks, developing countries have become more dependent on those loans and less interest in direct foreign investment and thereby helped by the benefit of developing countries of the increase in the prices of primary commodities enough to meet the investment needs of domestic savings without the need for foreign direct investment.

This continued decline in the volume of FDI until the first half of the eighties, as developing countries have tried to restore economic stability and the impact of falling oil prices and other commodities, and thus proceeded to implement a program aimed at reducing restrictions on foreign investment to restore economic stability and thus the flow of international capital appeared to developing countries concentrated on the export-oriented industries due to lower operating costs and increase the adequacy of the market.

The nineties saw the move production elements significantly and markedly across countries of the world and the continued flow of FDI to developing countries, with the increasing adoption of privatization programs and encourage investment and the liberalization of foreign trade policies.

For Iraq, the foreign investments are almost formerly confined to the oil sector in the monarchy production was, however, the British foreign companies, and the rest of other companies is the concessionaires in oil production even after the end of the monarchy has been hiring in 1950 foreign companies against the backdrop of The Governing Council of reconstruction in order to accomplish many of the projects in the fields of agriculture, irrigation, roads, bridges either the period following the 1963 change in economic thought that was leaning towards a totalitarian central system and so-called socialist approach has won and that's what drove her to make decisions of foreign investment opposed and thus control all the country's economic facilities such as the nationalization decisions and confiscation But after 2003, and for the transition to a market economy has opened a wide area in front of any investment that would serve the national economy, particularly foreign direct investment, through the issuance of Foreign Investment Law No. (39) for the year 2003 and move forward on banking regulation and allowing foreign banks to open branches in Iraq, as well as pass a law No. (13) for the year 2006 to encourage foreign investment and all these steps and others were not sufficient to attract the expected investment.

2.5 The types of foreign investment: foreign investment is divided into several types according adopted in the division of standard and these species are in terms of standard time, a division that concerns us in this study: -

2.5.1 Foreign direct investment (FDI): - This is a long-term kind of where the time period and therefore do not offer it, but companies and institutions with huge potential as the companies intercontinental multinational and this type of company does not provide investment, but for its interest in the first place for this is controlled in production and prices by it exclusively.

2.5.2 Foreign indirect investment (IFI): - This is the kind of investment in stocks and public bonds or private for profit by speculating in their host country market is a short-term investment is usually done by financial institutions such as banks and investment funds such as insurance companies and pension fund as well as people.

3. FOREIGN DIRECT INVESTMENT (FDI) AND ITS ROLE IN THE DEVELOPMENT OF THE IRAQI ECONOMY

3.1 Popularity: Foreign direct investment is a source of financing in developing countries, including Iraq, it is hoped that investments contribute to promoting economic and social development. It is wrong perception that the benefits that could accrue to developing countries due to attracting foreign direct investment can be obtained at no cost investment them the motives of the internationalization of their activities, and that countries that encourage national companies to invest in other countries seeking from behind to achieve economic and political goals, which means that foreign direct investment is governed by common interests between the parties to the investment The degree of benefit of each party to a large extent on the policies and procedures of the other party on the quality and nature of the investment, which represents the essence of the relationship between the two parties in the following points.... It is possible benefits of foreign direct investment on the economy, Iraq, in particular: -

3.1.1 Saving renewable source and the conditions of good to get the financial resources or foreign capital to finance development programs and plans, as Iraq is suffering from a financial dilemmas and economic return to the legacy of wars, international embargo and financial and administrative corruption These factors have grown during the past few years as the physical and human attrition cost the country a high price due to internal conflicts on the other hand cannot be the future rely only on oil export earnings, although it essential at the present time as may be consequent risk of grandparents, both in the absence of guarantees for the continuation of this vital resource consistently a sustainable result of many reasons, including financial oil markets turmoil and volatility of the prices

3.1.2 Contribute to national ownership of development and raise the contribution of the private sector in the GDP and creating a new class of businessmen by the members of the community to contribute to the investment projects or the development of new projects backing of foreign investment projects, enabling the private sector to contribute to the development process, particularly national ownership of development for Using capital or foreign capital or find virtue of that

enjoyed by the private sector of flexibility in dealing with investment institutions and finance houses and the contribution of the private sector in the construction process represents the second side to support the process of democratic development through the creation of an economic sector financiers partners A specific area of the independent national economy and the dominance of state control, which limits their ability to lead to authoritarianism, including building a partnership between the public and private sectors in order to achieve integration between them both and the community.

3.1.3 Facilitation Iraq access to modern technology, particularly in industry and the IT sector and this is extremely sensitive because of the modern technology of a role in the development and construction of the countries in the shortcut national entity a time at various levels and is known that the economic blockade suffered by Iraq for 13 years and led to the interruption of Iraq scientific and technological development for the rest of the world, which led to the widening technology gap between him and the rest of the world on the one hand and the other side obsolescence of technology used in the most productive and service institutions, and this is sufficient justification for bringing in foreign direct investment, and has become a technology acquisition process overburden developing economies as estimated in some a passing years the developing world payments for the import of some elements of the technology more From 3/1 one-third of payments to service the debt and about 3/2 two-thirds of the total annual flow of foreign direct investments. That the price of high-priced for developing economies should therefore take advantage of the presence of foreign companies as it contributes to narrowing the accelerating gap globally note that multiple companies Table. Owns about 95% of the technology and that means control over the technology market

3.1.4 Saving new jobs as well as help in the development and training of human resources, with an estimated available labor and the size of Iraq's estimated 8.5 million people (according to the World Bank) and the estimated volume of unemployment after the events of 2003 by about 30% and added to this number is known as underemployment in other words, a large number of workers in the unorganized sectors for low wages and hours of work oscillatory and thereby exacerbating the problem of unemployment in Iraq to disband the army and internal security forces and solving the Ministry of Information and lay off workers in a large number of plants and the activities of the private sector due to suspension of direct production after the events and presented the Iraqi market for the process of dumping by the neighboring countries, all of this make Iraq a yard suitable for bringing in foreign direct investment appropriate demand, at least at the current stage, if we take into account in addition to the previous indications that Iraq is characterized by a percentage of a high population growth in the youth sector and the proportion of large labor force estimated at 2.4% in the year where it enters each year (170) thousand new workers. (4) to the labor market and on the other hand is a labor demand to absorb all the new entrants to him and unemployed low work at the moment because of conflict and economic decline led to damage to many of the employment opportunities in the formal and informal sectors alike As a result, Iraq is suffering one of the highest unemployment rates in the region as it is more than the unemployed among young people half as well as a very high percentage of poverty (over 23%) at a time when the participation rate of women in the work is estimated at 13%, which is low by the standards of countries in the region.

3.1.5 FDI works to stoke competition between companies and the Iraqi institutions and their counterparts overseas, and this results in the competition of the benefits of reducing monopoly and stimulate companies to improve product quality and services As these intensified competition even among foreign companies operating in the country and among the other companies out of the country forcing companies Find new ways to increase efficiency, including expanding its reach to new markets in the early stage and this is in the benefit of the country box.... it has become obvious to talk about foreign direct investment it means talking about giants and their as it proceeded to the internationalization of production through the export of capital after it was foreign investment focus on investment in the primary sector.

3.1.6 Help open new markets for export, particularly to foreign giants have the best possibilities to gain access to export markets, including its expertise and skills of marketing high as the World Investment Report issued by the United Nations Development Programmer in 2002 indicates that foreign investment role by international companies taking the buildup in the globalizing world economy, the report said the number of these companies in 2001 amounted to approximately 65,000 foreign company counts among 850,000 foreign company subsidiaries around the world, and the estimated number of employees by about 54 million people Compared to about 24 million people in 1990 it has reached a turnover of about \$ 19 trillion, double the value of world exports, while the figures were equal in 1990 and accounted for multinational companies and affiliates ten global GDP According to the World Investment Report cit.

3.1.7 Contribute to the improvement of the status of the balance of the Iraqi payments by increasing export opportunities and reduce imports and the influx of foreign capital and the Iraqi economy, known as unilateral economy side, directly depends almost or budget depends on oil revenues, as we have said, and as we have said that this economy has witnessed after the events of 2003 and earlier years in the international embargo period of great destructive hit infrastructure in agriculture, industry and services, as there are in Iraq now (192) project employs up to half a million workers as mentioned above, and these projects are now considered by virtue of obsolete technology and a burden on the Iraqi economy, in addition to what has happened of looting stopped, mostly for work processes and the status of the remaining non-economic works.

3.2 Opportunities: the focus of the opportunities is to answer the following question: Where can we draw foreign investment in the case? No sense in any sector any sector his prized in the interest of speeding up the development process and the reconstruction process as long as it has been proven that foreign investments have doomed the positives on the Iraqi Economy as detailed previously.

In order to answer this question, we should know that the Iraqi economy includes the following sectors: -

- 3.2.1 Industrial and inclusive of extraction, marketing and manufacturing of oil.
- 3.2.2 Agricultural including features from animal notch.
- 3.2.3 Commercial including the movement of goods export and import selling.
- 3.2.4 Service having financial and banking services and insurance.

It is known that each sector has the ingredients are available in quantity and quality at the level of the area of Iraq as this country is characterized by possessing a wealth enormous oil, with estimated proven reserves of oil estimated at 112 billion barrels and nearly double that figure as a reserve potential either Iraq's gas reserves amount to (30000) billion cubic meters and features the oil wealth in the country, down development costs and production with high productivity of the well and the lack of depth compared to other countries in addition to Iraq's possession of good infrastructure in pipelines and reservoirs and pumping stations to facilitate connecting new fields of export facilities process then there is the availability of agricultural potential with the possibility of investment in the reclamation of vast land with a relatively low level of wage labor In general what is available from the neighboring countries and can prepare Iraq from countries that have this feature if large amounts invested in each of the infrastructure and productive sectors and juicy market size of the crucial factors in investment decisions more the expanded size of the market increased investment opportunities and increased feasibility of establishing cards projects The large Iraqi market is relatively broad market factors, the market is influenced by a horizontal size of the population, as well as vertical market influenced by factors which income level and living For individuals as well as to provide the relative experience in the field of value-added of basic industries in order to provide their own raw materials a percentage of large, making investment a priority for the country and The feasibility great for the investor permission Iraq the benefit of the environment and encouraging the introduction of foreign investment, but the question here is which sectors have priority in investment? In order to answer the question we must realize that Iraq and the Iraqi economy to be accurate in transition from a centrally planned economy to a market economy, this first, and secondly that the facts say that the Iraqi economy in a deadlock after the collapse that suffered as a result of the former regime and the destruction it has suffered after the US occupation policies For individuals as well as to provide the relative experience in the field of value-added of basic industries in order to provide their own raw materials a percentage of large, making investment a priority for the country and The feasibility great for the investor permission Iraq the benefit of the environment and encouraging the introduction of foreign investment, but the question here is which sectors have priority in investment? In order to answer the question we must realize that Iraq and the Iraqi economy to be accurate in transition from a centrally planned economy to a market economy, this first, and secondly that the facts say that the Iraqi economy in a deadlock after the collapse that suffered as a result of the former regime and the destruction it has suffered after the US occupation policies all this

led to the suffering of Iraq's financial difficulties in addition to the current reality which indicates that of 810% of the population languishing in poverty, destitute and that up to 1215% under the destitute poverty line.

Asking permission rapid orientation and timely for the development and reconstruction of highways to get to a balanced state and to begin phase starting right up to the stage of self-propulsion of the Iraqi economy and thus we get to the fact that the need to go to a payoff rewarding and a great and fast genie to overflowing with the same arrogance and speed on the rest of the sectors development and ages do not think the presence of the Gaza strip these specifications, such as the oil sector for the following reasons: -

- Resources represent an important financial source to supplement the development plans and where wetlands occupy a large area in the body of the Iraqi economy that revenues accounted for the gain of 98% of the state budget revenues in 2008 compared with other sources of revenue for the budget as mentioned above.
- Huge source of foreign currency to pay for imports, but hardly the only source where make up almost 100 percent of Iraq's revenues and cash from abroad.
- The oil sector and oil industry provide energy and fuel sources needed industrial and consumer purposes.
- Basic raw material for many of the private fertilizer, rubber, detergents and textile industries and each industry chemicals.
- The importance of the oil industry in the strategic future of the global economy by the size of proven oil reserves and resources is proven 112 billion barrels, mounted and thus potential weak figure) and the expected production volumes.

3.3 The development and investment of the oil sector model of the opportunities available: There is controversy does not end on the feasibility of foreign investment, traditional and opinion indicates that these investments take more than they give either talk inferred from the fact experiments opinion indicates that these investments are of the most successful mechanisms for the overall development of the host country and between the two views is no third team he thought should be the recognition of the existence of common goals between the parties of investment (international companies host country native country) represents a basic foundation to activate foreign investment and achieved the target of foreign investment through good governance between the three parties and comply with the agreed not inconsistent with the interests of each some researcher course with the third team In order to ensure the national interests and in general we get to the fact that the inevitable entry of foreign investment in such circumstances those experienced by Iraq for the reform and development of the oil sector in light of the debtor's economy by about \$ 127 billion as stated in the Strategic Report of the Iraqi second for the year 2009 and suffering from difficulties financial bottlenecks economical insurmountable by foreign direct investment, according to the guidelines safeguard national interests, as we know that the required value of investments in oil and gas production sector and exported up to about 30 billion, including the cost of investment real-time required and costs to get to power six million b / d and expenses exploratory activity to maintain the level up and improve the export capacity and filtering..

This is a relatively large number for the data the economic reality of Iraq where you go around 60% of annual budgets expensed operational and 30% coverage of the program the import of foreign currency (2). From here came the need for external financing and as soon as the situation is not likely to delay as According to the latest available statistics that there are 2300 oil wells exist and actually engraved in Iraq and the daily production rate is not commensurate with the number of existing wells due to lack of investment capacity (technological and financial) to put these wells on the economic production lines (3).

This is not only through the use of modern technologies in the global oil industry, especially in the field of extraction of oil legal techniques (drilling polymer injection second dioxide and smart wells and horizontal drilling) and these methods Iraqis technicians could not seem to know as modern and advanced methods and certainly reduce production costs especially in old fields. This is with regard to the Iraqi side The other side of any foreign companies Factors attraction to invest in Iraq large do not want to expand, but the most important of the cost of producing a barrel of Iraqi crude oil which is lower global average production per barrel of crude oil is one dollar of this feature is no cost very low in comparison with other producing countries of the important factors that encourage oil investment and production because it is reflected on the profit realized figures and companies aim to achieve a profit (4).

3.4 Reform the oil sector: There are Muslim women must be approved and work in light of the effect that investment in the oil sector assumes a savings of a local with the oil sector as well as the ability to bring in foreign investment to work in this sector, or perhaps succeed in holding financial loans repaid from the product of crude oil and all these hypotheses depend largely on the following factors: -

3.4.1 The desire of international companies to invest in Iraq.

3.4.2 Survival appropriate perceptions on the global market, such as oil supply in the world and OPEC quotas within the global supply and global demand growth and price levels rewarding.

3.4.3 possibility to exempt Iraq from within OPEC quota system due to the circumstances experienced by now, or at least take this into consideration when determining the quotas.

4. CONCLUSIONS

4.1 As long as there is a shortage in the sources of financing for development and reconstruction in Iraq must be resorting to foreign direct investment as it represents one of the alternative sources of external funding to local sources.

4.2 The isolation of the Iraqi economy for the movement of the global economy does not serve the development and the process of evolution, but it runs counter to the direction of the failure of the economy as reflected in the life of the citizen.

4.3 There is a common interest between the foreign investor and the host country because both profit from the investment and that the process of the host country is the biggest gainers as the product of the investment process will remain on the land of this country and recorded in his favor through to be made of the economic infrastructure development and skills development and raise the level of well-being.

4.4 That stimulates domestic investment and draw on as long as there is foreign investment in the country latter represents additions directly to capital accumulation within the host country by increasing the number and the value and volume of production projects and capital equipment.

4.5 Must recognize the existence of the determinants and obstacles facing the entry and operation of foreign companies a comprehensive and multi-start the weakness of the attractions do not end infrastructure, legislative and these constraints.

4.6 There is an imbalance in allocations in the budgets for the benefit of the Iraqi operational expenses at the expense of investment expenditure and this is contrary to the logic of economic laws Investing, whether government or private, which is to give continuity and growth and creates added value and provides employment opportunities.

4.7 The solution to the Iraqi oil sector, development and construction problems based fashionably is the key natural entrance to the economic advancement of the oil sector is still the leader in the sector of the Iraqi economy and will remain so until further notice.

4.8 The oil contracts are not sacred texts cannot be edited and switch them and this is subject to the competence of the Iraqi negotiator who represents the interests of the country and the same opportunities for advancement and sustainability of development.

4.9 The foreign investment can be a double-edged weapon at a time, which enables the advancement of the Iraqi economy, may be a factor if it hinders bad use and build vocabulary contracts are not subject to the supreme national interest by the Iraqi negotiator.

5. RECOMMENDATIONS

5.1 Must pass a barrier (taboo) your fear of foreign investment, the Iraqi economy is suffering isolation and drop out of global developments, particularly technological, so it should benefit from the advantages of FDI.

5.2 The foreign investment according to the insert includes cash and in-kind capital the scientific definition of the State of the investor to the host country in order to get a concession granted to him, otherwise not considered foreign investment.

5.3 Find a legislative, economic and security ground to encourage foreign companies to invest in Iraq, setting the operational mechanism relies experiences of countries that have preceded us in this field and failing to adhere currently available from the laws and policies and mechanisms, because the foundation in economic construction is widespread and proper investment, which guarantees the rights of investors and attract capital Iraqi immigrant money and secure the conditions necessary for that supplies which include: -

- Provide the guarantees necessary and appropriate incentives.
 - Freedom of converting profits and capital.
 - Facilitating administrative procedures (the introduction of one-stop shop).
 - The existence of an efficient and effective financial market in the space and time required for investment.
 - The establishment of free zones to attract foreign direct investment in high-technology sectors needed by the country in which it is a backward chronologically and artistically.
 - The presence of infrastructure subsidized services.
 - Speed up customs procedures and exemption from customs duties and taxes on exports and free zones exempt from property laws.
- 5.4 Don't promote investments that have a local funding source and not become a burden and a competitor for local production.
- 5.5 Draw a clear strategy for foreign investment to achieve a balance between investor interest and the national interest which is determined areas in which foreign investment enters and how it enters without having the door open to all areas of any that do not call for any investment, but that kind corresponds to the plans and programs required for the development of Iraq and the environment.
- 5.6 Optimum utilization of oil wealth to diversify the sources of the Iraqi economy and the development of chemical industries, prevailing and complementary structure and the development of non-oil sectors.
- 5.7 Maximizing oil revenues through the programmed investment to develop the fields and increase production capacity and efficiency of the activation of the human element of art.
- 5.8 In the oil field should also focus on the participation contracts due to its quick reaction and the potential of a huge big paybacks catalyst side investor but only if the existence of controls to ensure Iraq's national interests with global firms and be careful of such contracts as it should provision that change the nature of the contract upon the imposition of new taxes or when you change the structure of the oil sector

6. SUGGESTIONS

In our research we tried to give this concept a year and consolidate the subject of investment, and the way to reach this understanding, it is through the study of the concept of investment, which is considered as one of the economic variables which has a very important economic development. It is a dangerous variable If you do not use it improves the best, because it is linked very closely to national income and accumulation of economic capital.

Through we dealt with the evolution of direct global flow of foreign investment and the share of developing countries, including Iraq, it became clear to us that there is a rapid movement flows global foreign direct investment in recent years, for several reasons, including the economic transformations of the States towards privatization and the market economy, and the trend towards opening up to global markets and foreign investment and the emergence of economic blocs, and the proliferation of mergers and acquisitions for companies across borders, and the expansion of activity of transnational'. But this investment expansion in developing countries faced several obstacles

Through our assessment of the impact of recent global developments on the foreign direct investment in Algeria, it became clear to us that there are many negative effects, despite the privileges granted and our assessment as well as policy stimulus on investment, it shows that the investment climate has not worked to attract and encourage foreign direct investment and domestic private investment, because of the problems and obstacles many suffered by the investor, although tax incentives and guarantees granted to investors.

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FOOD SECURITY IN IGAD COUNTRIES: UNFINISHED AGENDA OR UNATTAINABLE GOAL?

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ABSTRACT

Intergovernmental Authority on Development (IGAD) is a Regional Economic Community comprising eight member countries, namely: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. The objectives of the IGAD are to expand the areas of regional co-operation, promote policies of peace and stability, sustainable development, alleviate poverty and achieve food security in the region. The IGAD region despite its abundant natural resources, the member countries have suffered from serious food insecurity. The constraints of food security are linked to protracted conflicts, high population growth, shrinking arable land, deforestation and land degradation, frequent extreme weather events and climate change-induced droughts, low utilization of modern farm inputs, inadequate investment in agriculture, poor natural resource management and weak economic cooperation and low trade among the member countries. This paper argues that IGAD member countries have the resources that would enable them to achieve food security. The member countries, however, need to renew their political will to peace and stability and demonstrate their commitment to address their food security challenges. With renewed political will, more resources would be released for people-centered development programs that would contribute to the achievement of food security. To this end, the following interventions are suggested: (i) renewal political will of all member countries and their demonstrated efforts to national and regional peace and stability and resolve all conflicts through legal and peaceful means in order to release more resources that could be used for productive investment; (ii) Transformation of traditional farming system through investment in modern farm inputs to increase agricultural productivity; (iii) Proactive government support for broadening livelihood opportunities of vulnerable groups to ensure their sustainable livelihoods; (iv) Sustained investment in community-based extensive natural resource conservation measures to reverse deforestation and land degradation; (v) Strengthening economic cooperation among IGAD member countries through harmonization of their trade policies and (vi) Increase investment for building manufacturing sector capability in order to boost their export revenue, and subsequently sustain large food imports to fill their domestic food production and food demand gaps.

KEYWORDS

IGAD countries, food security.

1. INTRODUCTION

Ensuring food security has been the focus of policy agendas of many national governments around the world because agriculture is a source of livelihoods for around 86 percent of rural people (WB, 2007:23). Agriculture is fundamental to enhance broad-based economic growth and creation of wealth, achievement of food security and poverty alleviation (WB, 2007; FAO, 2009). However, today, poverty and hunger are widespread throughout the world. It is considered that there are 1.4 billion people in the world living in extreme poverty, including 925 million who suffer from hunger and more than 200 million children under five who suffer from malnutrition (UN, 2012:4). Food insecurity has remained a major challenge in many developing countries because the agricultural sector has faced several constraints, including heavy reliance on rain-fed, rapid population growth, land degradation and poor natural resource management, climate change adverse effects, lack of investment and low usage of modern farm inputs and low productivity (Rakotoarisoa et al, 2011). Managing food security, thus, requires an understanding these constraints and the impact of agricultural policies on food productivity and on the poor and vulnerable segments of populations in rural and urban areas (Ahmad and Farooq, 2010).

In the era of globalization, regional economic integration has become an attractive option to the achievement of food security through promotion of intra-regional trade and investment which would culminate into inclusive and sustainable growth of member countries (ECA, 2011). Regional economic integration refers to the commercial policy of reducing or eliminating trade barriers between the states joining together to create economic community (Salvatore, 2004). From a wider perspective, regional integration involves the following functions: (i) strengthening of trade integration in a region; (ii) creation of an appropriate enabling environment for private sector development; (iii) development of infrastructure programs in support of economic growth and regional integration; (iv) development of strong public sector institutions and good governance; (v) reduction of social exclusion and the development of an inclusive civil society; (vi) contribution to peace and security in the region; (vii) formulating environment policies at the regional level; and (viii) strengthening of the region's interaction with other regions of the world (Olu and Dauda, 2015:1).

The Intergovernmental Authority on Development (IGAD) is a Regional Economic Community comprising eight founding member countries, namely: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. Food security and political stability remain major concerns among the IGAD member countries. Economic cooperation and market access also underpin IGAD's approaches to its objectives of food security, drought and disaster reduction as well as maintenance of regional peace and security (Byiers, 2016).

2. STATEMENT OF THE PROBLEM

The IGAD was established in 1986 as the Intergovernmental Authority on Drought and Development (IGADD) with mandate to jointly deal with the issues of drought and desertification (HESPI, 2001). In 1996 it was transformed into IGAD, a regional economic community, with four main mandates: food security and environmental protection; infrastructural development; conflict prevention, management and resolution; and humanitarian affairs (IGAD, 2013; IGAD, 1996).

The region has a land area of 5.2 million square kilometers and the population of around 217 million (IGAD, 2007:11; HESPI, 2011:1). The economic mainstay of the IGAD countries is rain-fed agriculture. Sixty percent of the total land area of the region is classified as arid, with less than 500 mm of annual rainfall (IGAD, 2007:16). The region is prone to hazards related to climate change, making it one of the most vulnerable regions in Africa. Low and erratic rainfall often results into cyclical droughts, making rainfall an important climate factor of food insecurity in the region (IGAD, 2007). The region is divided into lowland and highland areas, with different land use and livelihood patterns. In the highland areas, which have high population density, sedentary farming and crop production is more prevalent. In the lowlands, people are predominantly engaged in and dependent on nomadic livestock livelihood (Afun-Ogidan and Weijer, 2012, p.13). The region has also experienced intra and inter-state conflicts. The conflicts have brought immense human suffering, loss of lives, displacement of people, and destruction of property and shortage of food (IGAD, 2007; IGAD, 2009).

Since its establishment, IGAD has formulated various strategies to achieve food security and maintenance of regional peace and stability. These include: (i) Formulation of Food Security Strategy 2005-2008 (Mohamed and Zziwa, 2005). (ii) Formulation of strategic and implementation plan 2004-2008 on policy harmonization, capacity building, development of information systems and research and technology; formulation of IGAD's Environment and Natural Resource Strategy 2004-2008, with the objective to enhance the integration of environmental and natural resources into development frameworks for environmentally sustainable development (IGAD, 2007). (iii) Formulation of Drought Resilience and Sustainability Initiative Strategy which aims at addressing the effects of drought and related

shocks in the region in a sustainable and holistic manner (IGAD, 2013). The IGAD countries also envision integration of their economies through removal of their tariff and non-tariff barriers (IGAD, 2013: 11).

Within their broad development strategies, the individual IGAD member countries have also formulated their food security strategies which focus on (i) increasing their domestic food production; (ii) integration of climate change into their development policies and strategies; (iii) investing in their human resources development; (iv) development of their non-agricultural sectors which have high export potentials; (v) strengthening their agricultural research and irrigation infrastructure; and (vi) revitalizing their livestock sector development and (vii) management of their natural resources (Lines, 2009; HESPI, 2011).

Notwithstanding with the ongoing regional and national level development efforts, some studies indicate that the region has a 15 per cent cereal food deficit of about 4 million metric tons annually (Mochoge and Zziwa, 2004:1). In 2009, for example, food deficit in the region reached 5 million tons of cereals (IGAD, 2009:15). The region is still one of the poorest regions in the world that has not achieved most MDGs by 2015, while awaiting tremendous challenges to meet the seventeen United Nations Sustainable Development Goals during 2016-2030 periods (UN, 2015).

3. OBJECTIVES OF THE STUDY

Many developing countries including the IGAD member countries have been facing tremendous challenges in achieving food security by ensuring access to food for their growing population. In order to achieve the level of food security, developing countries need to formulate a comprehensive development strategy and implement effectively various development projects with the objectives to: (i) improve smallholder productivity and market access; (ii) promote domestic and foreign trade; (iii) expand productive social safety nets; (iv) mitigate the effects of climate change by integrating it into development strategies and policies at all levels; and (v) harmonize food security and sustainability policy (Fan, 2010). In line with this spirit, a summit of the African Union was held in Maputo in 2003 which ended with the adoption of the Maputo Declaration. The declaration consists of goals for African countries to enhance their economic growth, end hunger, reduce poverty, and work on their agricultural reforms pertinent to policy and capability issues in the agricultural sector, targeting an annual average growth rate of 6% in agricultural production by 2015. To these ends, a decision was also reached to allocate a 10% of the national budget in each country to agricultural programs (African Union, 2003:1). Agreement was also reached to implement the Comprehensive Africa Agriculture Development Program (CAADP) to boost their agricultural productivity. The CAADP is based on four pillars: extending the area under sustainable land and water management system; improving rural infrastructure and trade-related capacities for market access; increase food supply, reducing hunger and improving responses to food emergencies; and improving agricultural research, technology dissemination and adoption (Afun-Ogidan and Weijer, 2012). These policies reflect that ensuring food security and sustainable economic growth and poverty reduction are top national priorities of Africa countries.

Considering that the agricultural sector is the main sources of livelihood and food security in the IGAD member countries, the overall objective of the study is to examine the current state of food security and the major causes of food insecurity in the countries. The specific objectives are to: (i) review and analyze the food security situation in the member countries; (ii) identify and analyze the main factors which contribute to food insecurity in the member countries; and (iii) suggest policies that would contribute to the achievement of food security in the IGAD member countries.

The central research questions of the study are: Why IGAD countries with diverse resources have been structurally food insecure over several decades? What factors have contributed to their food insecurity? What policy interventions are required to make the IGAD member countries food secure?

4. METHODOLOGY

This study is based on extensive literature review to gather secondary data from textbooks, various studies, reports, research and publications of academic institutions, relevant documents of international organizations and national policy documents. The Secondary data are contextualized and analyzed to suit the objectives of the study.

Following sections 1-4, section five deals with conceptualizing food security and food security strategy. Section six is the main body of the paper and it deals with assessment of food security situation in the IGAD countries, while section seven analyses the main causes of food insecurity in the IGAD member countries. Section eight is a synthesis of the main sections of the paper; it analyzes whether the IGAD member countries could achieve food security in the foreseeable future. Section nine offers suggested interventions which are expected to promote peace and stability, development and food security at national and regional levels.

5. CONCEPTUALIZING FOOD SECURITY AND FOOD SECURITY STRATEGY

5.1 CONCEPTUALIZING FOOD SECURITY

According to FAO (2003) "Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life" (FAO, 2003). Food security has four main dimensions: availability, access, utilization, and stability of food (ECA, 2011:1). (i) Food availability refers to the physical existence of food. It is the sum of domestic food production, food imports, food aid and changes in the national food stock. Availability of food is a prerequisite for people to meet their basic food needs. If the national food supply is not sufficient to meet the minimum consumption requirements of all people in all places at all times, food insecurity is inevitable (NEPAD, 2004). (ii) Food access refers to households' ability to obtain food through a combination of production, purchase, gifts and transfers. Problem of access may occur even when the overall supply of food is sufficient, because people may not have the purchasing power to acquire food from the market. (iii) Utilization of food refers to how well individuals utilize the food they access, including sufficient energy and nutrient intake and their ability to absorb nutrients (iv) Stability of food supply depends on availability, access and utilization of the food. Stability of food supply captures vulnerability of people to future disruptions on food security (Specia, 2013).

5.2 FOOD SECURITY STRATEGY

Often, food security strategy in developing countries comprises two inter-connected strategies, namely national and household levels of food security strategies. With respect to national level food security, developing countries can choose between two types of food security strategy: (i) strategy of food self-sufficiency, which requires that all food needs of a country have to be met through domestic food production and (ii) a strategy of self-reliance which underpins that availability of food in a country is the most important either produced domestically or sourced by means of international trade (Dijk, 2011). Most economists would agree that self-sufficiency is not a viable food security policy as it fails to acknowledge potential gains of trade that are created by international differences in factor endowments, technology and environmental factors such as climate, availability of arable land and water resources. Countries that secure their food supplies by a combination of domestic production and imports are considered self-reliant rather than self-sufficient.

At household level food security strategy includes enhancing the productive capacity of smallholders, strengthening purchasing power of people through promotion of labor intensive micro and small enterprises development and by expanding public assistance programs targeted at the poor and the vulnerable groups (Mohammed and Zziwa, 2005). The national and household level approaches to food security are in line with the UN 2000-2015 Millennium Development Goal 1: eradicate extreme poverty and hunger and with the recently adopted UN Sustainable Development Goal 1: end poverty in all its forms everywhere; and Goal 2: end hunger, achieve food security and improved nutrition and promote sustainable agriculture which are expected to be achieved during the period 2016-2030 (UN, 2015). Food security is also enhanced by governments' food policies. Effective food policy helps governments to work in terms of the equation of food supply to food demand (Ellis, 1992). On the supply side, food policy is concerned with food production, its rate of growth, amount of food imports and food aid. On the demand side, food policy is concerned with the adequacy of food consumption and access to food to all individuals.

6. FOOD SECURITY SITUATION IN IGAD COUNTRIES

In this section, five indicators of food security are used to assess the situation in the IGAD countries: (i) availability of food from domestic production; (ii) cereal import dependency; (iii) food stability and national vulnerability to food insecurity; (iv) food aid dependency; and (v) access to food and incidence of poverty.

i) Availability of food- is the key determinant of food security. A country will not be able to achieve food security if it cannot ensure availability of food in the domestic market. The agricultural sector is the main source of food availability and a primary source of food and income for most rural households. In the IGAD

region, domestic food production contributes 84 percent of total food availability (HESPI, 2011:11). Table 1 shows that cereal production varied among IGAD member countries during the 2000-2011 periods. Annual average growth rate of cereal production was highest in Ethiopia (7.5%), while a negative growth rate was recorded in Somalia (-3.1%). The main driver of cereal production growth in the IGAD member countries has been through expansion of their agricultural lands. The Table also shows that average annual growth rates of cereal yield in the IGAD countries remained below the world level of 5% during 2000-11 periods. As a result, growth in food demand outpaced that of crop production per capita for several products such as wheat, corn, sugar, oilseeds and maize (ECA, 2011:11).

TABLE 1: CEREAL PRODUCTION AND YIELD IN IGAD COUNTRIES 2000-2011

| Country | Total Area cultivated in ,000 ha | Per annum Growth (%) | Total Yield in ,000 hg/ha | Per Annum Growth (%) | production Total in , 000 tons | Per Annum Growth (%) |
|----------------|----------------------------------|----------------------|---------------------------|----------------------|--------------------------------|----------------------|
| | 2011 | 2000-11 | 2011 | 2000-11 | 2011 | 2000-11 |
| Djibouti | 0 | 1.4 | 20 | 0.8 | 0 | 2.2 |
| Eritrea | 446.6 | 2.8 | 5.8 | 4 | 258.1 | 6.8 |
| Ethiopia | 9690.7 | 2.8 | 18.3 | 4.6 | 17761.2 | 7.5 |
| Kenya | 2679.6 | 3.3 | 15.1 | 0.9 | 4058.6 | 4.2 |
| Somalia | 570.8 | 0.6 | 4.9 | -3.6 | 279 | -3.1 |
| Sudan (former) | 9929.2 | 4 | 5.6 | 1 | 5598 | 5 |
| Uganda | 1702 | 2 | 20.8 | 2.8 | 3536 | 7.3 |
| World | 707328.2 | 0.6 | 36.6 | 5 | 2589143.3 | 2.4 |

Source: FAO, 2014, p.94.

ii) **Cereal import dependency**- The gap between domestic food production and food demand in the IGAD countries have been narrowed through food imports. Table 2 shows that all IGAD countries imported substantial quantities of cereals from the world markets during 2000-2011 periods. In 2011, for example, the highest cereal importing country was the Sudan, and its imports was 2,140.6 thousand tons, followed by Kenya whose import was 2,229 thousand tons, while the lowest import was recorded by Eritrea and its cereal import was 303.2 thousand tons.

TABLE 2: CEREAL IMPORTS OF IGAD COUNTRIES 2000-2011 (in thousand Tones)

| country | 2000 | 2009 | 2010 | 2011 |
|----------------|--------|--------|--------|--------|
| Djibouti | 68.6 | 560.6 | 183.3 | 619.5 |
| Eritrea | 292.9 | 252.2 | 219.9 | 303.2 |
| Ethiopia | 1165 | 2229.2 | 2134.1 | 1850.8 |
| Kenya | 1165 | 2710.8 | 1420 | 2229 |
| Somalia | 261.1 | 610.9 | 362.7 | 469.2 |
| South Sudan | . | . | . | . |
| Sudan (Former) | 1312.5 | 2384.8 | 2539.5 | 2140.6 |
| Uganda | 172.3 | 513.7 | 463.7 | 531.2 |

Source: FAO, 2014:111.

IGAD countries aiming to tackle their high food import bills and resolve food insecurity have two options: (i) reduce their cereal imports, boost their agricultural production and agricultural export diversification and (ii) increase their revenues through increased exports from non-agricultural sectors such as services and mining to finance their food import bills (Rakotoarisoa et al. 2011). IGAD countries which are constrained by inadequate arable lands in their effort to increase their food production need to focus on promoting exports of their non-agricultural products, particularly their manufacturing sector. Building the capabilities of their manufacturing sector is expected to enable IGAD member countries to increase their export revenues, and subsequently sustain large food imports.

iii) **Food stability and national vulnerability to food insecurity**- stability of food supply in the IGAD countries is influenced by fluctuation in their domestic food production, world food price, quantities of their food imports and food aid received. The percentage value of food imports to the total value of merchandise exports shows a country's vulnerability to food insecurity through exposure to changes in the terms of trade (FAO, 2014). The higher the vulnerability of a country to food insecurity, the more will be its food insecurity. During 2008-2010 periods, Eritrea's value of food imports in terms of the value of its merchandise exports was the highest in the group, amounting 8.6 times of its exports, while that of Djibouti was 5.6. The Sudan at only 0.15 times of its exports had the lowest ratio in the group. Eritrea followed by Djibouti were the most financially constrained countries and vulnerable to the change in the terms of trade in the world market, while the Sudan was the least financially constrained and least vulnerable to change in the terms of trade, mainly because of its large export revenue.

TABLE 3: VALUE OF FOOD IMPORTS AS % OF TOTAL VALUE MERCHANDISE EXPORTS IN IGAD COUNTRIES, SELECTED YEARS

| country | 1990-92 | 1999-2001 | 2008-10 |
|----------------|---------|-----------|---------|
| Djibouti | 247 | 298 | 561 |
| Eritrea | . | 197 | 861 |
| Ethiopia | . | 52 | 61 |
| Kenya | 18 | 23 | 27 |
| Somalia | 80 | 81 | 140 |
| South Sudan | . | . | . |
| Sudan (former) | 42 | 21 | 15 |
| Uganda | 14 | 26 | 31 |

Source: FAO, 2014:57

iv) **Food aid dependency** – IGAD member countries often face food shortage, particularly during droughts. The international community has been responding to food crisis in the IGAD region through providing humanitarian food aid. Table 4 shows that with the exception of Eritrea, the trend of food aid dependency was increasing during 1990-2010 periods. Eritrea's food aid inflow declined from 257 thousand tons in 2000 to nil in 2010, a reflection of the Government's policy stance against food aid dependency, while exerting efforts to boost its domestic food production. The highest food aid recipient country was Ethiopia, whose food aid increased from 864 thousand tons in 1990 to 1415 thousand tons in 2010. Persistent increase in food aid reduces food price in the market, and as a result reduces incentive of local producers to invest in agriculture. Food aid also distorts consumption patterns of the local people in favor of food aid and food imports.

TABLE 4: FOOD AID RECEIVED BY IGAD COUNTRIES 1990-2010 (in thousand tones)

| country | 1990 | 1995 | 2000 | 2005 | 2010 |
|----------------|------|------|------|------|------|
| Djibouti | 9 | 20 | 12 | 21 | 10 |
| Eritrea | 0 | 104 | 257 | 32 | 0 |
| Ethiopia | 864 | 636 | 1527 | 1122 | 1415 |
| Kenya | 90 | 80 | 201 | 155 | 258 |
| Somalia | 98 | 53 | 61 | 40 | 72 |
| Sudan (former) | 230 | 82 | 182 | 931 | 476 |
| Uganda | 47 | 77 | 87 | 293 | 80 |

Source: FOA 2013:96

v) Access to food and poverty- access to food is primarily determined by peoples' income, food prices and the ability of people to access social support of food. Table 5 shows that during the period 2005- 2010, IGAD member countries experienced an annual average growth of gross domestic product (GDP) per capita of 13.3%, much higher than the world average growth rate or average growth rate of sub-Saharan Africa (SSA), which stood at 5.2% and 7.9% respectively. Growth of GDP per capita, however, varied substantially among the IGAD countries, Ethiopia being at the top with 19.3%, while at the bottom was Kenya with 8.5%. The high GDP per capita growth rates, however, were mainly reflections of the low initial per capita income of the people in the countries and had little impact either to substantially reduce poverty. Whatever GDP growth, there was in the IGAD countries under review, were concentrated on narrow sectors, namely services, construction, transport and mining. Although agricultural growth is the primary source of poverty reduction in agriculture-based economies of IGAD countries, the agricultural growth remained low, negatively affecting the livelihoods of the rural population (Isatou et al, 2013:7. The IGAD countries with the exception of Kenya are categorized least developed countries because of their low income per capita. Table 5 shows that during the period 2005-2010, average annual per capita income of the IGAD countries stood at USD 525, which was much lower than that of SSA, at USD 1109. The low per capita income suggests that large segments of the population in the IGAD countries are too poor to access food in the market.

TABLE 5: GDP PER CAPITA IN IGAD COUNTRIES 2005-2010 (in USD)

| Country/Region | Annual average per capita income (USD /person per year) | Annual Average growth rate in per capita income (%) |
|----------------|---|---|
| | 2005-2010 | 2005-2010 |
| World | 8276 | 5.2 |
| SSA | 1109.1 | 7.9 |
| IGAD | 525 | 13.3 |
| Djibouti | 1034 | 8.8 |
| Eritrea | 304 | 10.5 |
| Ethiopia | 284 | 19.3 |
| Kenya | 705 | 8.5 |
| Sudan | 1169 | 15.5 |
| Uganda | 420 | 10.7 |

Source: Karugia, Joseph et al. 2011 :34

As shown in Table 6, during 2007-2011 periods, Ethiopia with 87.3% of its population categorized as poor tops the list, while Djibouti with 29.3% had the lowest proportion of poor people. The major contributory factor for poverty is low income in the majority of the population. The overall reflection of Table 6 is that food insecurity has affected large segments of the populations because of lack of income, a reflection of high level of poverty in rural and urban areas. This indicates that there is a nexus between poverty and food insecurity, one affecting the other. In rural areas, poverty limits farmers' capacity to increase production by limiting their access to modern farm inputs. Poverty also affects food security directly by reducing peoples' access to food available in the markets.

TABLE 6: POPULATION IN MULTIDIMENSIONAL POVERTY IN IGAD COUNTRIES 2007-2011

| Country | Head count % | intensity of deprivation% | population in severe poverty | contribution of deprivation to overall poverty % | | |
|----------|--------------|---------------------------|------------------------------|--|--------|------------------|
| | | | | Education | Health | Living standards |
| Djibouti | 29.3 | 47.3 | 12.5 | 38.3 | 24.6 | 37.1 |
| Eritrea | .. | .. | .. | .. | .. | .. |
| Ethiopia | 87.3 | 64.6 | 71.1 | 25.9 | 27.6 | 46.5 |
| Kenya | 47.8 | 48 | 19.8 | 12.7 | 30.1 | 57.2 |
| Somalia | 81.2 | 63.3 | 65.6 | 34.2 | 18.6 | 47.2 |
| Sudan | | | | ... | .. | ... |
| Uganda | 69.9 | 52.5 | 31.2 | 29.7 | 17.3 | 53 |

Source: UNDP, 2013:160

7. MAIN CAUSES OF FOOD INSECURITY IN THE IGAD MEMBER COUNTRIES

The main factors of food insecurity in the IGAD member countries include the following:

7.1 CONFLICT AND POLITICAL INSTABILITY

Since their independence, the declared objectives of the IGAD member countries have been overcoming their underdevelopment, achievement of food security through enhancing their socio-economic development with the ultimate goal of establishing modern societies that are economically and technologically developed. Furthermore, following the establishment of IGAD, it was expected to serve as a vehicle for achieving regional peace and stability, promotion of development and integration among the member countries in the region. Contrary to the expectation, development efforts underway in the IGAD countries have been challenged by various intra and inter-state conflicts. The current conflicts in the region include civil war in Darfur, protracted state collapse in Somalia, border conflict and deep hostility and a stalled peace process between Ethiopia and Eritrea, fresh conflict and a fragile peace agreement between the government and rebels in South Sudan, and periodic bouts of unrest in northern Uganda (Healy, 2009).

Three key conflicts in the IGAD region which have complicated regional peace and stability are the fragmentation of Somalia, the separation of Sudan and South Sudan, and the unresolved border dispute between Ethiopia and Eritrea (SDC, 2013:6). The Somali sub-conflict is at the core of regional fragility because it has strong regional impacts in the adjoining regions of South-Eastern Ethiopia and North-Eastern Kenya, and beyond (Ibid). Every conflict involves interests of external actors which have regional implications. The conflicts in the IGAD region have also attracted the external actors, and in the eye of many have even led to undue interventions to uphold their global interest in the strategically located Horn of Africa and beyond (Copson, 1994; Deresso, 2014; Müller, 2016). This is mainly because external powers tend to put their interests at the top because conflict situations are ideal environments where they secure, protect and advance their interest regardless the interests of the conflicting parties (Garang, 2015).

To date, the intra and inter-state conflicts in the IGAD region have afflicted and exacted heavy tolls on the lives of people of the IGAD member countries. Conflict has a direct negative impact on agricultural production by breaking down public order, infrastructure, social capital, institutions and productive assets; it is also the main cause for mass displacements of already marginalized populations, thereby intensifying hunger and putting vulnerable populations even more at risk of

food insecurity (Mohamed and Zziwa, 2005). According to SDC (2013) there are more than 1 million refugees and around 1.3 million internally displaced people hosted by the countries of the IGAD region.

When seen in the context of the overall regional conflict environment, it is clear that the IGAD is far from providing an institutional basis for regional stability in the Horn of Africa (Healy, 2009). The region continues to experience different types of conflicts clearly illustrates that the IGAD had to contend with conflicting interests among its member countries (Ibid). To date, the various conflicts in the region have complicated development challenges facing the countries, making achievement of food security rather remote. Besides, persistent conflicts in the IGAD region have posed challenge not only to the security of the peoples in the region but also to the rest of the world, including the global powers (Council of the European Union, 2011). Thus, there is an urgent need to deal with the various conflicts in the IGAD region. Analysis of conflict resolution methods is beyond the scope of this paper. However, it is understandable that the various forms of the conflicts in the IGAD region have to be resolved on case by case basis using traditional approach and internationally accepted conflict resolution mechanisms. To this end, a prime requisite is renewal of political will of all member countries and their demonstrated efforts to national and regional peace and stability and to resolve all conflicts through legal and peaceful means. Resolving the various conflicts in the IGAD region has dividends in the form of releasing more resources from security that could be used for productive investment in other sectors, particularly agriculture; it would also send positive signal to the world community that the region is on the path of durable peace and stability, which in turn would attract inflow of foreign direct investment. The inflow of foreign direct investment in turn would enhance sustained economic growth which would contribute to achievement of food security in the region.

7.2 LAND DEGRADATION AND EXTREME WEATHER EVENT-INDUCED DROUGHT

Eighty percent of the IGAD region's total area consists of lowland, with arid, semi-arid or dry sub-humid climates, and Ninety-five percent of the food grown in the IGAD countries is rain-fed, making agricultural production vulnerable to adverse weather conditions (Niemi and Manyindo, 2010:ii). People in the dry lands have particularly remained exposed to risks and threats of various order, intensity and frequency of drought. Often, droughts adversely affect the four dimensions of household food security: availability, access, utilization and stability. In the densely populated highlands, continuous farming without adequate fallow of the farm lands has resulted in rapid soil exhaustion, and has become a major factor for decline of crop yields. The low crop yields have been exacerbated by overgrazed farmlands and land degradation (Moyo, 2013). Land degradation and extreme weather event-induced droughts have become major hindrance to the achievement of food security through reduction of crop and livestock production (IGAD, 2007:15).

Irrigation is one means which increases crop yield. However, as shown in Table 7, the percentages of irrigated lands in the IGAD countries were below the average world irrigated land of 18% in 2003. Somalia had the highest percentage of irrigated land, 15.7%, of its crop land, followed by the Sudan, constituting 10.2% of its crop land, while the other IGAD countries have irrigated lands far below the world average, which is 18% of the world crop land. IGAD member countries still lack basic agricultural infrastructure such as irrigation dams, agricultural research centers, meteorological services, storage facilities and the lack of such infrastructures have limited their capacity to substantially increase their cereal productivity (Rakotoarisoa et al, 2011).

TABLE 7: IRRIGATED LAND AS PERCENTAGE OF CROP LAND IN IGAD COUNTRIES

| Column 1 | 2001 | 2002 | 2003 |
|----------|------|------|------|
| World | 17.9 | 17.6 | 18 |
| Djibouti | 3.7 | 3.7 | 3.5 |
| Eritrea | 3.7 | 3.7 | 3.5 |
| Ethiopia | 2.5 | 2.7 | 2.5 |
| Kenya | 1.6 | 1.6 | 1.8 |
| Somalia | 18.7 | 16.3 | 15.7 |
| Sudan | 11.3 | 11.2 | 10.2 |
| Uganda | 0.1 | 0.1 | 0.1 |

Source: Rakotoarisoa et al., 2011:37

7.3 INADEQUATE ARABLE LAND AND HIGH POPULATION GROWTH

Expanding arable land is a way to increase agricultural production required to meet the growing demand for food. During the period 1961-2009, 45% of the growth in crop production in Africa was attributed to expansion of arable land, compared to 30% for the world. On the other hand, increase in crop yield accounted for 55 percent, while at world level, increase in crop yield accounted for 70 percent (FAO, 2013:104). During the period 2000-2003, cereal yields in the least developed countries in which most IGAD member countries belong to were half of other developing countries (UNCTAD, 2006). If farmers in the IGAD countries were to achieve the level of yield of farmers in other developing countries, then output of cereals would easily double and meet the rising demand for food in the IGAD region (WB, 2012:iii).

Table 8 shows that IGAD countries differ in their availability and degree of utilization of their arable lands. The Sudan and Ethiopia are at the top with potential arable lands of 86,728 and 42,945 hectares respectively. Based on Table 8, the IGAD member countries can be divided into four categories in terms of their potentials for expansion of their arable lands: (i) those with a large arable land, where agricultural expansion is still possible (Sudan, Ethiopia and Kenya). The Sudan has the highest proportion of potential arable land in the IGAD region; it has only utilized 15% of its potential arable land. (ii) those which have the possibility to expand their agricultural land before they reach to a limit (Somalia and Uganda); (iii) The country which is close to its limit in expanding its arable lands (Eritrea). It has exploited 88% of its potential arable land. (iv) the country which has no significant arable land to be cultivated due to extreme aridity of its potentially arable land (Djibouti).

TABLE 8: ACTUAL AND POTENTIAL ARABLE LAND IN IGAD COUNTRIES

| country | Potential arable land in ,000 Ha | actual arable land in 1994 in ,000 Ha | Potential arable land actually in use % |
|----------|----------------------------------|---------------------------------------|---|
| Djibouti | 0 | 0 | 0 |
| Eritrea | 590 | 519 | 88.0 |
| Ethiopia | 42,945 | 11,012 | 25.6 |
| Kenya | 15,845 | 4,520 | 28.5 |
| Somalia | 2,381 | 1,020 | 42.8 |
| Sudan | 86,728 | 12,975 | 15.0 |
| Uganda | 14,169 | 6,800 | 48.0 |

Source: IGAD, 2007:80

High population growth has also contributed to food insecurity through rapid increase in food demand. During the period 2000-2005, the average annual growth rate of the population in the IGAD member countries varied in the range of 2%-4% compared to the world annual growth rate of 1.2% (UNDP, 2013:196-197). Large numbers of women of child bearing age, low level of women education, lack of employment opportunities in the formal sector, low socio-economic security and socio-cultural value which favor more children are the main factors of high population growth in developing countries, including IGAD member countries (Todaro and Smith, 2012). With rapid increase in population, increase in food production in the IGAD region through expansion of agricultural land is not sustainable because the agricultural frontier is likely to close in the foreseeable future. As shown in Table 9 IGAD countries have less than one hectare of arable land per person, which is much smaller than 2 hectare, FAO uses as a threshold measure of a small farm size (IFAD, 2013:10). Shrinking of arable land in the IGAD countries has also been aggravated by foreign investors seeking large arable land on a lease basis in the IGAD region; this is a phenomenon of 'land grabbing' which has displaced smallholders from their farm lands, with negative effect on their food security (Glopolis, 2013; Kariuki, 2011; Moyo, 2013). Improving productivity and

sustainability of smallholder farming is thus the main pathway out of poverty and achievement of food security in using agriculture for development. IGAD countries would be required to swiftly shift to intensive farming to improve their agricultural productivity in the future. This is because accelerated growth requires a sharp productivity increase in smallholder farming combined with more effective support to the millions coping as subsistence farmers, many of them in remote areas (WB, 2007).

TABLE 9: ARABLE LAND PER PERSON IN HECTARES (Ha) IN IGAD COUNTRIES

| countries | 1991-200 average | 2001-2004 average | 2005 |
|-----------|------------------|-------------------|------|
| Djibouti | 0 | 0 | 0 |
| Eritrea | 0.13 | 0.10 | 0.10 |
| Ethiopia | 0.20 | 0.18 | 0.20 |
| Kenya | 0.20 | 0.20 | 0.10 |
| Somalia | 0.19 | 0.18 | 0.20 |
| Sudan | 0.50 | 0.50 | 0.50 |
| Uganda | 0.23 | 0.20 | 0.20 |

Source : Rakotoarisoa et al 2011:34

7.4 LOW UTILIZATION OF FERTILIZER AND INADEQUATE INVESTMENT IN AGRICULTURE

In the foreseeable future, growth strategy for most agriculture-based economies has to be anchored on development of their agriculture (WB, 2007). However, traditional farming practices in Africa have mined soil nutrients, with average removal of more than 24 kg/ha/year of nitrogen, phosphorus, and potassium, and the organic sources are not sufficient to replace these nutrients (Wallace and Knausenberger 1997: vi). Average fertilizer use in Africa has historically been low, 10 Kg/Ha (Wallace and Knausenberger 1997: vi). During the period 2000-2003, the average fertilizer consumption in Asian least developed countries was 44 Kg/ha, compared to 7 Kg/Ha in the least developed countries of Africa in which most IGAD countries belong to (UNCTAD, 2006:178). Table 10 shows that fertilizer consumption in IGAD countries was 9.8 kg/ha, far below the average fertilizer consumption in the COMESA region, which was 33.5 Kg /ha during 2002-2009 periods. Reduction of soil fertility and low fertilizer utilization are major factors for low crop yield. For example, during the period 1990-2010, annual average growth rate in maize yield in Kenya and Uganda, was -0.6% and 0.3% respectively (Karugia, Joseph et al. 2011:12).

TABLE 10: FERTILIZER CONSUMPTION IN IGAD COUNTRIES (Kg/Ha of Arable land)

| | 2002-2009 | 2002-2009 |
|----------|------------------------------|-----------------------------|
| | Annual average Kg/ha (level) | (Annual average (%) change) |
| COMESA | 33.5 | -0.1 |
| IGAD | 9.8 | 5.4 |
| Djibouti | NA | NA |
| Eritrea | 2.1 | -26 |
| Ethiopia | 13.2 | 8.9 |
| Kenya | 32.2 | 2.4 |
| Sudan | 4 | 6.9 |
| S. Sudan | | |
| Uganda | 1.6 | 7.3 |

Source: Karugia, Joseph et al. 2011 :40.

Other drivers of low yield in the IGAD countries are lack of access of smallholder farmers to financial services, lack of improved production technology, inadequate irrigation infrastructure, poor land and water management and the decline of governments' expenditures on agriculture (NEPAD, 2004). Experiences of the successful East Asian countries indicate that high levels of domestic savings sustained the East Asian economies through high level of investment in different sectors, including agriculture (WB, 1993). In the least developed countries in which most IGAD countries belong to, investment in agriculture has been low because of their low domestic capital formation, constituting 13.6% of their GDP in 1999-2003 periods. This domestic capital formation is far below the required rate of 25% GDP considered necessary to reach a growth rate of real GDP of 7 % (UNCTAD, 2006: 30-105).

8. DISCUSSION, CONCLUSION AND SUGGESTION

This section is a synthesis of the previous sections, and provides two analytically coherent possibilities on future food security in IGAD member countries: (i) Food insecurity in IGAD countries is likely to continue in the foreseeable future; and (ii) achievement of food security is conditionally possible in the foreseeable future.

(i) Food insecurity will continue (business as usual perspective) – to date, most policies which intend to address the structural constraints of food security in the IGAD member countries have not been fully successful. The business as usual scenario assumes current trends: low investments in the agricultural sector, continuation of existing agricultural policies and natural resource management. In addition, the Horn of Africa is a region where short-term shocks often lead to inadequate domestic food production and interruption of sustainability of development process (Burgess, 2009). Under business as usual perspective, short-lived economic crisis in the IGAD member countries tend to easily turn into a self-perpetuating vicious cycle, and the countries do not seem to easily return to a path of sustained economic growth. Furthermore, given that the IGAD region's strategic location and the long history of conflicts and the mutual mistrust among the IGAD member countries, the conflicts are likely to sustain in the foreseeable future. This means that most IGAD member countries are more likely to divert their scarce resources to their security, while compromising their investments in other productive sectors, particularly agriculture. The food insecurity situation will also be aggravated by the rapid population growth, low crop yields, extensive deforestation and land degradation and the anticipated increase in the frequency of droughts and extreme weather events. All these would have adverse effect on domestic food production and in the widening of the gap between domestic food production and food demand. The anticipated widening gap between domestic food production and demand is likely to make the IGAD member countries to depend more on food aid to narrow their gaps. In the business as usual perspective, the objective of the IGAD member countries to achieve food security is more likely to be elusive both at the national and household levels.

(ii) Achievement of food security is conditionally possible -it is important to underscore that the IGAD member countries' future economic development lays not so much in their present state of poor accomplishments but in the promise and potentials of the countries for their socio-economic development. The IGAD member countries have hard working populations that are yet to be fully mobilized productively for their countries' socio-economic development. The IGAD region is also endowed with vast arable land of 47.8 million hectares, which is potentially able to produce adequate food that would meet the demand the population in the region (Abdi and Seid, 2013:21). The IGAD region has also various natural resources, such as oil and gas reserves, alternative energy resources such as hydro-electric, geothermal and solar, diverse ecosystems, marine, water and livestock resources (Ibid).

Achievement of food security requires a broader approach to address the multi-faced development challenges facing the IGAD countries. The IGAD member countries, however, have never been short of development policies. But such policies, to date, have not been fully successful in the achievement of food security and alleviation of poverty in the countries. Now, the counties need to renew their political will and demonstrate their commitments to end the scourge of under-development and conflicts that have afflicted the population. The pattern of mutual interference in each other's internal affairs needs to be broken in order to build the basis for stable and prosperous IGAD region. Furthermore IGAD member countries need to build their democratic institutions at every level to ensure responsive governance practices; they also need to cultivate democratic values and promote social justice in their respective societies. Opposition forces/groups are also expected to demonstrate their commitment to social justice and democratic principle rather than promote ethnic/religion -based politics that tends to perpetuate sectarian violence. This argument is in recognition of the fact that the IGAD member countries must forge lasting solutions, and build democratic

societies which eliminate all forms of marginalization and exclusion of any ethnic group or region within their territories. External powers are expected to encourage the democratic process while refraining from interventions which are costly to the people of the IGAD region.

This paper is optimistic that IGAD member countries have the capabilities to achieve food security when viewed from the perspective of many successful developing countries and the available stock of knowledge and technology in the agricultural science. Asia's green revolution and agricultural modernization in many Latin America, for example, were based on the combination of increased access of farmers to a package of modern agricultural technologies. This agricultural package includes high-yielding varieties of seed, chemical fertilizers and pesticides, and irrigation and improvements in rural infrastructure (Diao, et al. 2008). IGAD member countries could draw on lessons from the successful experiences of these countries to increase their agricultural productivity. The member countries have also resources that would enable them achieve food security. Achievement of food security and raising the living standard of the people in the IGAD member countries would be expected with the renewed political will and with demonstrated commitment of the countries to regional peace and stability. With renewed political will of the governments to peace and cultivation of norms of coexistence and tolerance in their respective societies, more resources would be released for people-centered development programs. When seen from people-centered development perspective, food security is achievable and remains a high priority, an ongoing but unfinished agenda in the IGAD region. If the overall political and policy climate in the IGAD region is to manifest, the region would easily move along the path of inclusive sustainable development which ensures food security both at national and household levels.

9. SUGGESTED INTERVENTIONS

The following interventions/measures are suggested to overcome IGAD's food security challenges. (i) Renewal of political will of all member states and opposition groups and their demonstrated efforts to national and regional peace and stability and resolve all conflicts through legal and peaceful means in order to release more resources that could be used for productive investment. (ii) Transformation of traditional farming system through investment in modern farm inputs to increase productivity of small holders. (iii) Proactive government support for broadening livelihood opportunities of vulnerable groups to ensure their sustainable livelihoods. (iv) Sustained investment in community-based extensive natural resource conservation measures to reverse deforestation and land degradation. (v) Strengthening economic cooperation among IGAD member countries through harmonization of their trade policies. (vi) Increase investment for building manufacturing sector capability in order to boost their export revenue, and subsequently sustain large food imports to fill their domestic food production -demand gaps.

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CASH CONVERSION CYCLE AND FIRM PROFITABILITY IN CEMENT MANUFACTURING SECTOR IN TELANGANA STATE-INDIA

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ABSTRACT

Firm's liquidity position is disclosed by the combination of current assets and current liabilities. Hence every company needs to maintain good amount of net current assets to meet its payments on time. The company liquidity position determines its ability to survive in the short term and of late many businesses have had critical financial problems regardless of posting profits in many cases. Manufacturing companies must have more current assets in the form of inventory which is considered as most valuable liquid asset in the firm. The purpose of this study is to establish the relationship between company's liquidity, measured by the length of the cash conversion cycle, and its profitability, measured by return on investment. Using a correlation and regression test, the study used data from a sample of five cement manufacturing companies at Telangana from 2011 to 2015. The study finds that there is a positive relationship between the cash conversion cycle and the company's return on investment and return on equity, and it provides evidence that the cash conversion cycle, a measure of business liquidity which has an impact on a firm's performance.

KEYWORDS

cash conversion cycle, return on investment, return on equity, profitability.

INTRODUCTION

Working capital may be regarded as the lifeblood of business. Working capital is of major importance to internal and external analysis of business because of its close relationship with the current day-to-day operations of a business. Every business needs funds for two purposes. Long term funds are required to create production facilities through purchase of fixed assets such as plants, machineries, lands, buildings & etc. Short term funds are required for the purchase of raw materials, payment of wages, and other day-to-day expenses. It is nothing but the difference between current assets and current liabilities. In this competitive world all companies goal is to obtain more profits and finally, to maximize shareholders' wealth, so any decision about working capital has potential impact on company's profitability. One of the influential factors in working capital management is shortening the cash conversion cycle (CCC). It can help the protection of liquidity power of firms. Therefore, the purpose of this study is to investigate impact of cash conversion cycle on profitability of TELANGANA cement manufacturing sector in India

DEFINITION OF VARIABLES

Profitability is taken as dependent variable, whereas liquidity is taken as independent variable in the present study. The variable includes:

Inventory collection period (ICP)

It is a measure of how long a company ties its funds in the form of inventory or stock.

Receivable collection Period (RCP)

This variable measures how much time a firm takes to collect funds from its trade debtors.

Payment Deferral Period (PDP)

It measures the length of time in days the company defers payments to its suppliers and other creditors

Cash Conversion Cycle (CCC)

This liquidity variable states that how much time a firm will take to convert a raw material in to finished good and to make a sale and receive cash.

Current Ratio (CR) Quick Ratio (QR)

These two ratios assess the composition of current assets as a proportion of current liabilities.

Assets Turnover Ratio (ASTO)

This variable shows the level of business performance as measured by the Revenue generated from the total capital employed in the business.

Net Profit Margin (NPM)

This indicates the business "Operating Profit before Interest tax (PBIT) as a percentage of total revenue generated over a financial period.

Return on Equity (ROE)

This represents the profits attributable to equity shareholders of a company for a particular financial year.

Return on Investment (ROI)

This indicates one of the best measures of company performance in terms of profitability.

LITERATURE REVIEW

Earlier literature has explored different variables representing liquidity and its effect on profitability and examined the relationship of Accounts payable management, Accounts receivables management, inventory management and cash conversion cycle management with profitability management, providing with different results as per how the length of cash conversion cycle has been affecting profitability using different proxies for profitability.

Richards & Laughlin (1980) presented the idea of cash conversion cycle as a tool for measuring the liquidity management and performance of a company. Gentry et al. (1990) suggested that cash conversion cycle affects the market value of a firm. Lamberson (1991) suggested, during expansion in economics, liquidity increases to some extent by working capital management but there is no noticeable change seen during economic slowdown. Schilling (1996) proved that the increase in cash conversion cycle increases the minimum liquidity requirements of the business organizations and similarly decrease in cash conversion cycle decreases the minimum liquidity requirements of the business organizations.

Schilling (1996) stated that the optimal level liquidity position is obtained at minimized level of liquidity therefore the deployment of available resources in working capital in a way to attain and maintain optimal level of liquidity is mandatory, the study further set up the association of cash conversion cycle with the required minimal level of liquidity in a way that if at times cash conversion cycle increases the minimal level required for liquidity gets to upper levels; and if the cash conversion cycle decreases the minimal level required for liquidity moves down to lower levels. Shin & Soenen (1998) found significant impact of efficient cash cycle conversion management on profitability and liquidity of companies.

Lyroudi & Lazaridis (2000) argues that the company's profitability depend son working capital management. Lyroudi and Lazaridis (2000) provided some evidence that cash conversion cycle significantly affects the liquidity of the company. Filbeck & Krueger (2003) investigated that there are some other factors that affect the working capital management like interest rate; if the interest rate rises it will make longer the cash cycle period. Deloof (2003) stated that for better performance the time duration for collection of receivable should be kept short. Nobanee et al. (2004) suggested that for better performance of company inventory must be converted into cash as early as possible. Eljelly (2004) found significantly inverse association and linkage between the profitability and the liquidity represented by

the cash conversion cycle. Padachi (2006) found that if the firm is invested higher in the inventories then the optimum level will diminish and profit will go down. Teruel & Solano (2007) explained that company's profitability would be increased by reducing days in receivables, days in inventories and length of cash cycle. Hutchison et al. (2007) Observed significant association of cash conversion cycle with the return on investments of the companies.

STATEMENT OF THE PROBLEM

Many Researchers have found that cash conversion cycle has plays vital role in the success of any manufacturing Organizations. The business has to monitor the Management of cash conversion cycle constantly to maximize the profits. Thus keeping the importance of cash conversion cycle in view, the Present student has been carried out.

OBJECTIVE OF THE STUDY

To find out relationship between cash conversion cycle and Profitability of Cement Manufacturing Sector of Telangana State.

METHODOLOGY

The present study has conducted among five cement manufacturing companies in TELANGANA state. The companies have taken for the study purpose are: ACC cement ltd, Ambuja cements ltd, JK cements ltd, NCL Industries ltd and Decan cements ltd The data of five years {from 2011-2015} which is required for the analysis part was collected from the money control.com. The analysis part has carried out with the help of the following variables; cash conversion cycle, current ratio, quick ratio, return on investment return on equity and assets turnover ratio. Apart from these ratios, the study also used statistical tools like descriptive statistics, correlation analysis and regression statistics were used to derive results

FINDINGS AND ANALYSIS OF RESULTS

The relationship between cash conversion cycle and profitability is presented in the following section. First descriptive analysis is presented to check the association between liquidity variables and profitability. Further, regression analysis is used to see the effect of liquidity on profitability of the cement manufacturing sector in Talengana State.

DESCRIPTIVE STATISTICS

The bellow table shows the detailed descriptive statistics of variables of liquidity and profitability of Talengana cement manufacturing companies from 2011 to 2015. Return on investment, which is key among the profitability dependent variables ranges from 1.03 to 12.04 with a mean value of 5.59 and a standard deviation of 4.81. Another main explanatory variable is the cash conversion cycle with mean value of 63.5 and standard deviation of 254.54. Quick ratio is the second explanatory variable with a mean value of 0.09 and standard deviation of 0.45. receivables collection period is the another explanatory variable with a mean value of 19.5 and a standard deviation of 14.80. Inventory conversion period shows a mean value of 269.75 and a standard deviation of 369.65 and payment deferral period shows mean value of 176.75 and a standard deviation of 46.19.

TABLE 1: DESCRIPTIVE STATISTICS

| | Minimum | Maximum | Mean | Std dev | Std Error | Skewness | Kurtosis |
|------|---------|---------|---------|---------|-----------|----------|----------|
| RCP | 9 | 41.8 | 19.95 | 14.801 | 7.4006 | 1.8065 | 3.4576 |
| ICP | 57 | 823 | 269.75 | 369.65 | 184.82 | 1.9735 | 3.9105 |
| PDP | 108 | 206 | 176.75 | 46.197 | 23.098 | -1.9075 | 3.6768 |
| CCC | -131 | 434 | 63.5 | 254.54 | 127.27 | 1.6629 | 2.8393 |
| CR | 0.63 | 1.8 | 1.285 | 0.4858 | 0.2429 | -0.8306 | 1.7321 |
| QR | 0.46 | 1.5 | 0.9 | 0.4492 | 0.2246 | 0.8848 | 0.3597 |
| ROI | 1.03 | 12.4 | 5.5975 | 4.8178 | 2.4089 | 1.2918 | 2.4602 |
| ROE | 8.83 | 13.2 | 10.4675 | 1.8938 | 0.9469 | 1.5371 | 2.8604 |
| NPM | 0.8 | 13.2 | 6.115 | 5.1643 | 2.5821 | 0.9879 | 2.0528 |
| ASTO | 65 | 72.3 | 68.575 | 4.1298 | 2.0649 | 0.0045 | -5.9736 |

(Source-www.money control.com)

CORRELATION ANALYSIS

A correlation matrix of all the variables presented in the above table, which is included 25 observations. The table shows that Return on Investment is slightly positively associated with receivables collection period, but negatively associated with inventory conversion period, payables deferral period, cash conversion cycle, current ration, and quick ration.

The data reflects significant negative correlations between all liquidity variables and profitability variables. The table shows that negative correlation between Return on investment (-0.75) and inventory conversion period (-20), cash conversion cycle (-0.30), current ratio (-0.89), quick ratio (-0.79).

The relationship between Return on investment and cash conversion cycle was further tested using regression model where cash conversion cycle was used as an independent variable and return on investment as a dependent variable in the table 3 which shows the regression statistics.

The R and the R-square given in the table 3 are coefficient correlation, and coefficient of determination respectively. The value of R shown in the table 3 suggest that 0.21 correlation exists between dependent (Return on Investment) and liquidity independent variables (receivables collection period, inventory conversion period, payables deferral period, cash conversion cycle, current ratio and quick ratio) and the value of R square is 0.04 which shows that 4% variation in return on investment is a result the independent variables. The value of adjusted R-square which is 1.66 or 166% also shows the explanatory power of these variables in determining the return on investment after taking residual and error items.

The result from the correlation analysis in table 2 and the regression analysis in table 3 suggest that there is a relationship between return on investment and cash conversion cycle and other liquidity measures, confirming that an entities liquidity situation impacts on its profitability.

TABLE 2: PEARSON CORRELATION BETWEEN VARIABLES OF FIVE CEMENT MANUFACTURING COMPANIES

| | RCP | ICP | PDP | CCC | CR | QR | ROI | ROE | NPM | ASTO |
|------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|
| RCP | 1 | | | | | | | | | |
| ICP | -0.20501 | | | | | | | | | |
| PDP | 0.441145 | 0.401633 | | | | | | | | |
| CCC | -0.30073 | 0.964524 | 0.151572 | | | | | | | |
| CR | -0.89573 | 0.207566 | -0.30411 | 0.273782 | | | | | | |
| QR | -0.73328 | 0.149026 | -0.48087 | 0.281342 | 0.913135 | | | | | |
| ROI | -0.75329 | -0.21496 | -0.90252 | 0.004893 | 0.683665 | 0.769272 | | | | |
| ROE | -0.67773 | -0.27941 | -0.95746 | -0.04561 | 0.552304 | 0.651673 | 0.984601 | | | |
| NPM | -0.81725 | -0.12691 | -0.73274 | 0.046781 | 0.861957 | 0.915388 | 0.947 | 0.87699 | | |
| ASTO | -0.12898 | -0.38512 | -0.87818 | -0.15727 | -0.13916 | 0.031913 | 0.614415 | 0.740669 | 0.332733 | 1 |

TABLE 3: REGRESSION STATISTICS

| | Coefficient | Std. Error | t | P>t | 95% conf interval |
|--|-------------|------------|-------|-------|-------------------|
| Intercept | 3 | 371.02 | 0.008 | 1 | -1177 1183 |
| RCP | -1.98 | 0.99 | -1.98 | 0.14 | -5.15 1.19 |
| ICP | -13.97 | 36.66 | -0.38 | 0.72 | -130.45 102.69 |
| PDP | -11.41 | 3.41 | -3.63 | 0.035 | -21.42 -1.40 |
| CCC | 0.21 | 25.16 | 0.008 | 0.99 | -79.86 80.29 |
| CR | 0.05 | 0.03 | 1.62 | 0.20 | -0.54 0.16 |
| QR | 0.05 | 0.02 | 2.08 | 0.12 | -0.03 0.14 |
| F-statistic=0.14 Multiple R =0.21 | | | | | |
| R square = 0.04 Adjusted R square =-1.66 | | | | | |

CONCLUSION

This paper analyzed the effect of cash conversion cycle on profitability in five cement manufacturing companies at Telangana state between 2011 to 2015. Results revealed that there is positive relationship between return on equity and cash conversion cycle. Further Cash conversion cycle also had positive impact on Return on asset. Therefore, the effect of cash conversion cycle on total profitability as whole contains significant value.

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THEORIES AND PRACTICES OF CORPORATE GOVERNANCE

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ABSTRACT

Past has proved that there is endless evolution of theories or models of corporate governance. One of the reasons is due to the very essence of social consciences that is minimal and profit making took center stage. All over the world, companies are trying to instill the sense of governance into their corporate structure. With the surge of capitalism, corporation became stronger while governments all over the world had to succumb to its manipulations and dominance. Hence, this article attempts to provide a theoretical framework for the corporate governance debate. The review of various corporate governance theories enhances the major objective of corporate governance which is maximizing the value for shareholders by ensuring good social and environment performances. The theories of corporate governance are rooted in agency theory with the theory of moral hazard's implications, further developing within stewardship theory and stakeholder theory and evolving at resource dependence theory, transaction cost theory and political theory. Hence, it is suggested that a combination of various theories is best to describe an effective and good governance practice rather than theorizing corporate governance based on a single theory. Various theories and philosophies have provided the foundation for the development of alternative forms of corporate governance systems around the world. Furthermore, as economies have evolved through time it appears that corporate executives have deviated from the sole objective of maximizing shareholders' wealth. Owners of the capital have responded to these forces for the purpose of preserving their wealth and earning a reasonable return on their invested capital.

KEYWORDS

corporate governance, corporate structure, shareholders' wealth.

1. INTRODUCTION

Common stockholders have the right to elect their representatives on the board of directors of a corporation. Members of the board of directors assume the responsibility of monitoring, directing and appointing the firm's managers. In this manner disperse shareholders are potentially empowered in setting direction, monitoring performance, and controlling distribution of profits of the corporation. In particular, this internal control mechanism is purported to integrate the interests of common stockholders and the executive managers of a corporation by rewarding good corporate performance. The board of directors has the right and responsibility to remove poorly performing managers. Historically, dissatisfied shareholders have "walked away" from the corporation by selling their shares at depressed prices and thereby incurring losses. Alternatively, major shareholders either through hostile actions, "investor activism," or a friendly approach, "relationship investing," have pursued their objectives of monitoring corporate managers. Furthermore, to the extent U.S. corporate laws permit, competing managers would remove incompetent ones and take over poorly performing firms. These aforementioned actions collectively are purported to add value for the existing shareholders. The business judgment rule followed by the U.S. courts, has kept the courts out of corporate decisions. The U.S. Business Law rests on the belief that actions of corporate managers are evaluated and approved by members of the board of directors of the corporation. In particular, corporate actions that have direct effects on shareholders' wealth are assumed to be communicated to them in a timely manner. Therefore, the U.S. courts would not interfere in corporate matters except for fraudulent activities. If members of the board of directors are not able or motivated to control managers, relationship investing is purported to achieve that. Relationship investing is an example of involved ownership of a business enterprise. Large investors tend to act as mentors to the managers of the firm and behave in a supportive and friendly manner. Investors pursue different approaches for maintaining corporate internal control for the purpose of creating a well-functioning business enterprise. The underlying reason for the corporate governance system is the stakeholders' pursuit for preserving their respective share of profit earned by business enterprises.

Corporations have become a powerful and dominant institution. They have reached to every corner of the globe in various sizes, capabilities and influences. Their governance has influenced economies and various aspects of social landscape. Shareholders are seen to be losing trust and market value has been tremendously affected. Moreover, with the emergence of globalization, there is greater deterritorialization and less of governmental control, which results in a greater need for accountability (Crane and Matten, 2007). Hence, corporate governance has become an important factor in managing organizations in the current global and complex environment. In order to understand corporate governance, it is important to highlight its definition. Even though, there is no single accepted definition of corporate governance but it can be defined as a set of processes and structures for controlling and directing an organization. It constitutes a set of rules, which governs the relationships between management, shareholders and stakeholders. The term "corporate governance" has a clear origin from a Greek word, "kyberman" meaning to steer, guide or govern. From a Greek word, it moved over to Latin, where it was known as "gubernare" and the French version of "gouverner". It could also mean the process of decision-making and the process by which decisions may be implemented. Henceforth, corporate governance has much a different meaning to different organizations (Abu-Tapanjeh, 2008). In recent years, with much corporate failures, the countenance of corporate has been scared. Corporate governance includes all types of firms and its definitions could extend to cover all of the economic and non-economic activities. Literatures in corporate governance provide some form of meaning on governance, but fall short in its precise meaning of governance. Such ambiguity emerges in words like control, regulate, manage, govern and governance. Owing to such ambiguity, there are many interpretations. It may be important to consider the influences a firm has or affected by in order to grasp a better understanding of governance. Owing to vast influential factors, proposed models of corporate governance can be flawed as each social scientist is forming their own scope and concerns. Hence, this article reviews various fundamental theories underlining corporate governance. These theories range from the agency theory and expanded into stewardship theory, stakeholder theory, resource dependency theory, transaction cost theory, political theory and ethics related theories such as business ethics theory, virtue ethics theory, feminists ethics theory, discourse theory and postmodernism ethics theory.

As a legal entity, a corporation enters into contracts to produce goods and services and it has the right to own property. Furthermore, the firm can borrow from various lenders and raise cash by issuing shares of its ownership. Shareholders would not only benefit from the earnings generated by the corporation, but by electing members of the board of directors they could indirectly oversee actions undertaken by the managers. These managers, as agents of the shareholders, are expected to perform for the best interest of the owners of the corporation. Corporate managers can add value to common stockholders without decreasing the welfare of the other corporate stakeholders. For example, borrowing a portion of the capital that is needed for financing activities of the firm, would lead to a higher return to common stockholders. This is because borrowing is generally inexpensive for the firm in the face of taxation benefits available to business enterprises. Executive decisions may result in a transfer of wealth from one group of shareholders to the other. For example, by undertaking risky investment projects, greater rewards may be available to common stockholders without any such benefits to bondholders, except for suffering from excessive risk. Corporate managers can also destroy wealth. History tells us numerous examples in which actions undertaken by corporate executives have resulted in bankruptcy of the firm. The managers of a business enterprise, however, could add value for all corporate stakeholders including owners of the capital, labor, and the society at large. This would be a case of Pareto optimality in which the welfare of some group is increased without any decrease in benefits to the others.

2. OBJECTIVES OF THE STUDY

1. To provide an overview of the concept of corporate governance
2. To study about the theories and philosophies which resulted in strong foundation of corporate governance.

3. CORPORATE GOVERNANCE IN INDIA

The corporate governance framework should be developed with a view to its impact on overall economic performance, market integrity and the incentives it creates for market participants and the promotion of transparent and efficient markets. India has a well-established corporate governance framework and it remained unaffected by the Asian financial crisis of the late 1990s. Indeed, the move towards adopting good corporate governance practices, better financial and non-financial disclosures and the promotion of transparent and efficient markets in India had built up well before the Asian debacle. The corporate governance framework in India primarily consists of the following legislations and regulations:

- The Companies Act, 1956: Companies in India, whether listed or unlisted, are governed by the Companies Act. The Act is administered by the Department of Companies Act (DCA). Among other things, the Act deals with rules and procedures regarding incorporation of a company; prospectus and allotment of ordinary and preference shares and debentures; management and administration of a company; annual returns; frequency and conduct of shareholders' meetings and proceedings; maintenance of accounts; board of directors, prevention of mismanagement and oppression of minority shareholder rights; and the power of investigation by the government, including powers of the CLB.
- The Securities Contracts (Regulation) Act, 1956: It covers all types of tradable government paper, shares, stocks, bonds, debentures, and other forms of marketable securities issued by companies. The SCRA defines the parameters of conduct of stock exchanges as well as its powers.
- The Securities and Exchange Board of India (SEBI) Act, 1992: This established the independent capital market regulatory authority, SEBI, with the objective to protect the interests of investors in securities, and promote and regulate the securities market.
- The Depositories Act, 1996: This established share and securities depositories, and created the legal framework for dematerialization of securities.
- Listing Agreement with stock exchanges: These define the rules, processes, and disclosures that companies must follow to remain as listed entities. A key element of this is Clause 49, which states the corporate governance practices that listed companies must follow.

4. THE NATIONAL FOUNDATION FOR CORPORATE GOVERNANCE

There is no doubt that once the government and the regulators establish an efficient and effective regulatory framework for corporations to function in, the market would push these corporations to raise the bar constantly. There is also no doubt that India is progressing towards the inevitability of market-driven corporate governance practices. The corporate governance ratings introduced by some rating agencies in India, and the willingness showed by many companies to volunteer for these is a case in point. In the midst of this transition, the NFCG will play an important role. The Foundation, on a continuous basis, would collaborate with the regulators and concerned authorities to develop regulations which are in line with the dynamics of the emerging business environment and at the same time help corporations implement these regulations in letter and spirit. This would, however, not be a two-pronged approach but a multi-pronged one and would include:

- Creating awareness on the importance of implementing good corporate governance practices both at the level of individual corporations and for the economy as a whole. The foundation would provide a platform for quality discussions and debates amongst academicians, policy makers, professionals and corporate leaders through workshops, conferences, meetings and seminars.
- Encouraging research capability in the area of corporate governance in the country and providing key inputs for developing laws and regulations which meet the twin objectives of maximizing wealth creation and fair distribution of this wealth.
- Working with the regulatory authorities at multiple levels to improve implementation and enforcement of various laws related to corporate governance
- In close coordination with the private sector, work to instill a commitment to corporate governance reforms and facilitates the development of a corporate governance culture
- Cultivating international linkages and maintaining the evolution towards convergence with international standards and practices for accounting, audit and non-financial disclosure.
- Setting up of 'National Centres for Corporate Governance' across the country, this would provide quality training to Directors and aim to have global recognition and acceptance. In addition, the NFCG proposes to focus on the following initiatives:
- Encourage Corporate Governance cooperation in South Asia particularly relating to SAARC countries;
- Hold seminars in collaboration with World Bank and Asian Development Bank on Corporate Governance Audit;
- Explore the desirability and possibility of including Whistle Blowers' Policy as an essential feature of Corporate Governance; Work out feasibility of Corporate Governance guidelines for large institutional investors;
- Institute an annual award for the best Centre for Corporate Governance
- Work out the modalities for setting up of a database of independent directors with wider interactions with eminent groups, persons and societies.

These initiatives will be carried out after extensive consultations with concerned stakeholders. All these initiatives will be totally non-mandatory in nature. It will be entirely up to individual companies and institutional investors to decide whether they want to adopt the model whistle blowers' policy or the model corporate governance policies suggested by the NFCG. Similarly, the participation in the corporate governance audit, too, will be optional. The NFCG would also like to play a role in promoting corporate governance throughout South Asia. It will explore the possibility of linkages and cooperation with other countries in the SAARC region and seek to establish 'National Centres for Corporate Governance' as centres for excellence in the entire region. Once these centres become fully functional they could provide training to persons from South Asia Region in the area of corporate governance.

5. FUNDAMENTAL CORPORATE GOVERNANCE THEORIES

5.1. AGENCY THEORY: Agency Theory is used to understand the relationships between agents and principals. The agent represents the principal in a particular business transaction and is expected to represent the best interests of the principal without regard for self-interest. The different interests of principals and agents may become a source of conflict, as some agents may not perfectly act in the principal's best interests. The resulting miscommunication and disagreement may result in various problems within companies. Incompatible desires may drive a wedge between each stakeholder and cause inefficiencies and financial losses. This leads to the principal-agent problem.

The principal-agent problem occurs when the interests of a principal and agent are in conflict. Companies should seek to minimize these situations through solid corporate policy. These conflicts present normally ethical individuals with opportunities for moral hazard. Incentives may be used to redirect the behaviour of the agent to realign these interests with the principal's. Corporate can be used to change the rules under which the agent operates and restore the principal's interests. The principal, by employing the agent to represent the principal's interests, must overcome a lack of information about the agent's performance of the task. Agents must have incentives encouraging them to act in unison with the principal's interests. Agency theory may be used to design these incentives appropriately by considering what interests motivate the agent to act. Incentives encouraging the wrong behaviour must be removed and rules discouraging moral hazard must be in place. Understanding the mechanisms that create problems helps businesses develop better corporate policy.

5.2. STEWARDSHIP THEORY: A steward is defined as someone who protects and takes care of the needs of others. Under the stewardship theory, company executives protect the interests of the owners or shareholders and make decisions on their behalf. Their sole objective is to create and maintain a successful organization so the shareholders prosper. Firms that embrace stewardship place the CEO and Chairman responsibilities under one executive, with a board comprised mostly of in-house members. This allows for intimate knowledge of organizational operation and a deep commitment to success. Stewardship theory assumes that managers are stewards whose behaviors are aligned with the objectives of their principals. The theory argues and looks at a different form of motivation for managers drawn from organizational theory. Managers are viewed as loyal to the company and interested in achieving high performance. The dominant motive, which directs managers to accomplish their job, is their desire to perform excellently. Specifically, managers are conceived as being motivated by a need to achieve, to gain intrinsic satisfaction through successfully performing inherently challenging work, to exercise responsibility and authority, and thereby to gain recognition from peers and bosses. Therefore, there are non-financial motivators for managers.

The theory also argues that an organization requires a structure that allows harmonization to be achieved most efficiently between managers and owners. In the context of firm's leadership, this situation is attained more readily if the CEO is also the chairman of the board. This leadership structure will assist them to attain superior performance to the extent that the CEO exercises complete authority over the corporation and that their role is unambiguous and unchallenged. In this situation, power and authority are concentrated in a single person. Hence, the expectations about corporate leadership will be clearer and more consistent both for subordinate managers and for other members of the corporate board. Thus, there is no room for uncertainty as to who has authority or responsibility over a particular matter. The organization will enjoy the benefits of unity of direction and of strong command and control.

5.3. STAKEHOLDER THEORY: Stakeholder theory, on the other hand, states that a company owes a responsibility to a wider group of stakeholders, other than just shareholders. A stakeholder is defined as any person/group which can affect/be affected by the actions of a business. It includes employees, customers, suppliers, creditors and even the wider community and competitors.

Edward Freeman, the original proposer of the stakeholder theory, recognized it as an important element of Corporate Social Responsibility (CSR), a concept which recognizes the responsibilities of corporations in the world today, whether they be economic, legal, ethical or even philanthropic. Nowadays, some of the world's largest corporations claim to have CSR at the Centre of their corporate strategy. Whilst there are many genuine cases of companies with a "conscience", many others exploit CSR as a good means of PR to improve their image and reputation but ultimately fail to put their words into action.

5.4. RESOURCE DEPENDENCY THEORY: *Resource dependence* ideas were originally developed by Pfeffer and Salancik (1978) in the late 1970s. Unlike agency theory, their original ideas were inductively derived from empirical studies. Their key contribution is the observation that the board, and in particular the constitution of the non-executive element of a board, can provide the firm with a vital set of resources: 'When an organization appoints an individual to a board, it expects the individual will come to support the organization, will concern himself with its problems, will variably present it to others, and will try to aid it'. Seeing the board as a source of resources for a company opens up a very different way to think about the board's role in creating high performance. Resources can take a variety of forms each of which can be argued to add to the 'capital' of a company (Hilman and Dalziel 2003).

Non-executive directors can be a source of expertise which executives can draw upon, both in the form of specific skills as well as advice and counsel in relation to strategy and its implementation. They can also serve as an important source of contacts, information and relationships that allow executives to better manage some of the uncertainties in the environment. These relational resources can be both practical and symbolic; the association of particular individuals with a company has the potential to enhance the reputation or perceived legitimacy of an executive team.

Resource dependence theory allows us to think of the very different needs that companies have at different stages of their life-cycle. The young entrepreneurial firm, even if owner managed, can look to its non-executive directors as a source of skills and expertise that it cannot afford to employ full time. Here, the non-executive is a relatively cheap source of part-time legal, financial or operational management skills that are not otherwise available to the entrepreneur. Once a firm is publicly listed, then the provision of expertise will have to be blended with what one of our participants called 'grown-up governance'. Here the value of the non-executive lies not only in their expertise but also through their networks that give the company ready access to new markets or to sources of finance, as well as in the reputation benefits that arise from an individual's association with the company.

5.5. TRANSACTION COST THEORY: Transaction cost theory originated from the 1930s, when the economist Ronald Coase was investigating the reasons companies exist and why they were growing so large.

Transaction costs are incurred in spending time researching, negotiating and agreeing a transaction. Transaction cost theory examines the theory that directors would rather enter into agreements for their sources of goods and services as this reduces uncertainty as they have everything they need for the foreseeable future. By doing this the time and expense of sourcing materials is avoided.

Coase believed that, on average, directors would prefer to lose the flexibility of searching for inputs in order to have the certainty of predicting what would happen with their business in the future. Whilst committing to long-term agreements and contracts avoids uncertainty and is easier to control, it could mean that better opportunities may be missed.

Coase's concern was that directors were making their own life easier at the expense of opportunities that would improve shareholder wealth. However, if directors are not concerning themselves with constantly sourcing and renegotiating resources, they have more time to spend on longer-term strategy issues. Transaction cost theory explains why companies are getting bigger. Transaction cost theory says that in order to reduce uncertainty and to increase control, a company should tie itself up in more agreements and this therefore means more staff, more assets, more contracts and a larger company. Alternatively, a board of directors who are worried about the security of their supplies may choose to buy the company that supplies them. This is called vertical integration. The downside to vertical integration is that supplies will always come from that one company and there may be better quality or prices to be had elsewhere.

Social Contract Theory: Among other theories reviewed in corporate governance literature social contract theory, sees society as a series of social contracts between members of society and society itself (Gray, Owen & Adams 1996). There is a school of thought which sees social responsibility as a contractual obligation the firm owes to society (Donaldson 1983). An integrated social contract theory was developed by Donaldson and Dunfee (1999) as a way for managers make ethical decision making, which refers to macrosocial and microsocial contracts. The former refers to the communities and the expectation from the business to provide support to the local community, and the latter refers to a specific form of involvement.

5.6. POLITICAL THEORY: Political theory brings the approach of developing voting support from shareholders, rather by purchasing voting power. Hence having a political influence in corporate governance may direct corporate governance within the organization. Public interest is much reserved as the government participates in corporate decision making, taking into consideration cultural challenges (Pound, 1983). The political model highlights the allocation of corporate power, profits and privileges are determined via the governments' favor. The political model of corporate governance can have an immense influence on governance developments. Over the last decades, the government of a country has been seen to have a strong political influence on firms. As a result, there is an entrance of politics into the governance structure or firms' mechanism (Hawley and Williams, 1996)

6. CONCLUSION

A good corporate governance practice is an outcome of an accountable board of directors who ensures that the investors' interests are not put in danger. The accountability and transparency component of corporate governance would help companies gain shareholders' and investors' trust. These stakeholders need assurance that the company will be run both honestly and cleverly. This is where corporate governance is critical. Corporate governance improves stakeholders' confidence and this would help the sustainability of business in the long run. The present corporate governance theories cannot fully explain the intricacy and heterogeneity of corporate business. Governance may differ from country to country due to their various cultural values, political and social and historical circumstances. In this sense, governance in developed countries and developing countries can be different due to various cultural and economic contexts of individual countries. However, the literature has confirmed that even with strict regulations, there have been loopholes in corporate governance. Hence it is very important that a rounded recognition be motivated across the corporate world that would bring about a different perspective towards corporate governance.

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PROBLEMS ASSOCIATED WITH STUDENTS' PERSISTENCE IN BUSINESS APPRENTICESHIP TRAINING CENTRES (BATCs): IMPLICATIONS FOR VOCATIONAL TRADE DEVELOPMENT IN KADUNA STATE, NIGERIA

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ABSTRACT

This study was designed to analyze the problems associated with students' persistence in Business Apprenticeship Training Centres (BATCs) and stressing the implications on Vocational trade development in Kaduna state of Nigeria. Five research questions and four null hypotheses guided the study. A Survey research design was adopted for the study while the area of the study was Kaduna State. The population of the study comprised 2,873 subjects (172 teachers/instructors and 2,701 students). Proportionate stratified sampling technique was used to sample 574 subjects for the study. The instrument for data collection was a four-point structured questionnaire containing 44 items. The researcher also obtained an official record of students' enrolment and retention in BATCs of Kaduna State for five consecutive sessions to ascertain the persistence pattern of students based on school location. The structured questionnaire was validated for face and content by three experts. The instrument was pilot-tested and Cronbach Alpha (α) formula was used to establish reliability of 0.75. Z-test was used to test the four hypotheses at 0.05 level of significance. While Mean, Standard deviation, percentage and Hagedorn's formula for determining Persistence in terms of Graduation rate (PGR) was used to analyze data for the research questions. The findings revealed that problems associated with students' persistence in BATCs is linked to three sets of factors; namely Cognitive, Social, and Institutional factors. Based on the findings, 23 recommendations were proffered, among which include: Coaching students to develop strategies (study skills, critical thinking ability, learning skills, extracurricular activities, time management) for academic success; Providing opportunities for students to share issues or concerns that are preventing them from being successful students; Trades relevant to the craft and cottage industries within the locality of BATCs location should be included in the curriculum and offered in the schools. BATCs should make business partnership with their host communities and revenue accruing from such business should be used to assist at-risk students.

KEYWORDS

Kaduna state, Nigeria, business apprenticeship training centres, implications on vocational trade development, problems associated with students' persistence.

INTRODUCTION

Business Apprenticeship Training Centres (BATCs) are vocational training institutions under the supervision of the Kaduna State Ministry of Science and Technology, and open to those coming out of the formal educational system at the basic or post-basic levels, to learn a trade. These are not new institutions as the first one was opened in 1972 (Kaduna State Government, 2004). These training centres are used by the State Government to train youths in nine (9) different trades (Block laying & Masonry; Carpentry & joinery; Electrical installation; Motor vehicle mechanic work; Pipe fitting & plumbing; Radio & Television; Sewing & Knitting; Tailoring; Welding and fabrication) for self-reliance after graduation (Kailani, Amalo, and Tsiga, 2010).

The goals of Vocational Enterprise institutions (VEIs) according to the Federal Republic of Nigeria [FRN] (2013) are to:

1. Train post-basic education and senior secondary school students who are desirous of obtaining some specific skills, knowledge and appropriate certification to pursue a chosen trade or career.
2. Educate post-basic education and senior secondary school students to think creatively and transform knowledge through technological processes into wealth and a broader economic base.
3. Provide technologically based training that ensures that students understand how their expertise fits into improving the society and fulfilling national goals.
4. Increase access to technological education at tertiary level.
5. Provides training that enables students acquire specialized craftsman skills that empowers them to compete globally.
6. Provide training that enables students to acquire the skills and competences in order to take advantage of life's opportunities; and
7. Provide training that enables students acquire continuous education that makes them self-reliant, wealth creators and providers of employment.

Likewise, the objective of establishing BATC according to Kaduna State Government (2004) is to produce artisans who will meet the lower-level manpower demand of the nation's economy. Specifically, the BATC was designed to:

1. Produce artisans for industries.
2. Produce artisans for government establishments.
3. Produce craftsmen/craftswomen who shall be self-reliant economically.

The decision of the Kaduna State Government to establish the BATCs is a step taken in the right direction considering the fact that a nation's progress is measured in terms of its technological advancement and its ability to provide employment opportunity to its teeming populace. However, the above stated objectives have not been fully attained as there are still many youths roaming about without salable skills to enable them contribute their quota towards the development of the nation and make a living for themselves. As a result of the decline of industries which led to increase in unemployment, the purpose of establishing BATC was later modified to offer technical/vocational skills to teaming youths to reduce unemployment and alleviate poverty in the society (Kaduna state Government, 2004). Specifically, the programme was later designed to meet the skills acquisition needs of youths who are aspiring to:

1. Be employed in industries.
2. Be employed in government establishments.
3. Be self-employed.
4. Acquire vocational skills first and later further their academic career which hitherto has been almost terminal at this level of training (Kaduna state Government, 2008 cited in Kailani, 2012).

There was no existing policy on skill acquisition in Kaduna state of Nigeria as at the time of this study. However, the present Kaduna State Commissioner for Commerce, Industry and Tourism, Dr Shehu Adamu stated in an interview with the news men in Kaduna on July 28, 2016 that the policy has now been developed with the support of the Department for International Development (DFID), after series of seminars and workshops involving professionals and other stakeholders, and that a draft copy of the policy is ready and would soon be presented to the State Executive Council for approval (Adamu, 2016). Preliminary study conducted by the researcher revealed that emphasis in the BATCs is partly placed on craft and cottage industries within the locality and that the products of the BATCs are usually encouraged to take the National Business Certificate/National Technical Certificate (NBC/NTC) examination. According to an interview conducted by the researcher on Principals, teachers/instructors and trainees of BATCs in the three senatorial districts of Kaduna state, the trainees who are indigenes of Kaduna State were being given an allowance of 1,000 Naira each by the Kaduna State government to motivate them. Some of the local governments of the state also give their indigenes some allowances too. However, the State Government later reduced the allowance to 250 Naira per trainee in the year 2011 and eventually stopped paying the allowance to trainees in March, 2011. The reason given by the State Government was that, it cannot continue to sustain it.

Despite the absence of existing policy on skill acquisition in Kaduna state, the BATC operates a policy of equality of opportunity and encourage girls by operating a quota system. The minimum entry requirement is JS3 (Junior Secondary 3) attempted (i.e. upper basic education). Entry is based on interviews conducted by teachers/instructors at various training centres. This method of selection represents about 70% of the intake the remainder is between private applications and formal sector employees. Girls are encouraged to opt for traditionally male dominated trades such as, electrical installation, motor vehicle mechanic work, pipe fitting & plumbing and so on with the help of Guidance and Counseling Officers who provided assistance to boys and girls in selecting the suitable course (Kaduna State Government, 2008 cited in Kailani, 2012).

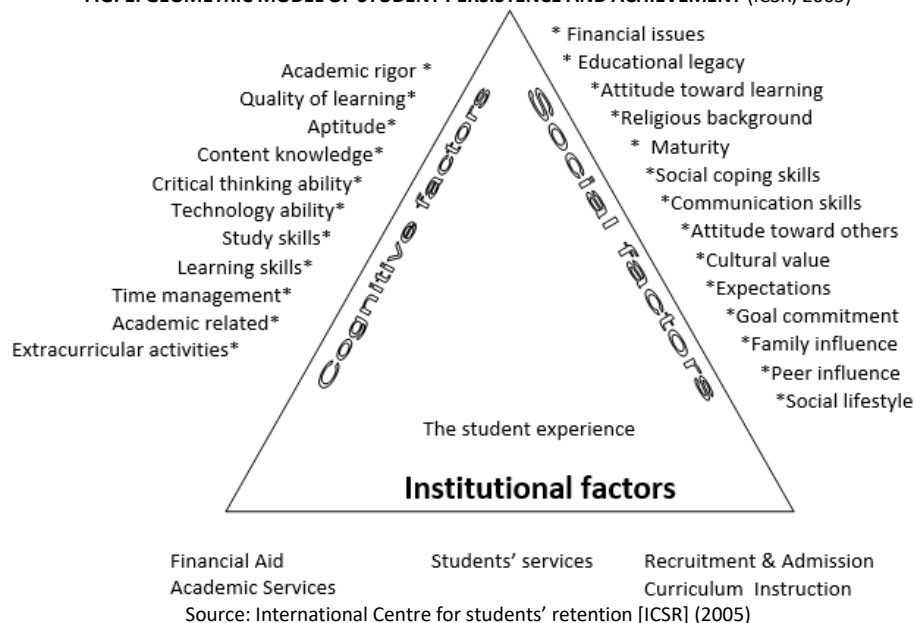
Trade development in Kaduna State is as old as the State itself. Most people in Kaduna acquire their trades/occupation via the apprenticeship system (on the job training) with an edge in the following areas, namely: Systematic training of apprentices for a trade or employment, skill acquisition, furtherance of family trade or business (such as farming, cattle rearing [among the Fulani], poultry, fishing, craftsmanship etc), perpetuation of family occupation. While others acquire their profession/career through the formal education system in the BATCs, VETs, Technical colleges, private Computer Training Institutes, Kaduna Business School, Innovation Institute of Technology, Colleges of Education, Monotechnics, Polytechnics, Universities, Nigerian Defence Academy, Nigerian Air force Training School, Nigeria Police College, Nigerian School of Aviation, Nursing Schools, School of Health Technology, Federal Training Centre, Ministry of Water resources training institute, Kaduna State Water Board training School, Borstal Training Institute (where juvenile offenders are trained in various types of skills for the purpose of successful rehabilitation into the society after their release from the remand home), the Open Prison (where prison inmates are trained in different kinds of skills for the purpose of rehabilitation into the society after completing their jail term, and other Government organizations like National Directorate of Employment (NDE).

Technical and Vocational Education (TVE) is the factory for the production of the needed technologists, technicians and craftsmen as well as skilled artisans who are required to turn the nation's economy around and usher in the desired technological advancement which is very much required for the elevation of Nigeria from a "consumer nation" to a "producer nation", from a developing nation to a developed nation [National Board for Technical Education (NBTE), 2003]. Acquisition of appropriate technological skills is necessary to cope with the challenges presented by the evolving needs of available working places in our industries and ever-growing non-formal sector (NBTE, 2003). But this desire cannot be achieved under a significant level of poor students' persistence/retention in TVET institutions as compared with other areas of study. Students' Persistence/Retention not only has an impact on the individual and his/her family but also produces a ripple effect on the educational institutions, the workforce/trade development and the economy. However, when a student withdraws from BATC the invested institutional resources were not spent wisely forcing the college to invest additional resources to recruit new students (Hagedorn, 2005). Non-persisting students would obviously lack the requisite training and credentials to enter the professional workforce, and this could result to high level of poverty in the society or Lower incomes which generally correlate with many social problems and lower living standards (McMahon, 2000). Industries will not find sufficiently trained workers, thus, they would either invest in their own training programs or relocate to areas where sufficiently trained workers are more available, sometimes even going overseas (Andrade, Stigall, Kappus, Ruddock, and Oburn, 2002). In view of the above premise, this study vehemently aims at analyzing the problems associated with BATCs students' persistence in Kaduna State, pointing out its implication on trade development and determining measures for combating problems arising from the findings of the study.

REVIEW OF LITERATURE

The conceptual framework of this study is based on the Geometric Model of Student Persistence and Achievement shown in Fig. 1. According to International Centre for students' retention [ICSR] (2005) the Geometric Model of Student Persistence and Achievement provides a user-friendly method for discussion and focus on (a) the cognitive and social attributes that the student brings to campus; and (b) the institutional role in the student experience. The geometric model differs from others by placing the student at the center of the model, rather than an indifferent element to a flow chart or structural equation model.

FIG. 1: GEOMETRIC MODEL OF STUDENT PERSISTENCE AND ACHIEVEMENT (ICSR, 2005)



Source: International Centre for students' retention [ICSR] (2005)

The model also allows the researcher to discuss the dynamics between cognitive, social, and institutional factors, all of which take place within the student. These three forces must blend to provide a solid foundation for student growth, development, and persistence. When stability is lost, students risk reducing their academic and social integration with the institution, and therefore risk dropping or stopping out. This model works to help describe the persistence process, and the delicate balance between student resources (what the student brings to campus) and institutional resources (what the institution provides for the student). The strength of this model as a basis for conceptual framework of this study is in its ability to help institutions work proactively to support student persistence and achievement. Diagnostic and supplementary knowledge of the student is a vital component of the geometric model, because without knowledge, the institution is incapable of making prudent decisions on whom to admit (International Centre for students' retention [ICSR], 2005). In terms of BATC or VETs persistence and achievement, three particular forces account for the entire spectrum of student outcomes: cognitive, social, and institutional factors. Concisely stated, the cognitive factors form the academic ability, the strengths and weaknesses of the student, such as the level of proficiency in reading, writing, and mathematics. Social factors, such as the ability to interact effectively with other persons, personal attitudes, and cultural history, form a second set of external factors that characterize the individual. The third set of factors, institutional, refers to the practices, strategies, and culture of the college or university that, in either an intended or unintended way, impact student persistence and achievement. Examples include faculty teaching ability, academic support programming, financial aid, student services, recruitment and admissions, academic services, and curriculum and instruction (ICSR, 2005).

Literature has shown that lot of empirical study have been conducted in the area of students' enrolment and retention/persistence, for example: Bitzer and Troskie-De Bruin (2004) conducted a study on the effect of factors related to prior schooling on student persistence in higher education; while Kerby (2007) investigated the impact of levels of student engagement on retention among first-year, full-time students at a south central Kentucky university. Northern Virginia Community College [NOVA] (2006) assessed students' retention and strategies for improvement in Northern Virginia. Likewise, Okereke (2003) investigated the interrelationship of students' attrition, school process and participation in science programmes at Secondary schools of Bauchi State, Nigeria; Rena (2007) studied factors affecting the enrolment and retention of students at primary education in Andhra Pradesh, India. Kailani and Ikara (2012) conducted a study on strategies for combating attrition in Business Apprenticeship Training Centres (BATCs) in Kaduna State, Nigeria; Kailani, and Sa'I (2011) carried out a study on gender balance in male and female Enrolment/Retention into trade areas of BATCs in Kaduna State of Nigeria; Kailani, Ikara and Haruna (2011) studied the Enrolment and retention patterns of trainees among BATCs in kaduna state with emphasis to implications for attaining the millennium development goals (MDGs) in Nigeria; Mshelizah (2011) also conducted a study on Strategies for increasing students' enrolment in Technical Education at NCE Technical awarding Institutions in North-Eastern Nigeria; and Bappah (2013) identified strategies for enhancing the enrolment of trainees into BATCs in kaduna state.

However, there is no study on problems associated with students' persistence in BATCs or other Vocational institutions in Nigeria. This class of institutions (BATCs and Vocational training/innovation centres) seems to have been neglected in terms of empirical research study on trainees retention/persistence, and if the neglect of this area in question should continue, it might have a negative implication on trade development vis-à-vis the economy of the nation, for example it means a lot of youth who might drop out of school at basic or post-basic level of education will not be equipped with salable skills that will enable them make a living and contribute their quota to the economic/technological development of this nation. Secondly, there will be a loss of tuition for the institution if persistence/retention of students continues to decline, a loss of a major in some department/trade areas in the case of attrition, and a loss of human capital - that is, the loss of highly trained individuals (low-level manpower) to enter the workforce or perform civic duties. Furthermore, non-persisting students will lack the requisite training and credentials to enter the professional workforce, and this could result to high level of poverty in the society or Lower incomes which generally correlate with many social problems and lower living standards (McMahon, 2000). Lastly, lack of research studies on the problems associated with BATCs students' persistence suggests absence of valid research data to unveil students' persistence problems bedeviling these institutions (BATCs) for prompt action. In view of the above, this study modestly aims at filling the gap pointed out in the literature review in respect to BATCs students' persistence problems via an attempt (study) to analyze the problems associated with BATCs students' persistence in Kaduna State of Nigeria, point out the implications of the problems on trade development and determine strategies for overcoming the problems arising from the findings of the study.

NEED/IMPORTANCE OF THE STUDY

The findings of this study when implemented will be of benefit to the students on graduation in the sense that they would be equipped with adequate and salable skills in trades of their choice that will enable them move this nation forward technologically and make a living for themselves. Consequently, poverty would be reduced in the society. As students' persistence in these institutions increases, more employment opportunities would be created for TVET teachers/instructors. The low level manpower required to turn the nation's economy around and usher in the desired technological advancement which is very much required for the elevation of Nigeria from a "consumer nation" to a "producer nation", from a developing nation to a developed nation would be realized. Valid and reliable data would be provided to Kaduna state government of Nigeria, policy makers and researchers to enable them know the strength and weaknesses of the program for the purpose of improvement. Finally, the results of the study will be disseminated via various forms of publication, conferences, symposiums, seminars and web-sites. Through such effort, students' persistence in BATCs will be improved.

STATEMENT OF THE PROBLEM

For a developing economy that ever needs an efficient and huge number of competent personnel, not all have to pass through the very long process of on-the-job training, thus, the society necessarily have to depend on schools such as BATCs for such training. However, if the students who are supposed to be trained to become specialist who are to man various sectors of the economy are not persistent in schools, the consequence will have a negative effect on the economy as well as workforce/trade development. There is evidence of a decline in retention of students in trade areas of BATCs in Kaduna State. For example, the official record of students' enrolment and retention in BATCs of Kaduna State (ORERBKS) revealed that out of 864 students who enrolled into BATCs in 2003/2004 academic session in Kaduna State only 290 students graduated in the final year (2005/2006 session) which indicated about 33.6% persistence/retention rate and attrition rate of about 66.4%. The ORERBKS also showed that out of 834 students that enrolled into BATCs in 2004/2005 academic session in Kaduna State only 442 students graduated in the final year (2006/2007 session) which indicated about 53% persistence/retention rate and attrition rate of about 47%. Furthermore, Kailani and Ikara (2012) stated that out of 1,151 students that enrolled into BATC in the 2005/2006 academic session in Kaduna State only 586 students graduated in the final year (2007/2008 session) which indicated about 51% persistence/retention rate and attrition rate of about 49%. Similarly, Kailani, Ikara and Haruna (2011) also reported that out of 1,188 students that enrolled into BATCs in the 2006/2007 academic session in Kaduna State only 873 students graduated in the final year (2008/2009 session) which indicated about 73.5% persistence/retention rate and attrition rate of about 26.5%. Kailani and Sa'I (2011) also testified that a considerable level of attrition of both male and female students exists in BATCs of Kaduna State. Therefore, in view of the above exposition, the question is asked, what are the problems associated with students' persistence in Business Apprenticeship Training Centres (BATCs) in Kaduna state? Consequently, this study is set to answer the above question with the intent of pointing out the implications on trade development and seeking strategies for combating problems arising from the findings of the study.

PURPOSE OF THE STUDY

The purpose of this study was to investigate students' persistence in BATCs in Kaduna state. Therefore, the following Research Questions guided the study:

1. What are the Cognitive problems associated with the BATCs students' persistence as perceived in Kaduna state schools of Nigeria?
2. What are the Social problems associated with the BATCs students' persistence as perceived in Kaduna state schools?
3. What are the Institutional problems associated with the BATCs students' persistence as perceived in Kaduna state schools?
4. What is the effect of school locations on BATCs students' persistence pattern in Kaduna State of Nigeria?
5. What are the strategies that could be used to improve BATCs students' persistence in Kaduna state of Nigeria?

HYPOTHESES

Ho₁. There is no significant difference in the mean responses of teachers and students on the cognitive problems associated with BATCs students' persistence in Kaduna state.

Ho₂. There is no significant difference in the mean responses of teachers and students on the social problems associated with BATCs students' persistence in Kaduna state.

Ho₃. There is no significant difference in the mean responses of teachers and students on the institutional problems associated with BATCs students' persistence in Kaduna state.

Ho₄. There is no significant difference in the mean responses of teachers and students on the strategies or improving BATCs students' persistence in Kaduna state.

METHODOLOGY

Descriptive Survey research design was adopted for the study while the geographical area of study is Kaduna state. The population of the study was 2,873 subjects, this consists of all of the 172 teachers/instructors (134 male teachers and 38 female teachers), 2,701 (2376 male and 325 female) students of the BATCs in Kaduna state. Proportionate stratified random sampling technique was used to select 20% of the population, this decision is in line with the suggestion of Borg and Gall

(1971) cited in Uzoagulu (2011) which suggested that 20% may be used to draw sample from a population of up to 1,000, 10% from a population up to 5,000 and 5% from a population up to 10,000. The strata used are senatorial districts in the state, namely: Kaduna Central (BATCs in Mando, Birnin Gwari, Birnin Yero, Kakau, Kajuru and Tudunwada); Northern Kaduna (BATCs in Sabon-Gari Zaria, Saminaka, Ikara, Zaria city, Makarfi, Soba and Hunkuyi); Southern Kaduna (BATCs in Kaboro, Fadan Kamantan, Kauru, Kachia, Kwoi, Fadan Kagoma, Kufana, Gwantu and Zonkwa). The instruments for data collection are: a structured questionnaire named questionnaire of students' persistence in BATCs in Kaduna state (QSPBKS); and the Statistical records of enrolment and retention of students in BATCs of Kaduna State. The QSPBKS is divided into five sections (A, B, C, D and E). Section 'A' (general information part) was designed to collect general information of respondents. Section B of the instrument (items 1 - 2) addressed Research question 1: the Cognitive problems associated with students' persistence in BATCs of Kaduna state; while Section C (items 3 - 12) of the instrument focus on Research question 2: the Social problems associated with students' persistence in BATCs of Kaduna state; Section D (items 13 - 22) of the instrument focus on Research question 3: the Institutional problems associated with students' persistence in BATCs of Kaduna state; and Section E (items 23 - 44) of the instrument focus on Research question 5: the strategies that could be used to improve BATCs students' persistence in Kaduna state. The QSPBKS was validated for face and content by three experts while Cronbach Alpha (α) formula was used to compute the reliability of the instrument at 0.75. The instrument was administered personally by the researchers with help of six research assistants. The statistical tools used for analyzing the data were Mean, Standard Deviation, Z-test, Hagedorn's (2005) formula for determining Persistence in terms of Graduation rate (PGR), and Percentage. A four-point rating scale was used to score items in sections B, C, D and E of the QSPBKS.

For the decision rule on research questions 1, 2, 3 and 5, the real limit of numbers of the response mode was used to categorize the mean rating of the respondents as follows:

| RESPONSE MODE | RATE | REAL LIMITS | DECISION |
|-------------------|------|-------------|-------------------|
| Strongly Agree | 4 | 3.5 – 4.0 | Strongly Agree |
| Agree | 3 | 2.5 – 3.49 | Agree |
| Disagree | 2 | 1.5 – 2.49 | Disagree |
| Strongly Disagree | 1 | 0.5 – 1.49 | Strongly Disagree |

Therefore, any item having a mean value of 2.50 and above was judged as agree or accepted. While any item having a mean value of 2.49 and below was judged as disagreed or rejected. Hypotheses 1, 2, 3 and 4 were tested with Z-test statistics at 0.05 level of confidence, the reason for choosing Z-test was due to the large sample size. This is in agreement with Nworgu (2006) who stated that 'generally, a sample is considered to be large if its size is equal to or greater than 30.

RESULTS AND DISCUSSION

RESEARCH QUESTION ONE

What are the Cognitive problems associated with the BATCs students' persistence in terms of teachers and students response in Kaduna state schools?

The results of data analysis in Table 1 revealed that both teachers and students agreed that items 1 and 2 are the cognitive problems associated with BATC students' persistence in terms of enrolment in Kaduna state. This is because the items had grand mean of 2.52 and 2.79 respectively which is equal to or above the cut-off mean of 2.50.

TABLE 1: MEAN RATINGS AND STANDARD DEVIATION OF TEACHERS' AND STUDENTS' RESPONSES ON COGNITIVE PROBLEMS ASSOCIATED WITH BATCs STUDENTS' PERSISTENCE IN KADUNA STATE

| S/No | ITEMS | \bar{X}_T N=34 | \bar{X}_S N=540 | \bar{X}_G | SD_T | SD_S | Decision |
|------|--|---------------------|----------------------|-------------|--------|--------|----------|
| 1 | Some BATC students Lack good study habits and critical reasoning ability to enable them succeed in their training. | 2.73 | 2.30 | 2.52 | .014 | .001 | Agreed |
| 2 | Students have low level of proficiency in reading, writing, and mathematics. | 2.84 | 2.74 | 2.79 | .066 | .041 | Agreed |

NOTE: \bar{X}_T – Teachers' Mean; \bar{X}_S – Students' Mean; \bar{X}_G – Grand Mean; SD_T – Teachers' Standard deviation; and SD_S – Students' Standard deviation.

RESEARCH QUESTION TWO

What are the Social problems associated with the BATCs students' persistence in terms of teachers' and students' response in Kaduna state schools?

The results of data analysis in Table 2 revealed that both teachers and students agreed that items 3, 4, 7, 11 and 12, are the social problems associated with BATC students' persistence in terms of enrolment in Kaduna state. This is because the items had grand mean of 2.91, 2.52, 2.65, 2.95 and 2.60 respectively which is equal to or above the cut-off mean of 2.50. The respondents however disagreed with items 5, 6, 8, 9 and 10 respectively; this is because the items have grand mean of 2.11, 2.49, 1.91 and 2.09 respectively which is below the cut-off mean of 2.50.

TABLE 2: MEAN RATINGS AND STANDARD DEVIATION OF TEACHERS' AND STUDENTS' RESPONSES ON THE SOCIAL PROBLEMS ASSOCIATED WITH BATCs STUDENTS' PERSISTENCE IN KADUNA STATE

| S/No | ITEMS | \bar{X}_T N=34 | \bar{X}_S N=540 | \bar{X}_G | SD_T | SD_S | Decision |
|------|--|---------------------|----------------------|-------------|--------|--------|-----------|
| 3 | Some trainees drop out of BATC due to lack of preparedness on their part | 2.75 | 2.07 | 2.91 | .034 | .011 | Agreed |
| 4 | Lack of goals and aspirations on the part of students/trainees of BATCs | 2.30 | 2.73 | 2.52 | .014 | .001 | Agreed |
| 5 | Some students view school rules as oppressive | 2.11 | 2.11 | 2.11 | .023 | .001 | Disagreed |
| 6 | Poor perception of Technical Vocational Education and Training (TVET) by students and the public | 2.67 | 2.31 | 2.49 | .067 | .001 | Disagreed |
| 7 | Some BATC trainees' dropout of school as a result of the withdrawal of allowances by the state and some local government. | 2.71 | 2.58 | 2.65 | .063 | .041 | Agreed |
| 8 | Trainees drop out whenever they perceive that they are not receiving meaningful training | 1.75 | 2.07 | 1.91 | .034 | .001 | Disagreed |
| 9 | Family responsibilities like getting married, and a job off campus that is more than twenty hours per week could make a trainee to drop out of BATC. | 1.67 | 2.50 | 2.09 | .026 | .041 | Disagreed |
| 10 | Illiteracy or low educational level of the parents makes them withdraw their wards from BATCs to work as manual laborers so as to get income. | 2.11 | 2.07 | 2.09 | .023 | .001 | Disagreed |
| 11 | Trainees drop out of BATCs due to lack of family or peer support. | 2.84 | 3.05 | 2.95 | .066 | .041 | Agreed |
| 12 | Absence of significant interactions with other college members is the single leading predictor of BATC attrition. | 2.52 | 2.68 | 2.60 | .014 | .001 | Agreed |

RESEARCH QUESTION THREE

What are the Institutional problems associated with the BATCs students' persistence in terms of teachers' and students' responses in Kaduna state schools?

The results of data analysis in Table 3 revealed that both teachers and students agreed that items 14, 18 and 21 are institutional problems associated with BATC students' persistence in terms of enrolment in Kaduna state. This is because the items had grand mean of 2.50, 2.74 and 2.84 respectively which is equal to or above the cut-off mean of 2.50. The respondents however disagreed with items 13, 15, 16, 17, 19, 20 and 22 respectively; this is because the items have grand mean of 2.49, 2.30, 2.43, 2.18, 2.21, 2.14 and 2.09 respectively which is below the cut-off mean of 2.50.

TABLE 3: MEAN RATINGS AND STANDARD DEVIATION OF TEACHERS' AND STUDENTS' RESPONSES ON THE INSTITUTIONAL PROBLEMS ASSOCIATED WITH BATCs STUDENTS' PERSISTENCE IN KADUNA STATE

| S/No | ITEMS | \bar{X}_T N=34 | \bar{X}_S N=540 | \bar{X}_G | SD_T | SD_S | Decision |
|------|---|---------------------|----------------------|-------------|--------|--------|-----------|
| 13 | Students dropout due to unavailability of training materials and where the opportunity costs are especially high, students often drop out of BATC | 2.54 | 2.44 | 2.49 | .052 | .001 | Disagreed |
| 14 | Lack of organizing orientation programs for students | 2.33 | 2.67 | 2.50 | .005 | .001 | Agreed |
| 15 | Lack of good accommodation in the BATC centres | 2.00 | 2.60 | 2.30 | .001 | .041 | Disagreed |
| 16 | Lack of role models in staff and faculty members of BATCs | 2.07 | 2.78 | 2.43 | .040 | .041 | Disagreed |
| 17 | Lack of effective counseling services in BATCs | 2.03 | 2.32 | 2.18 | .056 | .041 | Disagreed |
| 18 | Lack of campus resources (e.g., computer, library, athletic, college union) to create sense of belonging in students | 2.77 | 2.70 | 2.74 | .026 | .001 | Agreed |
| 19 | Lack of facilities/utilities like functional workshop, electricity, water etc | 2.11 | 2.30 | 2.21 | .023 | .041 | Disagreed |
| 20 | Negative attitudes of teachers/instructors. | 2.10 | 2.17 | 2.14 | .070 | .041 | Disagreed |
| 21 | Lack of financial aid for students with low economic status. | 3.01 | 2.67 | 2.84 | .065 | .041 | Agreed |
| 22 | Trainees drop out of BATCs due to racial and gender bias. | 1.67 | 2.50 | 2.09 | .026 | .041 | Disagreed |

RESEARCH QUESTION FOUR

What is the effect of school locations on BATCs students' persistence pattern in Kaduna State of Nigeria?

The results of data analysis presented in Table 4 and Figure 2, shows that 361 (100%), 398 (100%) and 392 (100%) freshers enrolled into the BATCs located in Kaduna Central senatorial district, Northern Kaduna senatorial district and Southern Kaduna senatorial districts respectively in the 2005/2006 academic session. Out of which 199 (55.1%), 171 (43%) and 216 (55.1%) of the cohorts persisted to graduation in Kaduna Central senatorial districts, Northern Kaduna senatorial district and Southern Kaduna senatorial districts respectively at their final year (2007/2008 academic session). While in 2006/2007 academic session 369 (100%), 500 (100%) and 319 (100%) freshers enrolled into the BATCs located in Kaduna Central senatorial districts, Northern Kaduna senatorial district and Southern Kaduna senatorial districts respectively. Out of which 270 (73.1%), 346 (69.2%) and 226 (70.8%) of the cohorts persisted to graduation in Kaduna Central senatorial districts, Northern Kaduna senatorial district and Southern Kaduna senatorial districts respectively at their final year (2008/2009 academic session). And in 2007/2008 academic sessions 411 (100%), 407 (100%) and 373 (100%) freshers enrolled into the BATCs located in Kaduna Central senatorial districts, Northern Kaduna senatorial district and Southern Kaduna senatorial districts respectively. Out of which 403 (98%), 357 (87.6%) and 315 (84.4%) of the cohorts persisted to graduation in Kaduna Central senatorial districts, Northern Kaduna senatorial district and Southern Kaduna senatorial districts respectively at their final year (2009/2010 academic session).

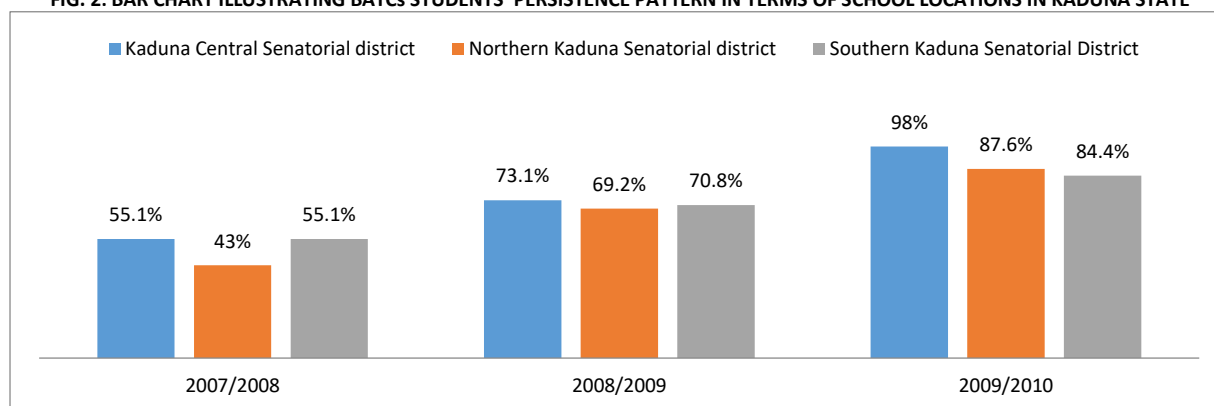
TABLE 4: BATCS STUDENTS' ENROLMENT/PERSISTENCE PATTERN IN TERMS OF SCHOOL LOCATIONS FOR 2005/2006, 2006/2007 AND 2007/2008 COHORTS WHO GRADUATED THREE YEARS LATER (2007/2008, 2008/2009 AND 2009/2010 SESSIONS RESPECTIVELY)

| School Locations | Enrolment/Retention of 2005/06 BATC Cohorts | | | Enrolment/Retention of 2006/07 BATC Cohorts | | | Enrolment/Retention of 2007/08 BATC Cohorts | | | Average SP in % |
|------------------|---|-----------------------|------|---|-----------------------|------|---|-----------------------|------|-----------------|
| | SEAFY 2005/06 Session | SPAGY 2007/08 Session | %SP | SEAFY 2006/07 Session | SPAGY 2008/09 Session | %SP | SEAFY 2007/08 Session | SPAGY 2009/10 Session | %SP | |
| KCSD | 361 | 199 | 55.1 | 369 | 270 | 73.1 | 411 | 403 | 98 | 76.4% |
| NKSD | 398 | 171 | 43 | 500 | 346 | 69.2 | 407 | 357 | 87.6 | 67% |
| SKSD | 392 | 216 | 55.1 | 319 | 226 | 70.8 | 373 | 315 | 84.4 | 69.8% |
| TOTAL | 1151 | 586 | | 1188 | 842 | | 1191 | 1075 | | |

Source: Computed from Statistical records of enrolment and retention of students in BATCs of Kaduna State (2012)

KEY: EY/GY: Entry year/Graduating year; SEAFY: Students' Enrolment at first year; SPAGY: Students' Persistence at Graduation year; KCSD: Kaduna Central Senatorial District. NKSD: Northern Kaduna Senatorial District. SKSD: Southern Kaduna Senatorial District; %SP: Percentage of Students' Persistence; Average SP in %: Average Students' persistence in percentage for the academic sessions under review.

FIG. 2: BAR CHART ILLUSTRATING BATCs STUDENTS' PERSISTENCE PATTERN IN TERMS OF SCHOOL LOCATIONS IN KADUNA STATE



In view of the above, it is evident that BATCs students' persistence pattern differs in the three school locations; hence, the unequal persistence pattern implies that each of the school locations has its own peculiar characteristics that might be affecting students' persistence positively or negatively. Consequently, the need to look at the characteristics of these three school locations for the purpose of drawing inference becomes imperative. The first school location Kaduna Central senatorial district recorded the highest peak persistence pattern (an average of 76.4% for the academic sessions under review), this location is characterized with many big industries/factories that could employ the service of artisans from BATCs, lots of other job opportunities that BATCs graduates could take advantage of, lots of small and medium scale industries/enterprises (SMEs), cottage industries and many opportunities in the Federal and State's civil service parastatals. Therefore, the availability of the numerous job opportunities in this school location (Kaduna Central) could be attributed to be responsible for high BATCs students' persistence rate recorded in the schools situated in it. The next school location is the Southern Kaduna senatorial district which recorded an average peak persistence pattern of 69.8% (for the academic sessions under review), this location (Southern Kaduna) is mostly characterized with civil service activities, trading, farming, some SMEs, cottage industries and few factories/industries that could absorb the graduates of BATCs. Therefore, it was concluded that the absence of reasonable number of industries/factories and other relevant workplaces that the products of BATCs could fit in after graduation was responsible for lower BATCs

Students' persistence rate (69.8%) recorded in this school location (Southern Kaduna) as compared to the Kaduna Central Which recorded 76.4%. The third school location is the Northern Kaduna senatorial district which recorded an average peak persistence pattern of 67%. This school location (Northern Kaduna) is characterized with few industries/factories to absorb graduates of BATCs, some SMEs, trading activities (buying and selling of goods), farming, cottage industries and civil service work. The lowest average persistence rate (67%) recorded in the Northern Kaduna was attributed to the absence of reasonable number of industries/factories and other relevant workplaces to absorb lots of BATCs graduates. Finally, it was concluded that the labour market demand effect within or around the vicinity of BATC school locations have influence on students' persistence.

RESEARCH QUESTION FIVE

What are the strategies that could be used to improve BATCs students' persistence in Kaduna state?

The results of data analysis in Table 5 showed that both teachers and students accepted all the items (23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 and 44) as strategies that could be used to improve students' persistence in trades' areas of BATCs in Kaduna state. This is because the items have grand mean of 2.76, 3.22, 2.68, 2.90, 2.97, 3.50, 2.95, 3.31, 2.89, 3.12, 2.66, 2.72, 3.44, 3.54, 3.05, 3.17, 2.64, 3.19, 3.06, 3.20, 3.00 and 2.97 respectively which is above the cut-off mean of 2.50. This implies that Strategies Associated with Academic Programs, Strategies Associated with Co-curricular Support, Strategies Associated with Student Learning Support, and Strategies Associated with Students' Wellness and Campus Life could be used to enhance students' persistence in BATCs in Kaduna State.

TABLE 5: MEAN RATINGS AND STANDARD DEVIATION OF TEACHERS' AND STUDENTS' RESPONSES ON THE STRATEGIES FOR IMPROVING BATCs STUDENTS' PERSISTENCE IN KADUNA STATE

| S/No | ITEMS | \bar{X}_T N=34 | \bar{X}_S N=540 | \bar{X}_R | SD _T | SD _S | Decision |
|--|--|---------------------|----------------------|-------------|-----------------|-----------------|----------|
| Strategies Associated with Academic Programs | | | | | | | |
| 23 | BATCs should commit themselves to a long-term process of program development | 2.75 | 2.76 | 2.76 | .034 | .001 | Accepted |
| 24 | BATCs should act to insure that teachers and instructors possess the necessary skills needed for training their students. | 3.30 | 3.14 | 3.22 | .014 | .041 | Accepted |
| 25 | The BATCs must determine which factors in their institutions correlate to student persistence or withdrawal. | 2.62 | 2.73 | 2.68 | .019 | .041 | Accepted |
| 26 | Retention interventions need to be developed by BATCs through research and their implementation verified. | 2.79 | 3.01 | 2.90 | .018 | .041 | Accepted |
| 27 | Exit interviews should be conducted by BATCs before each graduation to enable the institution evaluate their services and make amendment where necessary. | 3.00 | 2.94 | 2.97 | .001 | .001 | Accepted |
| 28 | Utilizing Multiple strategies that combines orientation programs, Guidance & Counseling programs and departmental training to enhance retention | 3.16 | 3.83 | 3.50 | .071 | .068 | Accepted |
| 29 | Either before or after enrollment, adult students should be encouraged to clarify career and academic goals. | 3.01 | 2.89 | 2.95 | .065 | .012 | Accepted |
| 30 | The present workshops facilities in each trade area of BATC should be upgraded to acceptable standard so as to make skill acquisition worthwhile to trainees/students | 3.56 | 3.06 | 3.31 | .044 | .051 | Accepted |
| Strategies for Co-curricular Support | | | | | | | |
| 31 | BATC students should be encouraged to participate in campus organizations and activities e.g. Programs celebrating cultural diversity, including events of particular interest to diverse groups. | 2.84 | 2.93 | 2.89 | .066 | .041 | Accepted |
| Strategies for Student Learning Support | | | | | | | |
| 32 | Coaching students to develop strategies (study skills, critical thinking ability, learning skills, extracurricular activities, time management) for academic success | 3.18 | 3.06 | 3.12 | .044 | .041 | Accepted |
| 33 | Students should be encouraged to take extra classes in English (written and oral expression), Mathematics and other courses in which they had deficiency in the form of extramural | 2.63 | 2.69 | 2.66 | .014 | .001 | Accepted |
| 34 | Families and peers should be encouraged to support their wards, relations and friends to continue in their studies. | 2.71 | 2.73 | 2.72 | .051 | .041 | Accepted |
| 35 | The state government, philanthropists and non-governmental organizations should be encouraged by the BATC institutions management and the society at large to offer financial grants to BATCs students with low economic status. | 3.35 | 3.52 | 3.44 | .015 | .044 | Accepted |
| 36 | The State Government should in collaboration with some Federal Government's poverty alleviation bodies and Non-governmental Organizations provide basic tool kits for each graduates | 3.50 | 3.58 | 3.54 | .072 | .011 | Accepted |
| 37 | Peer and faculty mentoring programs should be embarked on by BATCs. | 3.24 | 2.85 | 3.05 | .014 | .041 | Accepted |
| 38 | The use of good and shining role models (alumnae and alumni of BATCs) from private and public sectors to serve as motivators for students to persist to graduation. | 3.33 | 3.00 | 3.17 | 0.41 | 0.32 | Accepted |
| Strategies for Students' Wellness and Campus Life | | | | | | | |
| 39 | Providing opportunities for students to share issues or concerns that are preventing them from being a successful student. | 2.50 | 2.78 | 2.64 | .052 | .035 | Accepted |
| 40 | Fresh BATC students/trainees should be highly encouraged to have a strong intention to persist at entrance. | 3.24 | 3.14 | 3.19 | .039 | .041 | Accepted |
| 41 | The BATCs should help the students/trainees to fit in or integrated to the institution through personal counseling. | 3.18 | 2.94 | 3.06 | .032 | .001 | Accepted |
| 42 | BATCs should constantly organize programs and services that could strengthen students' academic preparedness, ongoing performance, and development throughout their educational life cycle | 3.14 | 3.25 | 3.20 | .045 | .062 | Accepted |
| 43 | Teachers and administrators should participate in behaviors that facilitate persistence and program completion. | 3.09 | 2.90 | 3.00 | .039 | .041 | Accepted |
| 44 | The BATCs should make business partnership with their host communities. Revenue accruing from such business could be used to assist at-risk students. | 2.96 | 2.97 | 2.97 | .034 | .041 | Accepted |

HYPOTHESES ONE

There is no significant difference in the mean responses of teachers and students on the Cognitive problems associated with BATCs students' persistence in Kaduna state.

The result of the paired Z-test presented on Table 6 showed that the z-calculated 1.688 is less than the z-critical value of 1.96 at 0.05 level of significance ($z_{cal} < z_{crit}$). Hence, H_{01} was accepted; therefore, there is no significant difference in the mean responses of teachers and students on the Cognitive problems associated

with BATCs students' persistence in Kaduna state. This implies that both teachers and students share similar perception in regard to the Cognitive problems associated with the BATCs students' persistence in Kaduna state.

TABLE 6: SUMMARY OF Z-TEST ANALYSIS OF TEACHERS' AND STUDENTS' RESPONSES ON THE COGNITIVE PROBLEMS ASSOCIATED WITH BATCs STUDENTS' PERSISTENCE IN KADUNA STATE

| Group | Mean | Standard Deviation | n | Standard error | z-cal | z-critical | Decision |
|----------|------|--------------------|-----|----------------|-------|------------|----------|
| Teachers | 2.79 | 0.055 | 34 | 0.160 | 1.688 | 1.960 | NS |
| Students | 2.52 | 0.022 | 540 | | | | |

P<0.05. NS – Not Significant

HYPOTHESES TWO

There is no significant difference in the mean responses of teachers and students on the Social problems associated with BATCs students' persistence in Kaduna state.

The result of the paired Z-test presented on Table 7 showed that the z-calculated 0.499 is less than the z-critical value of 1.96 at 0.05 level of significance ($z\text{-cal} < 0.05$). Hence, H_{02} was accepted; therefore, there is no significant difference in the mean responses of teachers and students on the Social problems associated with BATCs students' persistence in Kaduna state. This implies that both teachers and students share similar perception in regard to the Social problems associated with the BATCs students' persistence in Kaduna state.

TABLE 7: SUMMARY OF Z-TEST ANALYSIS OF TEACHERS' AND STUDENTS' RESPONSES ON THE SOCIAL PROBLEMS ASSOCIATED WITH BATCs STUDENTS' PERSISTENCE IN KADUNA STATE

| Group | Mean | Standard Deviation | n | Standard error | z-cal | z-critical | Decision |
|----------|------|--------------------|-----|----------------|-------|------------|----------|
| Teachers | 2.34 | 0.400 | 34 | 0.160 | 0.499 | 1.960 | NS |
| Students | 2.42 | 0.312 | 540 | | | | |

HYPOTHESES THREE

There is no significant difference in the mean responses of teachers and students on the Institutional problems associated with BATCs students' persistence in Kaduna state.

The result of the paired Z-test presented on Table 8 showed that the z-calculated 1.926 is less than the z-critical value of 1.96 at 0.05 level of significance ($z\text{-cal} < 0.05$). Hence, H_{03} was accepted; therefore, there is no significant difference in the mean responses of teachers and students on the Institutional problems associated with BATCs students' persistence in Kaduna state. This implies that both teachers and students share similar perception in regard to the Institutional problems associated with the BATCs students' persistence in Kaduna state.

TABLE 8: SUMMARY OF Z-TEST ANALYSIS OF TEACHERS' AND STUDENTS' RESPONSES ON THE INSTITUTIONAL PROBLEMS ASSOCIATED WITH BATCs STUDENTS' PERSISTENCE IN KADUNA STATE

| Group | Mean | Standard Deviation | n | Standard error | z-cal | z-critical | Decision |
|----------|------|--------------------|-----|----------------|-------|------------|----------|
| Teachers | 2.26 | 0.382 | 34 | 0.135 | 1.926 | 1.960 | NS |
| Students | 2.52 | 0.192 | 540 | | | | |

HYPOTHESIS FOUR

There is no significant difference in the mean responses of teachers and students on the strategies for improving BATCs students' persistence in Kaduna state.

The result of the paired z-test presented on Table 9 showed that the z-calculated 0.388 is less than z-critical value 1.96 at 0.05 level of confidence ($z\text{-cal} < 0.05$). Hence, H_{04} was accepted; therefore, it was concluded that there is no significant difference in the mean responses of teachers and students on the strategies for improving BATCs students' persistence in Kaduna state. This implies that both teachers and students share similar opinion in regard to the strategies for improving BATCs students' persistence in Kaduna state.

TABLE 9: SUMMARY OF Z-TEST OF TEACHERS AND STUDENTS ON THE STRATEGIES FOR IMPROVING STUDENTS' PERSISTENCE IN TRADE AREAS OF BATCs IN KADUNA STATE

| Group | Mean | Standard Deviation | n | Standard error | z-cal | z-critical | Decision |
|----------|------|--------------------|-----|----------------|-------|------------|----------|
| Teachers | 3.04 | 0.287 | 34 | 0.051 | 0.388 | 1.960 | NS |
| Students | 3.03 | 0.292 | 540 | | | | |

FINDINGS

The following are the findings of this study, based on the results of data analysis and in line with the stated research questions and hypotheses formulated.

- The Cognitive problems associated with students' persistence in trade areas of BATC in Kaduna state are:
 - Some BATC students Lack good study habit and critical reasoning ability to enable them succeed in their training.
 - Students' low level of proficiency in reading, writing, and mathematics.
- The Social problems associated with students' persistence in trade areas of BATC in Kaduna state are:
 - Dropping out of some BATCs trainees due to lack of preparedness on their part.
 - Lack of goals and aspirations on the part of students/trainees of BATCs.
 - Some BATC trainees' dropout of school as a result of the withdrawal of allowances by the state and some local government.
 - Trainees drop out of BATCs due to lack of family or peer support.
 - Absence of significant interactions of some BATC students with other college members.
- The Institutional problems associated with students' persistence in trade areas of BATC in Kaduna state are:
 - Lack of organizing orientation programs for students.
 - Lack of campus resources (e.g. computer, library, athletic, college union) to create sense of belonging in students.
 - Lack of financial aid for students with low economic status.
- The analysis on the effect of school locations on BATCs students' persistence pattern in Kaduna State revealed that:
 - BATCs students' persistence pattern differs in all the three school locations.
 - The availability of the numerous job opportunities in Kaduna Central senatorial district was responsible for the high BATCs students' persistence rate recorded in its schools.
 - Lack of reasonable number of industries/factories and other relevant workplaces to absorb lots of BATCs graduates was responsible for the lower students' persistence rates recorded in schools situated in Southern Kaduna senatorial districts and Northern Kaduna senatorial districts.
- The Strategies that could be used to improve Students' Persistence in Trade areas of BATC in Kaduna state are:
 - Strategies Associated with Academic Programs**
 - BATCs should commit themselves to a long-term process of program development.
 - BATCs should act to insure that teachers and instructors possess the necessary skills needed for training their students.
 - The BATCs must determine which factors in their institutions correlate to student persistence or withdrawal.
 - Retention interventions need to be developed by BATCs and their implementation verified.

- (v) Exit interviews should be conducted by BATCs before each graduation to enable the institution evaluate their services and make amendment where necessary.
 - (vi) Utilizing multiple strategies that combine orientation programs, guidance & counseling programs, and departmental training to enhance retention.
 - (vii) Either before or after enrollment, adult students should be encouraged to clarify career and academic goals.
 - (viii) The present workshops facilities in each trade area of BATC should be upgraded to acceptable standard so as to make skill acquisition worthwhile to trainees/students.
- b. Strategies for Co-curricular Support**
- (i) BATC students should be encouraged to participate in campus organizations and activities e.g. Programs celebrating cultural diversity, including events of particular interest to diverse groups.
- c. Strategies for Student Learning support**
- (i) Coaching students to develop strategies (study skills, critical thinking ability, learning skills, extracurricular activities, time management) for academic success.
 - (ii) Students should be encouraged to take extra classes in English (written and oral expression), Mathematics and other courses in which they had deficiency in the form of extramural.
 - (iii) Families and peers should be encouraged to support their wards, relations and friends to continue in their studies.
 - (iv) The state government, philanthropists and non-governmental organizations should be encouraged by the BATC institutions management and the society at large to offer financial grants to BATCs students with low economic status.
 - (v) The State Government should in collaboration with some Federal Government's poverty alleviation bodies and Non-governmental Organizations to provide basic tool kits for each graduate.
 - (vi) Peer and faculty mentoring programs should be embarked on by BATCs.
 - (vii) The use of good and shining role models (alumnae and alumni of BATCs) from private and public sectors to serve as motivators for students to persist to graduation.
- d. Strategies for Students' Wellness and Campus Life.**
- (i) Providing opportunities for students to share issues or concerns that are preventing them from being a successful student.
 - (ii) Fresh BATC students/trainees should be highly encouraged to have a strong intention to persist at entrance.
 - (iii) The BATCs should help the students/trainees to fit in or integrated to the institution.
 - (iv) BATCs should constantly organize programs and services that could strengthen students' academic preparedness, ongoing performance, and development throughout their educational life cycle.
 - (v) Teachers and administrators should participate in behaviors that facilitate persistence and program completion.
 - (vi) The BATCs should make business partnership with their host communities. Revenue accruing from such business could be used to assist at-risk students.
6. There is no significant difference in the mean responses of teachers and students on the cognitive problems associated with BATCs students' persistence in Kaduna state.
 7. There is no significant difference in the mean responses of teachers and students on the social problems associated with BATCs students' persistence in Kaduna state.
 8. There is no significant difference in the mean responses of teachers and students on the Institutional problems associated with BATCs students' persistence in Kaduna state.
 9. There is no significant difference in the mean responses of teachers and students on the strategies for improving BATCs students' persistence in Kaduna state.

DISCUSSION OF FINDINGS

The findings from table 1, research question 1, items (1 & 2), highlights the cognitive problems associated with BATCs students' persistence in Kaduna State, namely; Some BATC students Lack good study habit and critical reasoning ability to enable them succeed in their training. This confirms the suggestion of Suffolk University (2011) which advocated the coaching of students to enable them develop strategies for their academic success. Students' low level of proficiency in reading, writing, and mathematics is an issue of great concern. This is because deficiency in reading, writing and mathematics could impede students' success as well as students' persistence in school. This agrees with ICSR (2005) who stated that students' low cognitive ability impedes retention in schools because cognitive factors form the academic ability, the strengths and weaknesses of the student which include the level of proficiency in reading, writing, and mathematics. Findings from table 2, research question 2, items (3, 4, 7, 11 & 12) highlights the social problems associated with BATCs students' persistence in Kaduna State, namely; Some trainees drop out of BATC due to lack of preparedness on their part. This agrees with Wallace-Hulecki (2009) who stated that a high dropout rate of students is a consequence of lack of preparation at the secondary or vocational education level.

Another problem is that of Lack of goals and aspirations on the part of some students/trainees of BATCs. This is because a student without desire or ambition to achieve an academic goal cannot persist in school. This agrees with Rena (2007) who stated that Lack of interest of some children in education generally is also a factor militating against retention in schools; and the finding of Oranu (2004) that stated that students' preference of conventional courses to technical/vocational courses is due to lack of interest, enthusiasm, poor funding and inadequate facilities. Some BATC trainees' dropout of school as a result of the withdrawal of allowances by the state and some local government. This agrees with Gambo (2004) cited in Mshelizah (2011) who stated that Lack of incentives for both students and teachers has created a barrier for the enrolment and retention of students in this area of the educational sector. Trainees drop out of BATCs due to lack of family or peer support.

Findings from table 3, research question 3, items (14, 18 and 21) highlights the institutional problems associated with BATCs students' persistence in Kaduna State, namely; Lack of organizing orientation programs for BATC students. This agrees with Tinto (1975) cited in Kailani and Ikara (2012) who stressed that organizational factor like lack of orientation programs for students contributes to attrition of students in schools. Lack of campus resources (e.g. computer, library, athletic, college union) to create sense of belonging in students is also a problem of great concern. This agrees with Moju, (2000) in Mshelizah (2011) who stated that lack of adequate resources for expansion is one of the problems affecting enrolment and retention of students in TVET, he further stressed that problems were experienced due to shortage of teaching and learning resources needed for meaningful education to take place, for example school did not have workshops for the practical subjects and those that have them were not adequately equipped and thus not functional. Lack of financial aid for students with low economic status was also identified as problem militating against students' persistence in BATCs. Low economic status of parent could affect students educational carrier, presently BATCs do not have any avenue for assisting at risk students.

The finding from Table 4, research question 4, revealed that there was difference in the BATCs students' persistence pattern in all school locations in Kaduna State. This partly agrees with the finding of Okereke (2003) which portrayed irregular rates of students' withdrawal among schools in different locations as they failed to present uniform values. And the finding of Bryk and Thum (1989) in Okereke (2003) which reported a substantial difference between schools in students attrition. The next finding was that labour market demand effect within or around the vicinity of BATCs school locations has influence on students' persistence. For example, the availability of the numerous job opportunities in Kaduna Central senatorial district could be responsible for high BATCs students' persistence rate recorded in the schools situated in it. While Lack of reasonable number of industries/factories and other relevant workplaces to absorb lots of BATCs graduates could be attributed to the lower students' persistence rate recorded in schools situated in Northern Kaduna senatorial districts and Southern Kaduna senatorial districts.

This partly agrees with Bruce, Edgington and Olkin (2003) who stated that one of the factors that could affect students' enrolment is labour market supply and demand effects.

IMPLICATION OF THE STUDY ON VOCATIONAL TRADE DEVELOPMENT IN KADUNA STATE

The findings of this study have some far reaching implication on Trade development in Kaduna State, students, teachers, management of BATCs and the nation at large. Specifically, the implication of the findings of this study on trade development is that if the problems identified are not addressed promptly, Industries may not find sufficiently trained workers to operate machines and carry out maintenance and production work. The consequence of this is that the industries would have to either invest in their own training programmes or relocate to areas where sufficiently trained workers are more available, sometimes even going overseas. This will not be in the interest of the nation, especially at a time like this when every nation of the world are trying to attract foreign investors to boost their economy and create job opportunities for the citizens. The implication of the findings on students is that, non-persisting students will lack the requisite training and requirements to enter the professional workforce. This could result to high level of poverty in the society or Lower incomes which generally correlate with many social problems and lower living standards. The implication of this (lower income and poverty) on Kaduna State and the nation at large is under development. The implication of the findings on Kaduna state and the nation is that a lot of youth who might drop out of school at basic or post-basic education level will not be equipped with salable skills that will enable them make a living and contribute their quota to the economic/technological development of this nation. And this could lead to Social vices associated with idle school dropouts and could pose threat to peace in Kaduna State and the nation at large. Another implication of the findings if the appropriate authorities failed to address the problems is that non-persistence of the students in BATCs would render the money invested by the institutions for admission exercises as waste of resources. This is due to the fact that whenever students withdraw from college the invested institutional resources were not spent wisely forcing the college to invest additional resources to recruit new students. While the implication of the findings on BATCs teachers is that acute non-persistence of students in the schools would render a lot of teachers redundant and eventually lose their jobs. Consequently, this implies that teachers and the management of BATCs have to be highly innovative and dynamic in service delivery to students of BATCs if they want to remain relevant. And in view of the above, the need to implement the recommendations proffered (Strategies Associated with Academic Programs, Strategies Associated with Co-curricular Support, Strategies Associated with Student Learning Support, and Strategies Associated with Students' Wellness and Campus Life) becomes inevitable in enhancing students' persistence on the course of their training at BATCs in order to enhance the economy/ trade development in Kaduna State and the nation at large.

RECOMMENDATIONS

The following recommendations have been proffered based on the findings of the study:

1. BATCs should commit themselves to a long-term process of program development.
2. BATCs should act to insure that teachers and instructors possess the necessary skills needed for training their students.
3. The BATCs must determine which factors in their institutions correlate to student persistence or withdrawal.
4. Retention interventions need to be developed by BATCs and their implementation verified.
5. Exit interviews should be conducted by BATCs before each graduation to enable the institution evaluate their services and make amendment where necessary.
6. Utilization of multiple strategies that combine orientation programs, guidance & counseling programs, and departmental training to enhance retention.
7. Either before or after enrollment, adult students should be encouraged to clarify career and academic goals.
8. The present workshops facilities in each trade area of BATC should be upgraded to acceptable standard so as to make skill acquisition worthwhile to trainees/students.
9. BATC students should be encouraged to participate in campus organizations and activities e.g. Programs celebrating cultural diversity, including events of particular interest to diverse groups.
10. Coaching students to develop strategies (study skills, critical thinking ability, learning skills, extracurricular activities, time management) for academic success.
11. Students should be encouraged to take extra classes in English (written and oral expression), Mathematics and other courses in which they had deficiency in the form of extramural.
12. Families and peers should be encouraged to support their wards, relations and friends to continue in their studies.
13. Trades relevant to the craft and cottage industries within the locality of BATCs location should be included in the curriculum and offered in the schools.
14. The state government, philanthropists and non-governmental organizations should be encouraged by the BATC institutions management and the society at large to offer financial grants to BATCs students with low economic status.
15. The State Government should in collaboration with some Federal Government's poverty alleviation bodies and Non-Governmental Organizations provide basic tool kits for each graduate.
16. Peer and faculty mentoring programs should be embarked on by BATCs.
17. The use of good and shining role models (alumnae and alumni of BATCs) from private and public sectors to serve as motivators for students to persist to graduation.
18. Providing opportunities for students to share issues or concerns that are preventing them from being a successful student.
19. Fresh BATC students/trainees should be highly encouraged to have a strong intention to persist at entrance.
20. The BATCs should help the students/trainees to fit in or integrated to the institution.
21. BATCs should constantly organize programs and services that could strengthen students' academic preparedness, ongoing performance, and development throughout their educational life cycle.
22. Teachers and administrators should participate in behaviors that facilitate persistence and program completion.
23. The BATCs should make business partnership with their host communities. Revenue accruing from such business could be used to assist at-risk students.

CONCLUSION

Based on the outcome of the study, the following conclusions were drawn. That the problems associated with students' persistence in trade areas of BATC in Kaduna state is linked to three sets of factors, namely; Cognitive Factors, Social Factors and Institutional factors. And that if these problems are not tackled promptly could lead to the loss of a major in some department/trade areas, and a loss of human capital - that is, the loss of highly trained individuals to enter the workforce or perform civic duties. Consequently, four sets of strategies were proffered, namely; Strategies Associated with Academic Programs, Strategies for Co-curricular Support, Strategies for Student Learning support, and Strategies for Students' Wellness and Campus Life. It is therefore hope that, prompt implementation of the recommendations proffered in this study would enhanced BATC students' persistence drastically in Kaduna State of Nigeria.

LIMITATION

This study is delimited to problems associated with students' persistence in BATCs in Kaduna State, Nigeria. The fieldwork for the study was conducted in 2012.

SCOPE FOR FURTHER RESEARCH

Similar study should be conducted on the problems associated with students' Enrolment and persistence/retention in Vocational Enterprise institutions (VEIs) in North-East geopolitical zone (Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe states) of Nigeria.

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THE CAUSES OF PRIMARY AGRICULTURAL CREDIT SOCIETIES' OVERDUES IN ANDHRA PRADESH: A STUDY OF WEST GODAVARI DISTRICT

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ABSTRACT

In order to sustain and accelerate the production in agriculture, supply of adequate credit and its use in proper direction are prime importance. One of the most disquieting features of the institutional credit in India is the incidence of ever-increasing overdues. The high level of overdues restricts the capacity of lending institutions to recycle funds, besides threatening the prospects of continued flow of external credit for agricultural development. Agricultural loans are overdue because of wilful default and circumstantial or genuine default. In the overdues of co-operative credit institutions majority of the large farmers are considered to be wilful defaulters, while the default of small farmers is mostly due to natural causes. What factors contribute to wilful and non-wilful default? Who are the wilful defaulters and what is their incidence in different regions of the district? What is the nature and dimensions of wilful and non-wilful default? To seek answers to these and other related questions, 120 defaulted and 60 non-defaulted borrowers were interviewed and the results are incorporated in this article.

KEYWORDS

PACS, non-wilful default, overdues, wilful default.

INTRODUCTION

Agriculture is a dominant sector of our economy and credit plays an important role in increasing agriculture production. Availability and access to adequate, timely and low cost credit from institutional sources is of great importance especially to small and marginal farmers. Along with other inputs, credit is essential for establishing sustainable and profitable farming systems. Most of the farmers are small producers engaged in agricultural activities. Experience has shown that easy access to financial services at affordable cost positively affects the productivity, asset formation, income and food security of the rural poor. The major concern of the Government is to bring all the farmer households within the banking fold and promote complete financial inclusion.

Credit is a crucial input process of development. For historical reasons, Indian farming community failed to make huge investments in agriculture. There is an adage which says that "Indian farmer is born in debt, lives in debt and dies in debt". In order to mitigate the problems of the farming community, the Co-operative Credit Societies Act was passed in 1904, which permitted the formation of credit societies. They provided institutional support to farmers for short, medium and long term purposes. Subsequently, tiers at state and district levels were too conceived to strength these credit co-operatives. Apart from these cooperative institutions, nationalization of commercial banks and introduction of regional rural banks also helped in increasing credit supply to farmers.

The Indian credit co-operatives have a century long history. During this period these institutional financing agencies failed to a large extent, to meet the requirements (consumption and production) of the farmers. Some of the factors responsible for their failure are inadequate supply of credit, poor recovery, demand-supply gaps, interference by politicians, lack of monitoring, mis-utilisation of credit, problems in identification of target groups, high transaction costs, lags in time, natural calamities and competition from informal credit agencies.

The financial requirements of the Indian farmers are for;

- Buying agricultural inputs like seeds, fertilizers, plant protection chemicals, feed and fodder for cattle etc.
- Supporting their families in those years when the crops have not been good.
- Buying additional land, to make improvements on the existing land, to clear old debt and purchase costly agricultural machinery.
- Increasing the farm efficiency as against limiting resources i.e. hiring of irrigation water lifting devices, labour and machinery.

Agricultural credit is one of the most crucial inputs in all agricultural development programmes. For a long time, the major source of agricultural credit was private moneylenders. But this source of credit was inadequate, highly expensive and exploitative. To curtail this, a multi-agency approach consisting of co-operatives, commercial banks and regional rural banks credit has been adopted to provide cheaper, timely and adequate credit to farmers.

The source of agriculture finance can be divided into two categories Institutional finance and non-institutional finance. Institutional finance consists of co-operatives, scheduled commercial banks and regional rural banks, among co-operatives Primary Agriculture Credit Societies (PACS) provide mainly short and medium term loans; whereas Primary Co-operative Agricultural and Rural Development Banks (PCARDBs) provide long-term loans for the agriculture. The Commercial Banks including Regional Rural Banks (RRBs) provide both short and medium-term loans for agriculture and allied activities. The National Bank for Agriculture and Rural Development (NABARD) is the apex institute at the national level for agricultural credit and provides refinance assistance to the above agencies. The non-institutional finance consists of money lenders, land lords and others.

REVIEW OF LITERATURE

The literature on agricultural credit in the context of developing economies may be broadly grouped into two categories. The first set consists of international status, writings mostly from the World Bank and its affiliates which are based on the efficacy of market mechanism in the allocation of credit to the different sectors, classes and regions of the economy. The second set consists of National status mostly from Government of India as well as Reserve Bank of India (RBI). A brief review of select literature is presented hereunder in addition to this some area specific studies on agricultural finance and problems of mounting overdues are considered.

Report of the Study Team on Overdues of Co-operative Credit Institutions (1974) also called as Datey Committee went into the problem of overdues. The main recommendations of the committee were: (i) Registrar of the society as well as Central Bank should be empowered to initiate action on its own in the case of defaulters; (ii) Arbitration procedure for recovery of loans should be made easy and speedier; (iii) Co-operative laws should be so amended that societies were empowered to refuse loans to those who defaulted in repayment in the past; (iv) Defaulter co-operative societies should not be financial assisted by the state government; and (v) Societies should be encouraged to have full time paid staff, which could properly attend to defaulters. Book adjustments to reduce overdues should be discouraged.

Kalyankar (1983) of his study titled, "Wilful Default in Loans of Co-operatives". The study revealed that the cropping intensity, irrigation facility and working capital of the societies were the major factors for explaining overdues at primary agricultural credit societies' level. The socio-economic factors were not responsible for increasing overdues at the borrowers' level, but overdues were mainly mounted due to the non-economic factors in case of wilful defaulters.

S.K. Goyal et al. (1993) made an attempt to investigate various socio economic characteristics and repayment capacity of the borrowers. The specific objectives of the study are: (i) to study the socio-economic characteristics of defaulters and non-defaulter borrowers; and (ii) to study the repayment capacity of defaulter and non-defaulter borrowers. The non-defaulters were well off and better placed with respect to average yield of major crops, total cash returns of the household and repayment capacity as compared to defaulter borrowers.

Balister et al. (1994) conducted a study of overdues of loans in agriculture to examine the repayment performance of defaulters in three blocks of Agra district in Uttar Pradesh. They found that well-to-do agriculture families accounted for a large share of overdues. They accounted 37 per cent of total defaulters and 57 per

cent of total overdues. Total amount of overdues and its relative share also increased during the period of study. Lack of proper supervision over end use of loan was identified a major reason for mis-utilisation of credit which leads to increase in overdues.

Murthi and Saraswati (1996), in their paper titled, "Reducing Overdues in Credit Co-operatives: Some Alternatives" undertook a study to evaluate the Quantitative Progress made in respect of supply of Institutional Credit. Using the secondary data made available by RBI in Statistical Statements relating to Co-operative Movement in India for a period of 6 years from 1978 to 1983 and assessing the Loaning Policies of Girijan Co-operative Corporation, Visakhapatnam.

Reddy and Reddy (1996), in their study titled, "Nature and Dimensions of Wilful and Non-Wilful Default and Impact of Co-operative Credit Policy with reference to Nellore District of Andhra Pradesh" used multi-stage sampling technique and various statistical tools to examine the reasons for overdues. They concluded that landholding, cropping pattern, income from agriculture, number of dependent family members and political interference had direct influence on recovery position of co-operative banks.

Srinivasa Vallabahan (2001), studied on Default Pattern in Agricultural Loans. A pilot study was conducted earlier to find out the default factors in agricultural borrowings. With the help of statistical tools lesser significant factors were eliminated and five factors have been analysed with care and caution for understanding the reason for overdue and default.

Paramasivan (2008) in his article "Lending and repayment performance of primary agriculture co-operative banks" focused on the primary agricultural co-operative societies in Mallasamudram block in Namakkal District of Tamil Nadu. He suggested that the restructuring of co-operative societies is unavoidable in the present day situation and the primary agricultural co-operative banks should change their structure and programmes in accordance with modern development.

NEED FOR THE PRESENT STUDY

The organisation of co-operative credit societies has been one of the important policy measures adopted since the beginning of this century. Even after the entry of commercial banks in the field of agricultural finance, the government policy is to encourage the cooperatives as the primary organisations financing agricultural development. There is stagnation in co-operative credit flow. The main reason for this is the mounting overdues which are clogging the process of credit recycling. The PACS occupy a cardinal position in the loans providing to the farmers. They constitute an important link between the District Co-operative Central Bank and the Members of the Society. They have to mobilise the available resources and utilise them in the most efficient and profitable manner. A significant problem observed recently in PACS i.e. overdues which have required much more attention. The above problem invites greater attention today especially because of the growth of competitive banking and the liberalised economic policies which are likely to affect the working of PACS. The present study is an attempt to bring out the various facets in the causes of overdues in PACS in West Godavari District of Andhra Pradesh.

OBJECTIVES OF THE STUDY

The specific objectives of the present study are:

1. to examine the nature and extent of co-operatives loan overdues at institute and borrower levels in West Godavari District;
2. to study the relationship between the extent of default and the socio-economic characteristics of defaulters;
3. to analyse the income and asset structure of defaulting and non-defaulting borrowers;
4. to examine the nexus between size of holdings and default and ability to repay and default.

HYPOTHESES

Based on the above objectives the following hypotheses are postulated for testing.

1. There is no significant difference in nature and extent of overdues at institute and borrower level in West Godavari District.
2. Co-operative overdues are not related to socio-economic factors like family size, extent of irrigation, literacy, occupation and community.
3. There is no significant difference exists in the income and asset levels of defaulted and non-defaulted members of sample borrowers.
4. There is no significant difference in the level of default between different size group of farmers and their ability to repay

METHODOLOGY

I. SOURCES OF DATA

Two types of data were collected for the present study i.e. time series data and cross section data. Time series data with respective share capital, owned funds, deposits, loans and advances and overdues had collected. Data related to the performance of the societies have been collected from the records of the sample societies. Apart from these, data have also been collected from the publications of various institutions like RBI, Government of India, NABARD, Bureau of Economics and Statistics and Registrar of Co-operatives of Government of Andhra Pradesh. Also published and unpublished reports, theses and individual works on the subject have been consulted.

Cross section data relating to the defaulters and non-defaulters regarding their assets, liabilities, current income and expenditure, investments, borrowings and repayment and hindrances in repayment are collected for the co-operative year ended in March 2014.

II. SAMPLE FRAME

A major portion of short and medium-term agricultural credit in West Godavari district is channelized by Primary Agricultural Credit Societies (PACS). Therefore, for the detailed investigation some of the PACS were taken up. The study covers wide range of population spread over the district a two stage sampling plan has been considered to be more suitable and flexible. Selection of PACS formed the first stage and selection of defaulters and non-defaulters formed the second stage. First stage units (PACS) were selected randomly from Primary Agricultural Credit Societies in the district. The district was divided into four revenue divisions (i.e. Eluru, Kovvur, Narasapuram and Jangareddygudem) but the co-operative department has divided the entire district into three divisions for the operational convenience (i.e. Eluru, Kovvur and Bhimavaram). From each division 5 PACS were selected for field investigation on consideration of proximity and better familiarity. As the main focus of the present study is to probe into the causes of overdues at the individual borrower's level, the list of all defaulters and non-defaulters from 15 sample PACS is obtained and post-stratify into four groups based on the extent of land holding. The groups consist of the defaulters and non-defaulters in the following way.

| | | |
|---------------------------|---|-------------------------|
| Group I: Marginal Farmers | – | Below 2.5 acres |
| Group II: Small Farmers | – | Between 2.5 and 5 acres |
| Group III: Medium Farmers | – | Between 5 and 10 acres |
| Group IV: Large Farmers | – | Above 10 acres |

In the second stage, stratified random sampling technique has applied to select the defaulters and non-defaulters. Two defaulted and one non-defaulted members from the all groups have been selected from each sample society. Thus 120 defaulted and 60 non-defaulted members have been selected from the 15 sample societies @ 5 societies from each division.

BRIEF PROFILE OF THE WEST GODAVARI DISTRICT

West Godavari District has a richly cultivated land, divided into the delta and the uplands. In the Delta coconut, lemon, rice farming and aquaculture are practiced. In the uplands oil palm, tobacco, cotton, sugar cane, corn, cashew, mango, banana and other fruit farming is practiced. Cotton barrage was built on River Godavari at Dhavaleswaram channelling two canals, from which one canal passes through West Godavari, making the soil fertile. In the coastal belt of the district, a large portion of prawns and fish is exported to Japan, and the United States. Eluru is the biggest city in West Godavari District. It is famous for its thriving woollen pile carpet industry. Bhimavaram is a hub for Prawns export. It is the richest town in the State of Andhra Pradesh. Vendra paper mills in Bhimavaram, and Andhra Sugars, a sugar factory, in Tanuku are some of the more famous industries of the district. The district is neglected for industrialization despite availability of raw

materials. ONGC started exploration activities in 1980 in the Krishna Godavari basin. Reliance & Cairn are making efforts to extract oil and gas. West Godavari is popularly known as the Granary of India since about 50% of the state's rice production comes from the district. Though the whole country suffers from drought, the district rarely faces such conditions.

The District is bounded by the following places and features on all the four sides.

East : River Godavari

West : Krishna District

North : Khammam District

South : Krishna District and Bay of Bengal.

The District is situated in tropical region between 16°-15'-00" to 17°-30'-00" Northern latitude and 80°-55'-00" to 81°-55'-00" Eastern Longitude.

RESULTS, DISCUSSION & FINDINGS

The findings of research work are given in two sections, based on the secondary data and based on the primary data.

BASED ON SECONDARY DATA

- The direct short term institutional credit for agriculture and allied activities. The direct loans issued increased from Rs. 71,748 crore in 2004-05 to Rs. 3,46,737 crore in 2011-12. As far as the loans outstanding was concerned, which increased from Rs. 86,259 crore in 2004-05 to Rs. 4,85,302 crore in 2012-13.
- The direct long term institutional credit for agriculture and allied activities during 2004-05 to 2013-14. The highest loans issued were in the case of Scheduled Commercial Banks and the lowest was in the Co-operatives. The highest loans outstanding were in Regional Rural Banks and the lowest was here also in the case of Co-operatives.
- Scheduled Commercial Banks' Direct Finance to Farmers According to Size of Land Holdings (Disbursements) Short-term and Long-term Loans during 2000-01 to 2011-12. The total number of account holders increased from 58,41,000 to 3,05,38,000, whereas the amount of finance increased from Rs. 14,516 crore to Rs. 2,71,670 crore over the years.
- Scheduled Commercial Banks' Direct Finance to Farmers According to Size of Land Holdings (Outstanding) Short-term and Long-term Loans during 2000-01 to 2011-12. The total number of account holder increased from 1,18,44,000 to 4,05,09,000, whereas the amount of finance increased from Rs. 31,486 crore to Rs. 3,91,389 crore over the years.
- There has been an impressive growth in agricultural credit flow from Rs. 1,80,486 crore to Rs. 8,40,643 crore during the ten-year period of 2005-06 to 2014-15. However, while crop loan disbursement increased more than six-fold during the same period, term loans increased threefold.
- As on 31st March 2014, the consolidated assets of the rural cooperative credit institutions amounted to Rs. 8,35,300 crore. The rural co-operative sector, on aggregate, held Rs. 4,25,440 crore of deposits and a loan portfolio of Rs. 4,69,463 crore. Their financial performance continued to deteriorate during 2013-14 when compared to previous year. The number of loss-making entities continued to far exceed the number of profit-making entities.
- The number of PACS in India in 2009-10 was 94,647 and it decreased to 93,042 in 2013-14. It is observed that the Western region has been maximum number of PACS. More than 50 per cent of total PACS are from Eastern and Western regions. Whereas, the PACS in North Eastern region has been lowest number of PACS.
- The membership of PACS in India in 2009-10 was 1264.19 lakh and it increased to 1301.20 lakh in 2013-14. It is observed that the southern region has been maximum membership. More than 65 per cent of total membership is from Southern and Eastern regions. Whereas in North Eastern region has been lowest membership as well as number of PACS also.
- Among the six regions in India, the working capital of Southern region was higher than the other regions. All the components of working capital were very sound in this region particularly deposits are occupied 85.78 per cent in its total working capital.
- The overdues of PACS were Rs. 29,631.94 crore as on 31st March, 2014. The Southern, Western and Northern regions PACS have maximum overdues but in case of North Eastern region PACS its percentage is less than one per cent to the total overdues at India level. The highest percentage of overdues are found in Southern region PACS.
- At Andhra Pradesh, the growth rate for the number of societies was negative except during the years 2010-11 and 2011-12. The CAGR was 10.13 at all India level and it stood at -5.04 in Andhra Pradesh.
- The membership position at all India level has been more than 4 crores from the year 2004-05 onwards due to the expansion of banking services by PACS. At Andhra Pradesh level, the membership was more than 1 crore in all the years of the study period.
- The working capital was fluctuating at Andhra Pradesh level with heavy ups and downs. It was the fact that the announcement of loan waiving scheme has hit the financial resources of these PACS. PACS in Andhra Pradesh were not able to issue fresh loans to the member borrowers due to lack of funds.
- The total loans issued by viable PACS had increased from Rs. 14,982 crore in 2004-05 to Rs. 1,71,420 crore in 2013-14 at all India level its CAGR was 31.10. CAGR of loans issued in Andhra Pradesh for the same period was 6.63.
- At all India level, the overdues had increased from Rs. 6,169 crore in 2004-05 to Rs. 29,632 crore in 2013-14. CAGR was 19.05 per cent. The percentage of overdues to demand has come down from 33.51 per cent and 52.28 per cent in the year 2004-05 to 19.01 per cent and 26.80 per cent respectively in the year 2013-14 at all India and Andhra Pradesh level.
- The total number of bank branches in the West Godavari district was 302 during 2002-03 which increased to 356 during 2008-09 with a growth rate of 2.78 per cent. The nationalized banks accounted for a major share ranging between 74.18 per cent (2007-08) to 76.82 per cent (2002-03 and 2003-04).
- The credits and deposits of commercial banks in West Godavari District during 2002-03 to 2008-09 went up by 16.09 per cent from Rs. 2,344.53 crore to Rs. 5,738.52 crore. The total advances of the commercial banks registered a growth rate of 25.49 per cent increasing from Rs. 2,078.71 crore to Rs. 8,118.52 crore during the corresponding period.
- The priority sector advances by commercial banks by district, which was Rs. 1,030.38 crore constituting 49.57 per cent of the total commercial banks advances, increased to Rs. 3,636.67 crore constituting 42.69 per cent of the total advances during 2002-03 to 2008-09 study periods.
- In the DCCB, Eluru the owned and borrowed funds were registering increasing trend. The share capital increased from Rs. 38.33 crore to Rs. 97.72 crore in the study period from 2005-06 to 2014-15. On the other hand, the reserves had increased from Rs. 81.12 crore in 2005-06 to Rs.91.46 crore in 2014-15. In 2005-06, the owned fund was Rs. 119.45 crore and it increased to Rs. 189.18 crore in 2014-15. It is noticed that the proportion of share capital to working capital ranged from 3.99 to 6.54 per cent and the reserves ranged from 4.30 to 14.09 per cent.
- Total advances of Eluru DCCB as on 31st March 2005, stood at Rs. 431.84 crore and it increased to Rs. 1547.55 crore on 31st March 2014, showing a CAGR of 118.08 per cent. Total short-term advances, which stood at Rs. 375.83 crore in 2004-05, raised to Rs. 1,190 crore in 2013-14 the CAGR being 110.58 per cent. The medium-term loans issued by the bank were Rs. 431.84 crore in 2004-05 increased to Rs. 1,547.6 crore in 2013-14, showing a growth of 75.10 per cent.
- The total amount of demand of Eluru Bank from Rs. 315.11 crore in 2004-05 to Rs. 1,032.19 crore in 2013-14. The total collection of loans of the bank has shown a fluctuating trend throughout the study period from Rs. 269.56 crore in 2004-05, reached to Rs. 277.60 crore in 2013-14.
- The total overdues of the bank have shown an increasing trend throughout the study period from Rs. 45.55 crore in 2004-05 and reached to Rs. 754.59 crore in 2013-14. The CAGR of bank's overdues was 107.37 per cent over a 10 year period.

BASED ON PRIMARY DATA

- There is a positive relationship between asset level and debt accumulation and income generation. In terms of relationship, there is no basic difference between defaulters and non-defaulters. The medium and large farmers have better access to credit markets because of their better asset status and income generated there from is higher.
- The null hypothesis viz., there is no significant difference in the assets and income levels of defaulted and non-defaulted members of sample borrowers is accepted. However, the difference between categories of borrowers is significant, hence, the said null hypothesis in this case is rejected.

- Out of 40 sample defaulters in Eluru region 37.5 per cent are willful defaulters. Similarly, there are also 40 per cent willful defaulters in Bhimavaram region. However, there are 25 per cent willful defaulters in Kovvur region. Out of the total 120 sample defaulters, the percentage of willful defaulters is 34.17. The non-defaulted borrowers covered are 20 in each region.
- The majority of willful defaulters fall in the size group of more than 10 acres of land. Thus, willful default is more common among large farmers. On the whole there are 21 in this category out of total 41 willful defaulters, which accounts to more than 50 per cent.
- Out of the total 41 willful defaulters, 38 are literates constituting 93 per cent against 82 per cent in case of non-willful defaulters. Majority of the willful and non-willful defaulters relate to the category of primary and secondary level of education.
- The proportion of willful defaulters in Backward Classes works out to 51 per cent. In the case of forward caste category this proportion is 42 per cent and in SC/ST category only 7 per cent. Thus, there is a positive relation between caste status and the incidence of willful default. The Backward Class borrowers are dominant in co-operative credit structure particularly in West Godavari District.
- There is positive relationship between volume of borrowing and the incidence of the non-default and willful default in all three regions. More than 76 per cent of borrowers in between Rs. 10,000 and Rs. 1,00,00. For non-willful defaulters there is a very low degree of positive relationship is found in Bhimavaram region.
- For the sample as a whole, 38.51 per cent of volume of willful default (WD) is below 2 Years, 40.13 Per cent between 2 and 4 years and 21.36 per cent above 4 Years. In case of non-willful default (NWD) 32.33 per cent of default is below 2 years, 34.13 per cent between 2 and 4 years and 33.64 per cent above 4 years.
- There is an inverse relationship between family size and default (NWD and WD) and non-default.
- An attempt is made to identify the key socio-economic factors of borrowers through χ^2 test. There is no significant relationship among the various socio-economic factors like caste, age structure of default and family size of non-willful defaulters (NWD) and willful defaulters (WD). However, a significant relationship exists among socio-economic factors like land, education and amount borrowed of non-willful defaulters (NWD) and willful defaulters (WD). In case of non-defaulters and willful defaulters there exists significant relationship in land at 5 per cent level.
- There is no significant difference between regions and purpose of credit utilization.

SUGGESTIONS

- ❖ Loan disbursements made by the PACS must be scrutinized by the supervisors at least once in a month. The securitization report should be submitted to the DCCB regularly.
- ❖ PACS should make pre-sanction and post-sanction inspections on a regular basis in order to ensure the proper utilization of the loan amount, so as to see that the expected income generation is there for prompt repayment of installments.
- ❖ In each PACS a special recovery cell should be created to formulate policies and strategies of loan recovery at each tier of the organizational hierarchy.
- ❖ There should be regular recovery camps/meetings in each village highlighting to the borrowers that they should not expect any more loan waivers and that the loan should be repaid in time.
- ❖ Public media like TV, Newspaper, SMS, local cable TV, distribution of messages through leaflets, cinema halls, etc., should be effectively utilized in the peak harvest seasons to motivate the borrowers to remit the dues, as a measure of reminders. This approach will definitely have an impact on the borrowers and make them think that they have to pay the dues.
- ❖ The elections for office bearers should be conducted without political colour and interferences. This will definitely help the members to obey the elected president and office bearers at the time of repayment.
- ❖ Willful default is the most serious problem in rural advances. For this, two approaches are necessary. First, to prevent willful default in future, and secondly to initiate steps to discourage willful defaulters.
- ❖ A PACS secretary can easily know whether a borrower is a willful defaulter or not. In case a borrower has a reputation of repaying the loan satisfactorily the people in the village and the neighboring areas will have a good opinion of him.
- ❖ The Society should also start playing the role of friend, philosopher and guide by counseling the borrower.
- ❖ The person who comes to the Society for any purpose should be attended without being made to wait for a long time. 'Come tomorrow syndrome' among the staff should effectively be tackled by fixing responsibility and accountability. The members should be aware of their rights to get service and a machinery to monitor member borrower grievances and redressal is required.
- ❖ Farmers still follow the age old cropping pattern with the water intensive crops. This should be replaced with low water intensive crops like vegetables, flowers etc., which fetch higher income besides assuring increase in area under cultivation.
- ❖ The Government should ask the opinion of the Revenue officials of area concerned to know about the drought and natural calamities before the announcement of waiver of loans.
- ❖ The main task for the Government should be to give a new look to rural development programmes. Instead of pursuing the policy of directed lending with various concessions and subsidies, fruits of which are largely enjoyed mainly by the wealthier classes, the Government should concentrate on creating a proper environment for progress by the development of infrastructure, improving research activities, providing extension education to the people, making correct information available to the people, implementing appropriate land reform measures and giving freedom to the financial institutions to decide about their choice of customers and activities. Government should also promote people's participation in developmental programmes by encouraging NGOs and self-help groups in rural areas.

CONCLUSIONS

The primary agricultural co-operative societies in West Godavari District have fared well in achieving the objective of providing access to the rural sections of the society to institutional credit but the recovery position on the whole is not satisfactory.

Overdues are the vital problem which affects the very cooperative movement itself. In the sample PACS also, the overdues have been increasing rapidly. On the whole, it can be concluded that to make co-operative credit more useful in developing the socio-economic condition of the farmers, it is necessary to see that the timely supply, proper supervision and timely recovery of loans to be made. If these necessities are fulfilled, the co-operative credit which is an instrument of the agricultural and economic development of the country will serve its desired purpose very successfully.

LIMITATIONS OF THE STUDY

The study is confined to select the role of Primary Agricultural Credit Societies (PACS) in West Godavari district. As the agriculturists do not maintain accounts, it is very difficult to get correct information due to considerations of false prestige and social status associated with their financial activities. Cross verification by indirect oral investigation was required to ascertain correct information and this was not possible in certain cases. The results of the investigation pertain to the selected units of West Godavari district only and cannot be generalised.

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U-COMMERCE OPPORTUNITIES & CHALLENGES

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ABSTRACT

Ubiquitous commerce also referred to as "u-commerce" or uber commerce, is the combination of electronic, wireless/mobile, television, voice, and silent commerce. The ubiquitous networks which can be accessed at any time from any place and using a range of devices are base of new kind of commerce. Commerce that offers unique and personalized service to every customer individually using Ubiquitous networks is called U-commerce extends traditional commerce to a world of Ubiquitous networks and universal devices. With the rapid development of Ubiquitous computing and mobile computing technologies the traditional business model will change drastically. U-commerce is the logical extension of e-commerce and m-commerce but not their replacement commerce is abbreviation that stands for ubiquitous commerce, also called Ubi comp or ultimate commerce or pervasive computing. The study concentrates the various characteristics of u commerce, components of ubiquitous commerce U-commerce is a conceptual Extension of E-commerce and M-commerce and also the various opportunities and challenges of U-Commerce. The study suggests that in order to overcome the threats of U-commerce it has a better growth.

KEYWORDS

u-commerce, features of u-commerce, components, transition of u-commerce, and opportunities and challenges.

INTRODUCTION

U-commerce is described as the evolution of E-commerce and M-commerce also combining the areas of V-commerce, television commerce as well as Silent commerce. This combination enables interaction and transition anywhere and everywhere without online connection. U-commerce could be defined as usage of ubiquitous networks in order to achieve personalized and continuous communication between companies and their clients. This approach is creating added value to traditional business transactions. Watsons and Junglas are arguing that U-commerce is opening new era in e-business, starting with e-commerce and continuing with m-commerce. Like m-commerce didn't replace e-commerce, u-commerce will not replace m-commerce. U-commerce systems are based on delivering personalized service to their customers. Delivering of personalized, improved and differentiated service depends on analyzing customer's characteristics and preferences. In U-commerce environment obtain customers personal information that are stored on his mobile devices, becomes easier. The customers are facing with personalization-privacy dilemma. In order to perform interaction successfully customer must provide some personal information but in doing so he is at risk that disclosed information will be used for another purpose beyond his knowledge. However, growing capacity of collecting, storing and using personal information raises customer privacy concerns.

U-COMMERCE CHARACTERISTICS

The major features of U-commerce are:

- **Ubiquitous:** Ubiquitous means that connected or networked computers will be very soon everywhere. Ubiquity of computer chips means that they are everywhere and nowhere, while that will be invisible
- **Universality:** U commerce will enable users to access the internet at any place and any time. Mobile device for instance acquired in USA will not work for time in EUROPE and vice versa
- **Uniqueness:** Uniqueness standing for unique, personalized approach in delivery of goods and services from business to customers. Customers will get all needed information depending on time, location and current role as well as all benefits / special requirements which he has specified to supplier or supplier learned from previous communication
- **Unision:** Unision stands for integration of different communication system with one interface with customer. If customer have desktop computer, laptop computer, mobile phone and PDA unision will enable any change (e.g.: Address) in one of devices will be registered in all other devices.

TABLE 1: U-COMMERCE COMPONENTS AND ITS CHARACTERISTICS

| U-Constructs | Characteristics of u-commerce |
|--------------|--|
| Ubiquity | Reach ability + Accessibility+ Portability |
| Uniqueness | Localization+ Identification+ Portability |
| Universality | Mobile networks +Mobile Devices |
| unision | Mobile applications +Data synchronization |

COMPONENTS OF UBIQUITOUS COMMERCE

U-Commerce (ubiquitous) is the combination of E-commerce and M-commerce. E-commerce using interactive digital television (iDTV) as communication media, voice commerce and silent commerce. Each U commerce element uses positive characteristics of other elements and modifies it according to newer and sophisticated customer needs. We can we u-commerce is the conceptual extension of e-commerce and m-commerce.

1. **Mobile commerce:** - M-commerce is sometimes referred to as "mobile e-commerce", because its transactions are basically electronic transactions conducted using a mobile terminal and a wireless networks.
2. **Electronic Commerce:** - With the development of global information technology and internet based web services a new business model e-commerce is coming up. A simple definition of e-commerce describes it as "the buying and selling of products and services over the web "The main 3 types of e-commerce are Business-to-consumer (B2C), Business-to-Business (B2B), and Consumer-to-Consumer (C2C). In addition, G2B, G2C, and C2G has emerged. E-commerce is the most established type of commerce performed through digital means.
3. **Wireless Commerce:** - Wireless commerce extends e-commerce with characteristics such as reach ability, accessibility, localization, identification and portability. Wireless commerce is a key part of u commerce, because it creates the possibility for communication between people, business and objects to happen anywhere and anytime. Wireless commerce uses mobile and wireless devices for both communication and business transactions.

TABLE 2: COMPONENTS OF U- COMMERCE

| U-commerce | | | | | |
|-----------------|---------------------|-------------------|----------------|----------------------|-----------------|
| Mobile commerce | Electronic Commerce | Wireless commerce | Voice Commerce | Tele vision commerce | Silent Commerce |

4. **Voice Commerce:** Voice Commerce is a commerce based on listening and speaking. An increasing number of businesses are using computerized voice technologies, Speech recognition, voice identification and text to speech. This will enable business to reduce call centering operating cost and improve customer service.

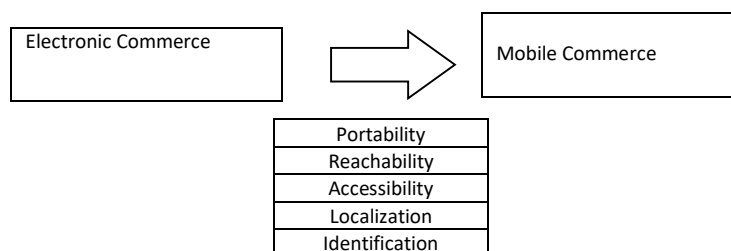
5. **Television Commerce:** This is a commercial model, which provides a new audio visual away and diversity of choice by broadcasting the product information in the 24 hours nonstop television shopping channels

6. **Silent Commerce:** These are using advanced tagging and sensor technologies, as well as wireless mobile communications to make everyday objects intelligent and interactive, creating new information and value streams. It is "silent" in that objects can communicate and commerce can take place without human interaction.

U-COMMERCE: A CONCEPTUAL EXTENSION OF E-COMMERCE AND M-COMMERCE

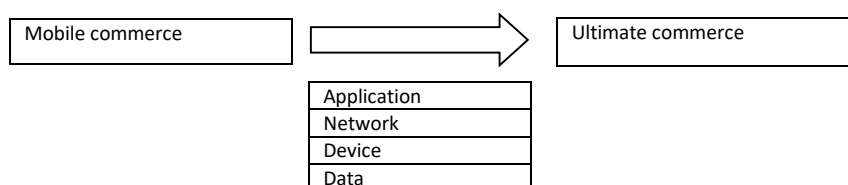
Compared to e-commerce, m-commerce has some features that make it distinct. Table No: 3 provides a graphical overview. In order to linguistically distinguish between the same characteristics in the electronic and mobile commerce world, the prefixes "e" and "m" are used respectively

FIG. 1: THE E- TO M-COMMERCE TRANSITION



1. **Portability:** Comprised the Physical aspects of mobile devices- one is able to readily carry them. We deliberately use the term mobile device to cover the aspect that extends beyond cellular phones which form only one end of the spectrum, providing a small and light weight device for voice and data communication
2. **Reachability:** M reach ability covers the idea a person can be touch and reached by other people 24 day hours, 7 days a week-assuming that mobile network coverage is sufficient and the mobile device is switched on. In e commerce setting reach ability is limited to computer level or rather in plug in level
3. **Accessibility:** M reach ability describes the fact that the user can access the mobile network at any time from any location. In contrast e-accessibility is limited to the plug in level
4. **Localization:** M localization describes the ability to locate the position of a mobile user. As such m localization is the key to providing geographically specific value added services and is expected to be the most distinct characteristics of m-commerce compared to e-commerce
5. **Identification:** 2nd generation mobile devices employ a smart card as a secure device for the authentication of the subscription and mobile user.

FIG. 2: THE M-COMMERCE TO U- COMMERCE TRANSITION



1. **Mobile applications:** Typically, mobile users manage to learn their mobile devices functionalities very fast –contrary to use a PC for the first time
2. **Mobile networks:** We experience a heterogeneous landscape of mobile networks. Ranging from analog system at one end to digital systems of different generations
3. **Mobile devices:** Users can pick from a broad range of electronic tools to perform a certain task
4. **Data synchronization:** Ideally mobile devices provide integrated and synchronized data. A data change in one application on one particular device is automatically transmitted to all other associated applications and devices.

U COMMERCE OPPORTUNITIES AND CHALLENGES

In conjunction of the evolution of ubiquitous commerce in daily life and approaching pervasiveness, a few opportunities as well as threats can be identified.

OPPORTUNITIES OF U- COMMERCE

- Individual advertising and also information supply possible e.g. based on location, time or mood of the customer
- High availability of services
- New potential revenue for supplier and accordingly new business models
- Advanced analysis of alternatives for suppliers and customer
- Increasing mobility of customers and suppliers

CHALLENGES OF U-COMMERCE

- Information privacy and threats of mass surveillance
- Increasing requirements due to more diversity and quantity of services and also energy consumption
- Information overload and likely complexity also big data
- Higher vulnerability to spoofing and security holes
- Rising exclusion of the elderly based on requirements of higher technical skills
- "De socialization" of customer and supplier

CONCLUSION

U-commerce creates an economy that is more flexible, fluid, interconnected, efficient and resilient. It will widely affect many aspects of business. It also provides improved operating efficiency, enhanced customer services, increased service personalization, continuous supply chain connectivity and continuous interactivity. Ubiquitous commerce is no longer a vision, but over the past few years it is gradually becoming a reality. Thus u-commerce has heritage of the benefits and threats coming from e-commerce and m commerce. Security and privacy are the major obstacles relating to u commerce. However, a great effort is still required to adopt the latest advancements in the field of commerce

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ORGANIZATION AND MANAGEMENT OF OLD AGE HOMES IN INDIA, WITH SPECIAL REFERENCE TO MYSURU CITY IN KARNATAKA

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ABSTRACT

A major phenomenon in recent decades is the issue of coping with the problem of ageing population. It has brought in its wake, the question of caring them during their sunset years. Modern families are nuclear families, with women entering the labor force in growing numbers; the issue has taken gigantic proportions. Add to this, the growing migration in search of greener pastures to other countries – the issue becomes all the more complicated. India is ranked 4th in terms of absolute size of elderly population. The country is not adequately equipped to look after their special health needs. In the above context, it would be useful to know how far Indian society has equipped itself to cope with this growing problem. This is a micro empirical study with particular emphasis to know the organization and the management structure of old age homes in Mysuru. The sample of the old age home was selected using the convenience sampling technique. The data was collected through interviews by posing certain relevant questions to the managers/ head of the old age homes in Mysuru and their responses have been collated and tabulated and relevant inferences have been drawn.

KEYWORDS

elderly, old age homes, modernization, family.

JEL CODE

L3, L31.

INTRODUCTION

A major feature of most modern societies is the emergence of a new class of people, the so called, Elderly. The increased life expectancy at birth of population the world over, brought about because of our ability to control life threatening diseases that include diseases like small pox, malaria, typhoid and vector borne diseases and the provision of improved health facilities, has resulted in people longer the world over. It is a paradox of sorts that while people live longer and possibly live better, it also posed enormous challenges to governments and policy makers to evolve and implement suitable policy for the elderly. In fact, several governments in the world over have legislated and implemented the Policy for Elderly.

The well-being of senior citizens is mandated in the Constitution of India under Article 41. "The state shall, within the limits of its economic capacity and development, make effective provision for securing the right to public assistance in cases of old age". The Right to Equality is guaranteed by the Constitution as a fundamental right. Social security is the concurrent responsibility of the central and state governments.

Subsequent international efforts made an impact on the implementation of the National Policy on Older Persons. The Madrid Plan of Action and the United Nations Principles for Senior Citizens adopted by the UN General Assembly in 2002, the Proclamation on Ageing and the global targets on ageing for the Year 2001 adopted by the General Assembly in 1992, the Shanghai Plan of Action 2002 and the Macau Outcome document 2007 adopted by UNESCAP form the basis for the global policy guidelines to encourage governments to design and implement their own policies from time to time. The Government of India is a signatory to all these documents demonstrating its commitment to address the concerns of the elderly. www.socialjustice.nic.in/pdf/dnpdc.pdf

Much public reaction to the upsurge of elder residences in India is highly scathing condemning old age homes as a radically way of life. From such a perspective, old age homes erode not only valued forms of aging and family but also core principles central to Indian society and culture. "Old age homes against our culture". Reads one representative newspaper headline announcing a government official's proclamation that "the concept of old age homes reflects the impact of western culture" and his appeal to a group of student "to take a vow that they would not leave their parents in old age homes" (The Hindu staff reporter 2004). Retired psychiatrist and old age home resident Dr. Ranjan Banerjee asserted to me: "Old age homes are not a concept of our country. These days we are throwing away our culture. The U.S. is the richest nation in the world and therefore has won us over."

WHO ARE THE ELDERLY PEOPLE?

"Old Age" is usually associated with declining faculties, both mental and physical, and a reduction in social commitments (including sport participation) of any person. The precise onset of old age varies culturally and historically. It is a social construct, rather than a biological stage. The persons in India, who have attained the age of sixty years and above, are defined as elderly for the purpose of availing old age benefits. National Human Rights Commission of India (2011): Know Your Rights Elderly People, New Delhi.

DIMENSION OF THE PROBLEM

As per 2001 Census, total population of Senior Citizens (60+) was 7.7 crore, of which population of males and females was 3.8 crore (7.1 per cent) of total population and 3.9 crore (7.8 per cent) respectively. Population of senior citizens in Andhra Pradesh, Goa, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Orissa, Punjab, Tamil Nadu, Uttarakhand and Pondicherry is more than the national average (7.5 per cent). In rural areas, the percentage share of elderly population in total population is highest in the State of Kerala while Andaman & Nicobar Islands has the lowest share. In urban areas, the percentage share of elderly population in total population is highest in the state of Kerala while Arunachal Pradesh has the lowest share. *Ibid.*, P.1

THE NATIONAL POLICY ON OLDER PERSONS

The Policy was announced by the Government of India in the year 1999. It was a step in the right direction in pursuance of the UN General Assembly Resolution 47/5 to observe 1999 as International Year of Older Person and in keeping with the assurances to older persons contained in the Constitution. The policy has identified a number of areas of intervention financial security, healthcare and nutrition, shelter, education, welfare, protection of life and property etc. for the wellbeing of older persons in the country. The main objective of this policy is to make older people fully independent citizens.

This policy has resulted in the launch of new schemes such as-

1. Strengthening of primary health care system to enable it to meet the health care needs of older persons
2. Training and orientation to medical and paramedical personnel in health care of the elderly
3. Promotion of the concept of healthy ageing
4. Assistance to societies for production and distribution of material on geriatric care
5. Provision of separate queues and reservation of beds for elderly patients in hospitals
6. Extended coverage under the Antyodaya Scheme with emphasis on provision of food at subsidized rates for the benefit of older persons especially the destitute and marginalized sections. *Ibid.*, P.4

LEGAL PROVISIONS

The right of parents, without any means, to be supported by their children having sufficient means has been recognized by section 125 (1) (d) of the Code of Criminal Procedure 1973, and Section 20(1&3) of the Hindu Adoption and Maintenance Act, 1956. It is in this context that the present study assumes importance. Due to the nature of the analysis, we have taken up for a detailed analysis, the status of Old Age Homes for an empirical analysis.

THE CONCEPT OF OLD AGE HOME WITH PARTICULAR REFERENCE TO INDIA

It refers to a multi-residence nursing home for old people, which is also known as retirement home. Each couple or person lives here in a room which is either apartment style or is a set of matching of rooms. Under one roof or in a one building old people are served with different facilities like gatherings, meals, health or sanatorium care, and recreation activities. Levels of these facilities differ from each other. Number of impoverished senior citizens has been increasing now-a-days in India. There are many different factors, which are accountable for increasing the number, like diminishing moral values, Globalization, nuclear family and many other social & economic factors. There are a lot of these kinds of homes in India; some of them are paid homes, or some of them admit physically and mentally fit old people who can take care of themselves.

At present 728 Old homes exist in India. Complete information of 547 Old Age Homes is accessible. Among these 325 Old homes do not charge and 95 homes charge money, 116 Old homes include both without charge as well as stay & pay facilities and the information of 11 homes is not available. There are 278 homes available for ailing people and 101 Old homes especially for women all around the country.

Kerala has the highest number of Old age homes in India among all states which is 124. An old age home is usually the place, a home for those old people who have no one to look after them or those who have been thrown out of their homes by their children's. Parents play an important role in our lives. They brought up their children's despite of having so many socio-economic difficulties. They fulfill our every demand and never complain for anything. In return it's our duty to give respect, love and care to them all their necessities are well looked in old age home after but, the much needed love and care of loved ones is of course sadly missing for, how can outsiders provide solace? In these homes, it is very interesting and even touching to talk to people whether they are men or women the concept of separating the elders from the youngsters has been imported into India from west.

At least in India till now, the old people staying away from the home, from their children's or left to them is not considered to be a very happy situation. But, in India where for centuries even three generations have lived together. However, for the west it may not be so heart rending for there, it is their original life style that two generations never stay under one roof, it is the breakup of the system of the joint family and the introduction of a nuclear family. That has brought this unhappy situation enter our society and the old age homes have had to come up to cater to the needs of the elderly this is the reason why old age homes are increasing in India.

"Old people are like trees which will not give us fruit but shades which are their blessings".

"We make them cry, who care for us. We cry for those, who never care for us".

This is the truth of life, it's strange but TRUE.

STATEMENT OF THE PROBLEM

There has been a progressive increase in the number and proportion of the old age homes in India over the last two decades. Mysuru in Karnataka is no exception. Mysuru like many traditional societies today faces a unique situation in providing care for elderly people. The old age home support structures take the form of family support. How efficiently these old age homes are working in terms their management is a question that has lot of practical significance. The current study is one such modest effort.

In this connection, Yadav Lalan. (2014) studied about sociological status of the Bindapur Old age Home. The study explains the conditions, environment of the Old age home; also it explains the reasons, why the residents choose the old age home. The major reason for the old to move into old age home is being the conflict with their sons, which is an irony itself.

Sarah Lamb. (2007), study done in India in terms of the multigenerational family. It analyzes the trend of old-age-home living in India, as a new cultural space to imagine and practice gender, aging, family, and even national identity.

Eric, R. Jensen. (1990) reported that study emphasis on the Cain's "lexicographic-safety first" model of the old-age security. The regression model incorporated endogenous switching in hazard rate form. Using the Rand Malaysian Family Life Survey, strong support for Cain's notion that parents are very responsive to security-related concerns for a substantial portion of their childbearing period was found.

ArunaDubey & *et al.*, (2011) concluded that the existing condition of the elderly women living in the institution was that they felt lonelier, depressive and had a lower level of satisfaction with life. In this context, the need for preserving our tradition of a joint family and the mutual cooperation and understanding between the younger and the older generations could be more pressing.

Parul Tripathi. (2014) explains the condition of the elderly perceives low social worth or self-esteem in family situations. The study aimed at the views of elderly peoples related to old age home adjustment. The study explores all the aspects related to social and personal adjustment. Results shows that elderly people living in old age home faced lots of problems related to personal and social adjustment.

George Paul. (2006) has explained the importance of Geriatric care in Kerala perspective. He mentioned that Geriatrics population in Kerala is growing rapidly and a significant mass of them have multiple medical problems like poor mobility, arthritis, poor vision, loss of memory, impairment in hearing and urinary problems and also besides these they are also affected by chronic diseases including diabetes, hyper tension, high cholesterol level etc. The author suggests that the Government should implement certain policies and programs related to the health care of elderly.

Indrani Gupta, & Deepa Sankar. (2003) analyzed the health of the elderly in India. The results show that the elderly is better able to report their physical discomforts that may not require diagnosis and may not often prompt treatment-seeking behaviour. Socioeconomic variables, especially the economic conditions and living arrangements of the elderly, influence the reporting of physical vulnerability. The study points to the urgent need for extending assistance to the elderly, especially the older individuals among them.

Jamuna, P. J. (1990) have examined that the families continue to hold older people in high esteem in most countries of Asia, the social and cultural tradition leaving the total care of the older persons in the hand of the children, a number of forces are bringing about changes in the family support systems

Mukesh, K. (2016). study found that socio economic variables which have exerted influence on the health status of elderly in Kerala and the health status of old age home inmates is worse than that of elderly persons staying with family.

Michael, B. Katz. (1984) have examined that in the nineteenth century the poorhouse became the central arch of public welfare policy. Even in the twentieth century it did not disappear, but was gradually transformed into the public old age home.

Nair, P. K. B. (1989) has concluded that Kerala is one of the states where the debate on the care of the aged is very serious on account of the opportunities for migration open to the Keralites.

Prabhavathy Nair, & Thamilarasi Murukeshan. (2006) studied about aged women in India. They opined that the elderly women face many miseries which are mainly due to their powerlessness, lack of financial asset and regular source of income. This combined with existing social prejudice towards them, has made their position precarious. Therefore, what is needed to rectify the situation is social and economic empowerment of elderly women.

Pradeep Kumar, & et al., (2012) findings reveal higher prevalence of mental health morbidity in the inhabitants of old age homes compared to the community prevalence. Most common mental and physical morbidity was that of depression and arthritis (and joint pain) respectively.

Entwisle, & et al., (1984) have demonstrated, using a cross sectional data set with nations as the units of observation, that fertility varies inversely with the level and breadth of coverage of publicly provided old-age support.

Iyer, V. (2003) Life satisfaction continues to be an important construct in the psycho-social study of aging. It is one of the commonly accepted subjective conditions of quality of life and seems to be one of the facets of successful aging, both of which are key concepts in aging. Research reports that life satisfaction is strongly related to socio-demographic and psycho-social variables.

Mayor, R. (2006) explained some people use their chronological age as a criterion for their own aging whereas others use such physical symptoms as failing eye-sight or hearing, tendency to increase fatigue, decline in sexual potency etc.

Dr. Elizabeth, A.M. & Bir, T. (2014) this study examines the subjective and objective environment, health status and different aspects of human deprivation in the old age and how it varies across gender, sector and state.

J. Balamurugan, & Dr. G. Ramathiratham, (2012) has described the situation and major health problems faced by the elderly from 213 elderly populations of aged 60 and above in three rural communes of Puducherry. Findings reveal that majority of the elderly, both male and female, are unhealthy. The most common health problems aged people face include eye sight, hearing, joint pains, nervous disorders, weakness, heart complaints, asthma, tuberculosis, skin diseases, urinary problems and others. More health problems were reported by women compared to men.

Nayar, P. K. B., (2000) reports that the attitude of both health care professional and common people appears to consider the illness of elderly was an essential part of old age and most of the illness of the old have no cure except palliatives. The lack of access to the basic pain relief drugs like morphine shows that thousands of Indians needlessly suffering long and agonizing deaths with cancer and other conditions.

Sulaja, S. (2007) examined the problems and issues faced by the aged women in Kerala. She points out that the proportion of women elderly population is higher than that of aged men because of highest life expectancy among females than male. The author noticed that the major problems faced by the elderly population are socio economic and health related problems.

Hence, the present study focused given below

1. To briefly examine the current state of the elderly population and the various legal provisions made in India.
2. To study the organization structure of the old age homes in Mysuru.
3. To know the sources of funds and application of funds.
4. To study the managerial problems related to these institutions.

RESEARCH METHODOLOGY

This study involved old age homes in Mysuru, Karnataka. For the study both primary and secondary data has been used. The primary source of data was collected by the interview or the interaction with the management/head/managers of the old age homes in Mysuru. Secondary data was collected from published journals, brochures and websites. The collected data is analyzed to form conclusions and to arrive at suggestions.

RESULTS AND DISCUSSION

Data analysis of the characteristics of old age homes such as year of establishment, type of institute, nature of management, charges for service provision is presented in the Table 1.

TABLE 1: BACKGROUND CHARACTERISTICS OF THE OLD AGE HOMES IN MYSURU

| Background Characteristics | No. of Institutions |
|---|---------------------------------|
| Years since Establishment | 6- 10 |
| | 11- 15 |
| | 15+ |
| Type of Institute | Day Care |
| | Residential |
| | Others |
| Whether Government aided | Yes |
| | No |
| Whether any Government control/supervision of the institution | Yes |
| | No |
| Person/institution who established the institute | Trust |
| | Individual |
| | Religious Organization |
| Charges for Service Provision | Free for all |
| | Free for those who cannot pay |
| | Compulsory full payment for all |

It reveals that 25 percent of the old age homes have been in existence for more than 15 yrs, 25 percent had been established since 11 to 15 yrs and another 50 percent have been in existence since 6 to 10 yrs. All the four homes are residential in nature and whereas majority i.e. do not have such government assistance and are private in nature. Similarly, 75 per cent of the respondents reported that there is no government supervision on their functioning. 50 per cent of the institutions were established by individuals and the remaining 50 per cent Trusts. Finally, about charges which the elderly has to pay for their stay in these old age homes reveal that 25 per cent do not charge anything and 75 per cent of the old age homes charge compulsory full payment from all those residing at the old age home.

TABLE 2: PERCENTAGE DISTRIBUTION OF THE OLD AGE HOMES BY THEIR INTAKE CAPACITY, ADMISSION CRITERIA

| Criteria | | No. of institution |
|--|---|--------------------|
| Intake capacity of the old age home | Up to 6 inmates | 1 |
| | 10-25 | 1 |
| | More than 25 | 2 |
| Norm to accommodate specific number of elderly men and women | Only for women | 1 |
| | Only for men | - |
| | No specific norm | 3 |
| Criteria for admitting an elderly person | At least 60yrs old | 4 |
| | Able to take care of self | 3 |
| | Able to pay institutional charges | 3 |
| | For those who are destitute/have no one to care | 3 |

The table 2 provides information about the intake capacity of old age homes, norms to accommodate and criteria for admitting an elderly person. 25 per cent have up to six inmates, 25 per cent have up to 10-25 inmates and 75 per cent are more than 25 inmates.

One institutional head has reported that theirs is only for women, and remaining does not have any such specific norms. Finally, the criteria like the elder person should be more than 60 yrs old for admission purposes is common to all the old age homes. Three of the old age homes stipulate that they should be able to take care of themselves and also be able to pay institutional charges and 3 of the institutions admit those who are destitute have no one to care.

TABLE 3: SOURCES OF FUNDS AND ORGANIZATIONAL STRUCTURE OF OLD AGE HOMES

| Particular | No. of Institutions |
|--------------------------|----------------------|
| Source of Funding | Government |
| | 1 |
| | Foreign contributors |
| | 1 |
| | Promoters |
| | - |
| Organizational Structure | CSR |
| | 1 |
| | Donors |
| | 3 |
| | Trust |
| | 2 |
| | Committee members |
| | 6 |
| | President |
| | 1 |

Regarding the sources of funding, as can be noted from the Table 3, multiple sources have been reported with the majority, 25 per cent of funds are from government, 50 per cent of funds reporting about foreign contributors, 25 per cent from the CSR as their source of funding, while 75 per cent from Donors. Finally, organizational structure of old age home consists of 7 members, i.e. six are committee members and one president.

FINDINGS AND SUGGESTIONS

It has been found that old age homes are managed by the both religious and charitable trusts. Government managed old age homes are very few in number compared to the others. Most of the old age homes are meant for both male and female inmates. Most of the old age homes have their own land and building. In many of the old age homes, inmates are charged for their maintenance and admission. Most of the old age homes are not government aided institutions. Main sources of funds for those institutions were from the donors, individuals, organizations and CSR. In most of the old age homes, organizational structure consists of seven members.

Proper monitoring of the work of the old age homes should be done by the government. Periodic visits by concerned authorities will help these old age homes to work according to the norms required of these institutions as per the Policy directions of the government. Government need to provide more assistance in the form of funds to these organizations. It is not enough for the youngsters to provide money for the elders, it is more important to show them affection and respect.

CONCLUSION

In India there are millions of people who belong to the elder population. The present study was undertaken with the overall objective of understanding the existing institutional facilities available for the care of elderly in the City of Mysuru. A sample of four old age homes was selected and the information obtained from the managers of these old age homes as per the questionnaire prepared by the Author has been tabulated in the above analysis. Interviews with the managers of the old age homes has revealed that their major source of funding is either through individual donors or by the trust that has established them and the organizational structure of old age homes consists seven committee members. There is ample scope and need to improve the present organizational and managerial set up of these homes. This is all the more important in the light of the fact that these are turning out to be more of profit making business ventures.

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A STUDY ON CONSUMER'S PERCEPTION ON MOBILE BANKING IN INDIA**AMALKUMAR.P****FDP SUBSTITUTE LECTURER IN COMMERCE****GOVERNMENT COLLEGE****ATTINGAL****ABSTRACT**

Mobile banking is the latest and most innovative retail banking service offered by banking sector all over the world. Lot of innovative banking services are introduced in the banking sector to meet competitive situations. The most important factor behind the introduction of mobile banking is information technology based innovations. Mobile banking helps the banks to retain its existing customers and attract new customers. The study will be conducted to analyse consumer's perception on mobile banking services and to identify which mobile banking service is more popular among customers. The study reveals that most of the mobile banking customers are under the age group between 20 to 40. There are lot of factors affecting the perception of the customers on mobile banking, on the basis of analysing this factors reveals that most of the consumers are perceived the mobile banking service in a positive way. This will also enhance the scope of mobile banking in Indian retail banking sector. The study identified that the most popular mobile banking service is Account balance enquiry.

KEYWORDS

mobile banking, consumers.

1. INTRODUCTION

Technological innovations are considered to be one of the key factor determining changes in the banking sector around the world. One of the innovative and important banking service offered by the banks are mobile banking service. All most all banks in India now offer mobile banking services to its valuable customers. One of the key factor behind the implementation of mobile banking are any time banking service and mobile phone act as a point of sale machine for banking services. As per the Telecom Regulatory Authority of India's annual report (2012-2013) about 867.80 million wireless connections are used in India. This will also increase the significance of mobile banking in India.

2. STATEMENT OF THE PROBLEM

India is now the second largest mobile phone market in the world after china. As per the Telecom Regulatory Authority of India's annual reports shows that people using mobile phones are increasing day by day. This trend will show that during 2015 number of phone users in India increased to 1.24 billion which means one mobile phone for every Indians. With the introduction of smart phones in the Indian mobile phones market also increase the need and importance of mobile banking. As per the new fiscal policy measures of the central government will also liberalise the tax measures relating to mobile phone devices. This will further push the mobile phones market. In this changing scenario the banking sector gives more importance to mobile banking services. So the present study intense to analyses consumer's perception on various mobile banking services.

3. SCOPE OF THE STUDY

The study titled "A Study on Consumer's Perception on Mobile Banking in India" intends to study consumer's perception on mobile banking and to identify which mobile banking service is more popular among consumers. The study is based on Thiruvananthapuram district in the state of Kerala.

4. OBJECTIVES OF THE STUDY

The study aims at the following objectives

1. To study consumer's perception on mobile banking.
2. To find out which mobile banking service is more popular among consumers.

5. METHODOLOGY

The present study is empirical in nature and descriptive research design will be used for the study. The population of the study constitutes different bank customers concentrated in Thiruvananthapuram district in the state of Kerala. Purposive sampling techniques will be adopted for selecting the sample respondents. The study is based on both primary and secondary data. Secondary data will be collected from various published and unpublished sources of government of India, study report of RBI, annual report of TRAI etc. The primary data for the study will be collected form 60 sample respondents in various part of Thiruvananthapuram district with the help of a structured interview schedule. The data will be analysed with the help of suitable mathematical tools such as percentages and averages etc.

6. EVOLUTION OF MOBILE BANKING TECHNOLOGY

Motorola one of the Japan based mobile company introduced mobile phones in the market in 1973. Which is high costly and inconvenient in handling compared with present mobile handsets, which are more economical, small in size and more convenient.

1st Generation (1G): The first analog cellular system widely implemented in North America using advanced mobile phone system. 1st Generation mobile phone devices were commercially introduced in USA during 1978, in Israel during 1986, Australia during 1987 and in India during the year 1995.

2nd Generation (2G): The second generation mobile communication devices replaced the analog signal based system with digital signal. There are two major technology based developments occurred that is GSM and CDMA technologies. The NTT DoCoMo in Japan introduced internet service on mobile phones in the year 1999.

3rd Generation (3G): The mobile phones become essential communication system for millions of users' worldwide. The 3G technology was developed with the concept of packet Switching instead of circuit switching for data transmission.

4th Generation (4G): the fourth generation technology introduced in the year 2009 with technological innovations like WiMAX and Long Term Evolution (LTE) technologies.

7. MOBILE BANKING

Mobile banking system was first introduced in Finland and Sweden, in these countries first mobile phones was used for paying for a CocaCola vending machine and for using Car parking facilities. Commercially the mobile banking services were launched in Norway during 1999.

The technologies behind the introduction of mobile banking services are

1. IVR (Interactive Voice Response System)
2. SMS (Short Message Services)
3. WAP (Wireless Access Protocol)
4. Standalone Mobile Application Clients

8. MOBILE BANKING SERVICES

The important mobile banking services are

Account balance enquiry
Check recent transactions
Alert on account activity
ATM location
Branch location
Fund transfer
Bill payment
Mobile recharging
Ordering check book
Review of credit card balance etc.

9. MOBILE BANKING MODEL

Mobile banking system can be broadly classified into Banks-led system and mobile service provider lead system. In bank lead system only customers of a particular bank can avail the mobile banking service from the bank. In bank lead system the customers of a particular bank do various banking transactions as per their convenience. The bank lead system is more popular among customers.

The mobile provider service system is totally different from bank lead system, the mobile customers those which do not have any bank account can do banking transactions with the help of their mobile service provider.

The mobile banking system can be classified into SMS banking, Application (mobile software oriented banking), Browser (internet) based model and Mobile Apps. The services offered in mobile banking system varied from banks to banks and countries to countries.

10. ADVANTAGES OF MOBILE BANKING

Mobile banking offers number of advantages to its customers these are

1. Mobile banking is an edge over internet banking.
2. Mobile banking is more cost effective, user friendly, time saving and convenient.
3. Using mobile banking reduce risk of fraud.
4. Any time any were banking transaction is possible.
5. All most all necessary banking operations are done using mobile banking services.

11. ANALYSIS AND DISCUSSIONS

CONSUMER'S PERCEPTION TOWARDS MOBILE BANKING

TABLE 1: PROFILE OF SAMPLE RESPONDENTS

| | Frequency | Percentage |
|-----------------------------------|-----------|------------|
| Age | | |
| 20-30 | 22 | 36.7 |
| 30-40 | 19 | 31.7 |
| 40-50 | 11 | 18.3 |
| 50-60 | 5 | 8.3 |
| Above-60 | 3 | 5 |
| Gender | | |
| Male | 42 | 70 |
| Female | 18 | 30 |
| Educational Qualifications | | |
| Up to SSLC | 2 | 3.3 |
| Plus Two | 10 | 16.7 |
| Graduate | 13 | 21.7 |
| Post Graduate | 18 | 30 |
| Professional Degree | 17 | 28.3 |
| Occupation | | |
| Business and Self Employed | 20 | 33.3 |
| Agriculturalist | 3 | 5 |
| Service Class | 10 | 16.7 |
| Professional | 22 | 36.7 |
| Home Maker | 5 | 8.3 |
| Monthly Income | | |
| Below-10000 | 10 | 16.7 |
| 10001-25000 | 28 | 46.7 |
| 25001-40000 | 17 | 28.3 |
| 40001-50000 | 4 | 6.7 |
| Above 50000 | 1 | 1.6 |

Source: Survey Data

Table 1 reveals that the profile of sample respondents. On the basis of the age based classification of respondents revealed that majority of the mobile banking service users concentrated in 20-40 age groups that constitutes about 68.4% of total mobile banking service users. Gender based classification of the respondents revealed that about 70% of the mobile banking users are male. Most of the mobile banking users are highly educated. On the basis of occupation based classification most of the users are professionally qualified persons. On the basis of the income based classification of the respondent's reveals that most of the mobile banking customer's income lies between 25001 and 40000.

TABLE 2: CONSUMERS PERCEPTION ABOUT MOBILE BANKING

| Factors affecting consumers perception | Strongly Disagree | Partly Disagree | No Opinion | Partly Agree | Strongly Agree |
|--|-------------------|-----------------|------------|--------------|----------------|
| Incapability of mobile phones | 29(48.3) | 4(6.7) | 8(13.3) | 2(3.3) | 17(28.3) |
| Inconvenient for using | 16(26.7) | 8(13.3) | 20(33.3) | 7(11.7) | 9(15) |
| More preference to traditional banking | 10(16.7) | 3(5) | 11(18.3) | 7(11.7) | 29(48.3) |
| Lack of support from bank employees | 19(31.7) | 4(6.7) | 10(16.7) | 5(8.3) | 22(36.6) |
| Un awareness about technologies | 10(16.7) | 7(11.7) | 13(21.7) | 10(16.7) | 20(33.3) |
| Required facility is not available | 30(50) | 4(6.7) | 17(28.3) | 5(8.3) | 4(6.7) |
| Fear of use | 17(28.3) | 9(15) | 18(30) | 10(16.7) | 6(10) |
| Time saving | 5(8.3) | 4(6.7) | 1(1.7) | 2(3.3) | 48(80) |
| Any time any where banking | 5(8.3) | 6(10) | 6(10) | 4(6.7) | 39(65) |
| Security issues | 13(21.7) | 3(5) | 20(33.3) | 11(18.3) | 13(21.7) |

Source: Survey data

Number of respondents =60

Figures in the parentheses shows percentage

Table 2 shows consumer's perception about mobile banking services. Most of the customers (about 48.3%) strongly disagreed that incapability of mobile phones is not affecting the perception of the customers. A majority of customers (33.3%) are no opinion about inconvenience for using mobile banking. About (48.3%) of customers give more preference to traditional banking, it also affect the perception of mobile banking in a negative way. 36.6% says that lack of support from bank employees is a major issue while using mobile banking services. About 50% of customers say that required facility is not available in mobile banking this also affect their perception in negative way. Fear of use is also affecting negatively the perception of banking customers. Time saving is a major factor influencing the customers for using the mobile banking services. Any time anywhere banking is also help to enhance the mobile banking services.

MOST POPULAR MOBILE BANKING SERVICE

TABLE 3: MOST POPULAR MOBILE BANKING SERVICE

| Mobile banking service | Rank |
|-------------------------------|------|
| Account balance enquiry | 1 |
| Check recent transactions | 2 |
| Alert on account activity | 3 |
| ATM location | 4 |
| Branch location | 5 |
| Fund transfer | 6 |
| Bill payment | 7 |
| Mobile recharging | 8 |
| Ordering check book | 9 |
| Review of credit card balance | 10 |

Source: Survey data

Table 3 shows the most popular mobile banking service. On the basis of the analysis of the data reveals that most popular mobile banking service used by the customers is Account balance enquiry and least popular service is review of credit card balance.

12. CONCLUSION

The result of the present study shows that most of the younger age group and those who doing professional activities more depending mobile banking services. They are positively perceiving mobile banking service due to time saving, it helps to reduce cost, convenience for using and any time anywhere banking is possible etc. The most popular mobile banking service identified in the study is account balance enquiry.

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A CASE STUDY REGARDING NOT USING CREDIT CARD BY PEOPLE OF TINSUKIA DISTRICT

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ABSTRACT

Credit card is a common word now a days, most of the public use credit cards, most of the private banks like (HDFC, ICICI) gives their customer credit card free of cost and if their customer has good records in bank then bank issue credit card without any documentation. Having credit card is a status symbol now a day in the metro cities. People can do almost every financial transaction with the help of credit card for example they can book tickets make a payment for their all types of bill, without credit card they are not feeling well. No doubt credit card is the need of today's life but even there are so many people who don't know about the difference in debit card and credit card, they don't know how to get credit card, they don't know how to use credit card. There are so many people also which have credit cards but they are afraid of using credit card they do credit transaction but don't use credit cards, So in this paper research has been done for finding some reasons of not using credit card,

KEYWORDS

credit card, bankruptcy, interest rate, purchase habits, budget.

INTRODUCTION

The introduction of credit had a profound effect on the spending habit of many people. With credit cards, it became second nature to buy now and pay later because consumer did not have to worry whether they had enough money for their purchases in their bank accounts. All they had to worry about was the bill but that was a comfortable distance away. A **credit card** is a payment card issued to users (cardholders) as a method of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them. The issuer of the card (usually a bank) creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance.

A credit card is different from a charge card, where it requires the balance to be repaid in full each month. In contrast, credit cards allow the consumers a continuing balance of debt, subject to interest being charged. A credit card also differs from a cash card, which can be used like currency by the owner of the card. A credit card differs from a charge card also in that a credit card typically involves a third-party entity that pays the seller and is reimbursed by the buyer, whereas a charge card simply defers payment by the buyer until a later date. A credit card is also differing from a debit card or ATM card which requires a balance in your account, whereas for credit card it is not necessary.

NEED FOR THE STUDY

Most of the people have a wrong knowledge about credit card, they face problems to get a credit card, and some other persons who have knowledge about credit find it very easy. Now a day's most of the people want to use credit cards but when they ask with other people they feel how difficult to get it and use it, so an attempt is made to evaluate the knowledge of the people and also to discuss the requirement for issuing credit card by different banks in Tinsukia and nearby locality.

OBJECTIVES

1. To know the requirement for issuing credit card by different banks.
2. To check the knowledge of people about credit card.
3. To find out the reason why the people staying in Tinsukia and nearby places don't use credit card.
4. To know what they think about credit card.

DATA COLLECTION**PRIMARY SOURCES**

Responses collected with the help of the schedule administered to the teachers of some school and army employee is the main primary source of data for this research work.

SECONDARY SOURCES

The secondary sources of data are collected from the magazines, journals, bulletins, web sites and etc. In addition to these, several structured interviews, and unstructured interviews, have also been conducted with experts on the subject and also a number of persons who are connected in one way or other, either directly to know why they don't use credit cards.

SAMPLE FRAME

The sample size was put 80 chosen from various functional areas. Stratified random sampling system has been followed to select teachers of some school and army employee.

TOOLS FOR DATA COLLECTION

A questionnaire with a set of questions was constructed and administered to the sample employees to elicit first-hand information relating 'Not using credit cards' and that is as follows:

| | |
|--|--|
| Name | |
| Qualification | |
| Designation | |
| Name of organization where working/Self Employed | |
| Having Bank Account (Yes/No) | |
| Name of Bank | |
| Signature | |

Questionnaire Regarding Credit Cards

Q1: Do you think that Credit Card is the need of today's life?

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q2: Do you have Credit Cards?

(A) Yes (B) No

Q3: Do you know what is Credit Card?

(A) Yes (B) No

Q4: Do you know how to use Credit Cards?

(A) Yes (B) No

Q5: You don't use Credit Cards because of

(A) Short grace period (B) late payment penalties (C) FEAR OF FRAUD (D) bad service given by bank.

Q6: Do you think that by using Credit Cards your debt increases?

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q7: Are you afraid of using Credit Cards?

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q8: Do you find that keeping track of their charges and paying each Credit Cards bill is just time consuming.

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q9: Do you have negative experience with your bank regarding Credit Cards services.

(A) Yes (B) No

Q10: Do you agree with the statement that you don't want to use Credit Cards because it will increase your habit of spending money?

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q11: You don't use Credit Cards because you think that it can lead you to bankruptcy.

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q12: You don't use Credit Cards for your peace of mind.

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q13: You don't use Credit Cards because of fear of high interest rates.

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q14: You don't use Credit Cards because it increase purchase habit and affect the budget.

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

Q15: Do you really think that, if you will use Credit Cards you will not have your control on purchases of goods.

(A) Strongly Agree (B) Agree (C) Disagree (D) Strongly Disagree

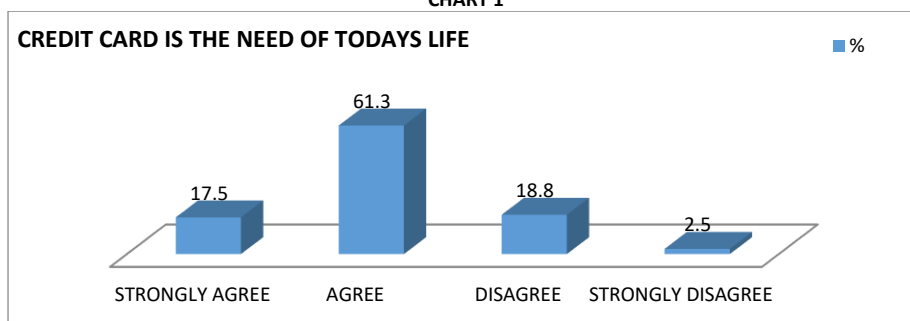
TOOL FOR ANALYSIS

The interview schedule method is used for gathering data which are relevant for the study conducted among various categories of teachers and army employees. The data collected through the schedules from primary sources have been processed and the results are analyzed using the percentiles.

ANALYSIS

QUESTION NO. 1: Do you think that Credit Card is the need of today's life?

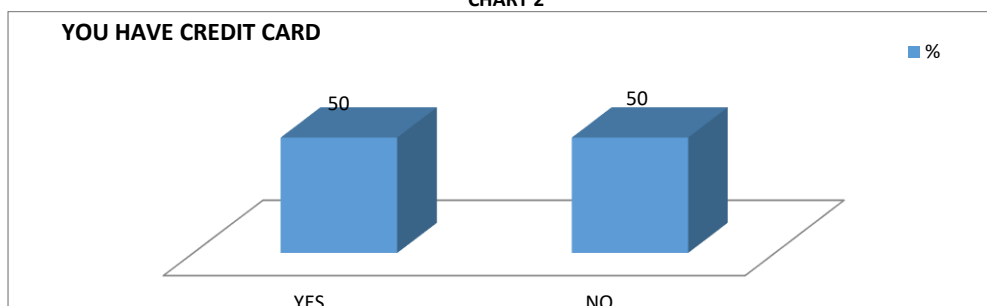
CHART 1



17.5 % of the peoples are strongly agree with the statement that credit card is the need of today's life, 61.3% are agree, but 18.8 % peoples are disagree while 2.5 % are strongly disagree so most of the people wants to get credit cards.

QUESTION NO. 2: Do you have Credit Cards?

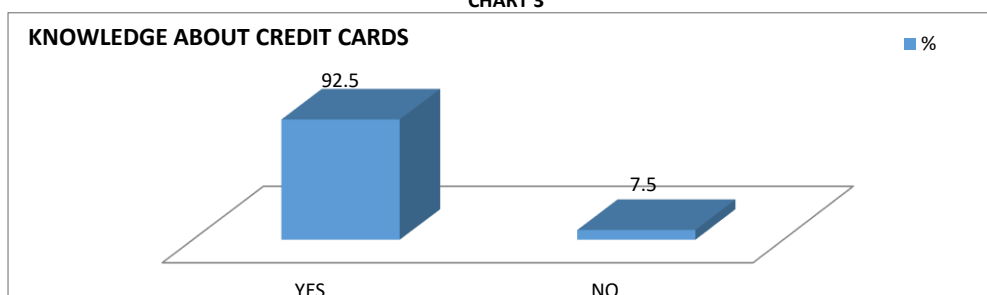
CHART 2



50 % of the people have credit card of different banks but 50% still don't have credit cards even they agreed that this is the need of present life.

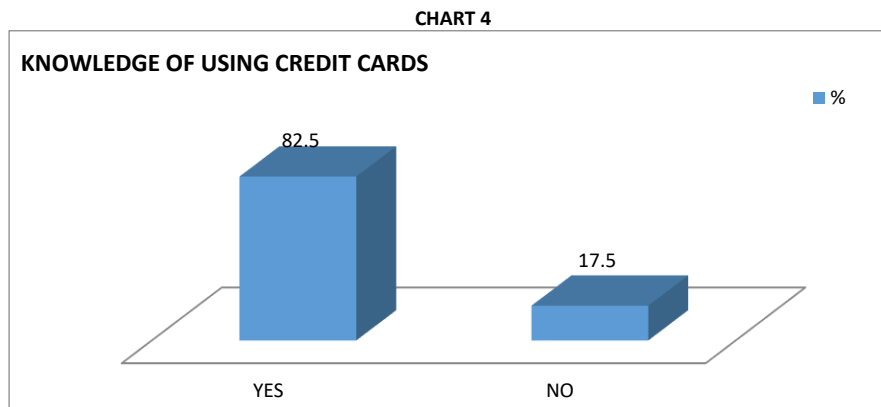
QUESTION NO. 3: Do you know what is Credit Card?

CHART 3



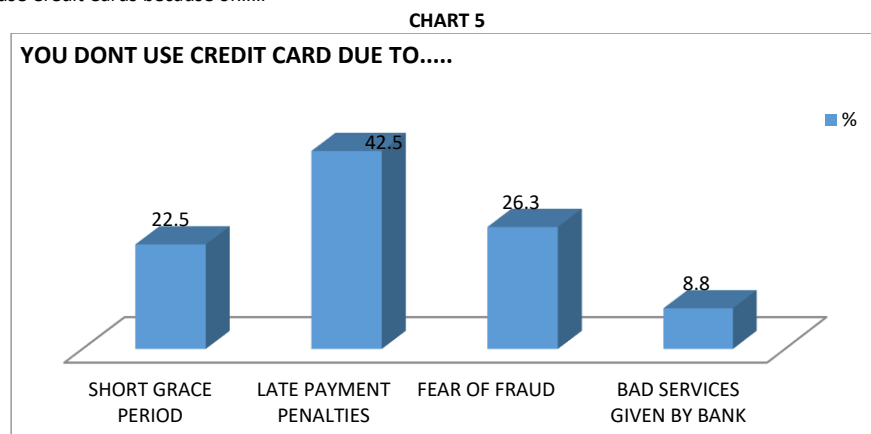
92.5% of the total people have a good knowledge about the credit cards but 7.5 % are still don't have knowledge about the credit cards.

QUESTION NO. 4: Do you know how to use Credit Cards?



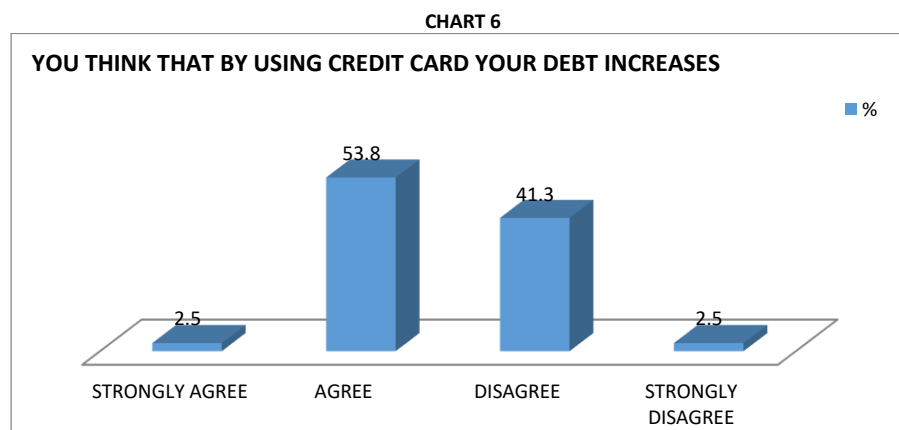
82.5% of the total people have a knowledge of using credit cards but 17.5 % still don't have a knowledge of using credit cards that's why they don't use it

QUESTION NO. 5: You don't use Credit Cards because of.....



22.5% of the people don't use credit card due to short grace period, 42.5% are afraid of late payment of penalties, 26.3% people have a fear of fraud and remaining 8.8% don't use because their bank gives bad services to them.

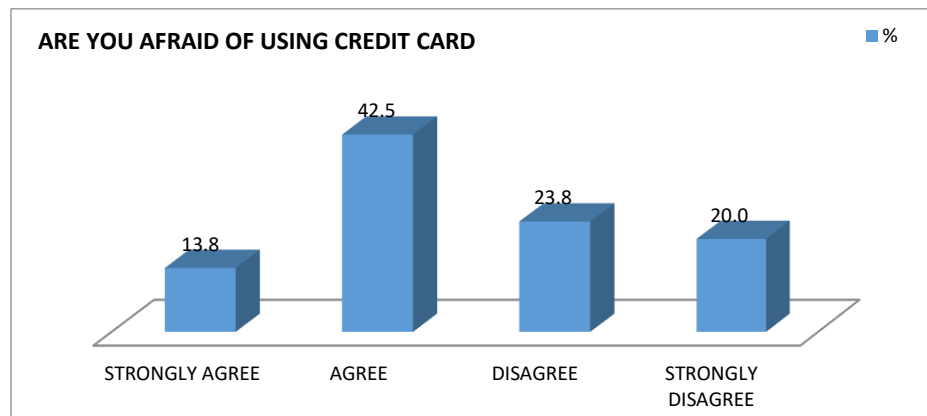
QUESTION NO. 6: Do you think that by using Credit Cards your debt increases?



2.5% of the people are strongly agree with the statement that by using credit card their debt increases, 53.8 % are also agree but 41.3 are disagree with this statement while 2.5% of the people are strongly disagree.

QUESTION NO. 7: Are you afraid of using Credit Cards?

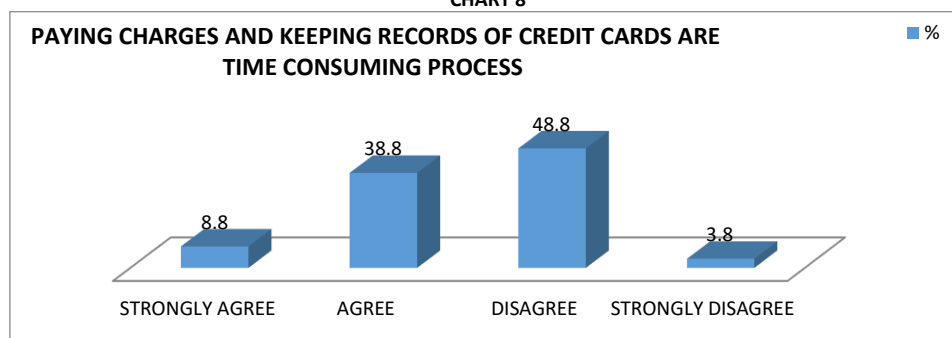
CHART 7



13.8% of the people are strongly agree with the statement that they are afraid of using credit card, 42.5% are agree but 42.5% peoples are disagree and 20% are strongly disagree, they said that they have no fear of using credit card

QUESTION NO. 8: Do you find that keeping track of their charges and paying each Credit Cards bill is just time consuming.

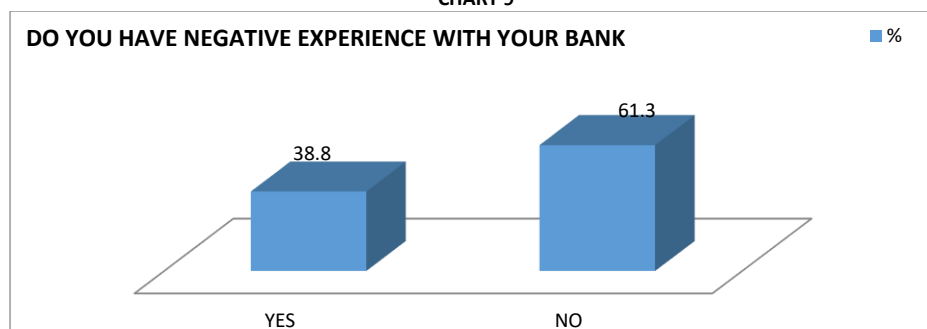
CHART 8



8.8% people are strongly agree with the statement that paying various charges for credit cards and keeping their records are time consuming process, 38.8% peoples are also agree but 48.8% are disagree with this statement while 3.8% are strongly disagree.

QUESTION NO. 9: Do you have negative experience with your bank regarding Credit Cards services.

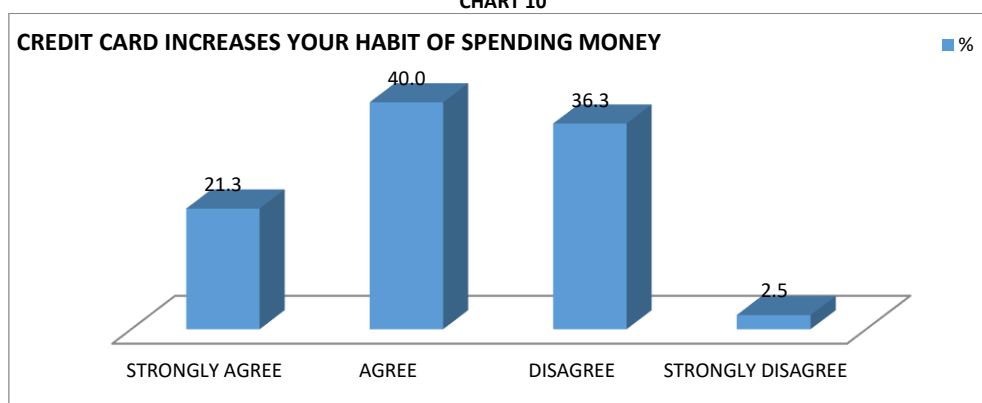
CHART 9



38.7 % of the people have negative experience with the bank that's why they don't want to take credit cards but 61.3% of the people don't have negative experience with their bank that's why they are using credit cards of their bank.

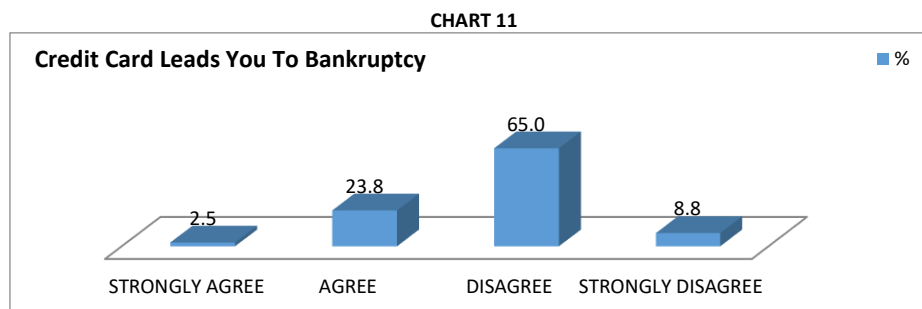
QUESTION NO. 10: Do you agree with the statement that you don't want to use Credit Cards because it increases your habit of spending money?

CHART 10



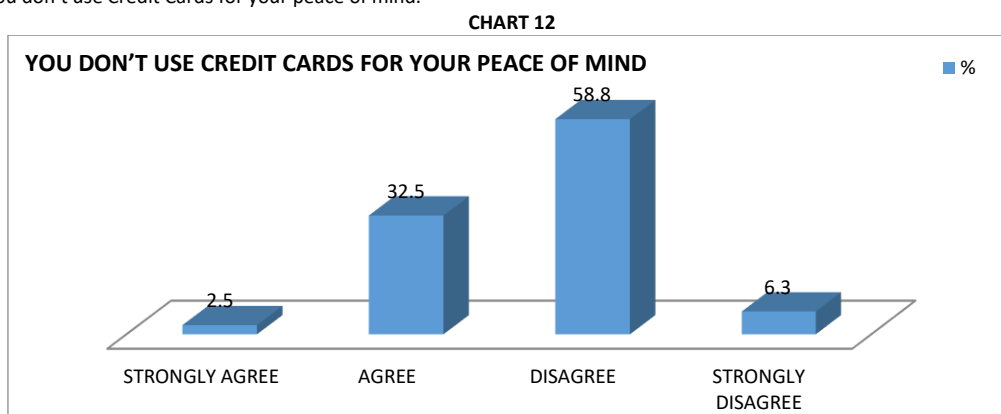
21.3% of the people are strongly agree with the statement that credit card increases their habit of spending money, 40% of the person also agree but 36.3% of the people are disagree with this, while 2.5% are strongly disagree.

QUESTION NO. 11: You don't use Credit Cards because you think that it can lead you to bankruptcy.



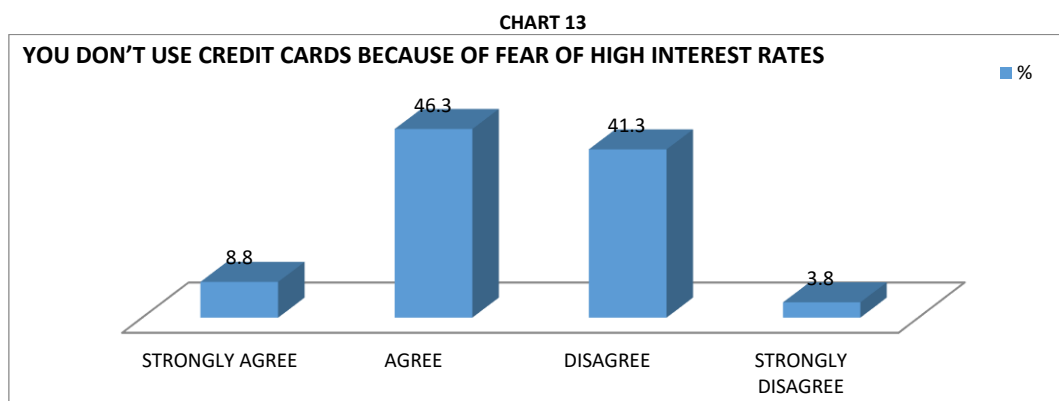
2.5% of the total peoples have a feeling that credit card leads them to the bankruptcy that's why they are strongly agree with this statement, 23.8% are also agree but 65% of the peoples are disagree while 8.8 % are strongly disagree.

QUESTION NO. 12: You don't use Credit Cards for your peace of mind.



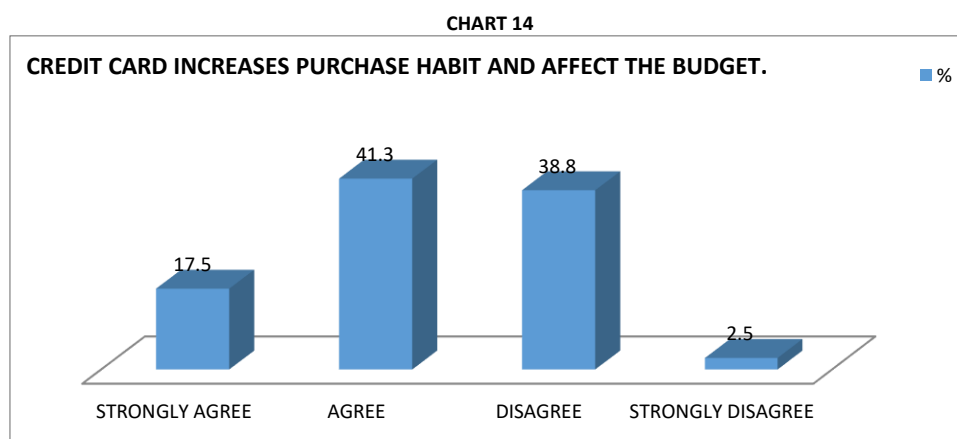
2.5% of the people are strongly agree with the statement that they don't use credit card for their peace of mind, 32.5% of the people are also agree but 58.8 % of the people are disagree with this fact while 6.3% are strongly disagree.

QUESTION NO. 13: You don't use Credit Cards because of fear of high interest rates.



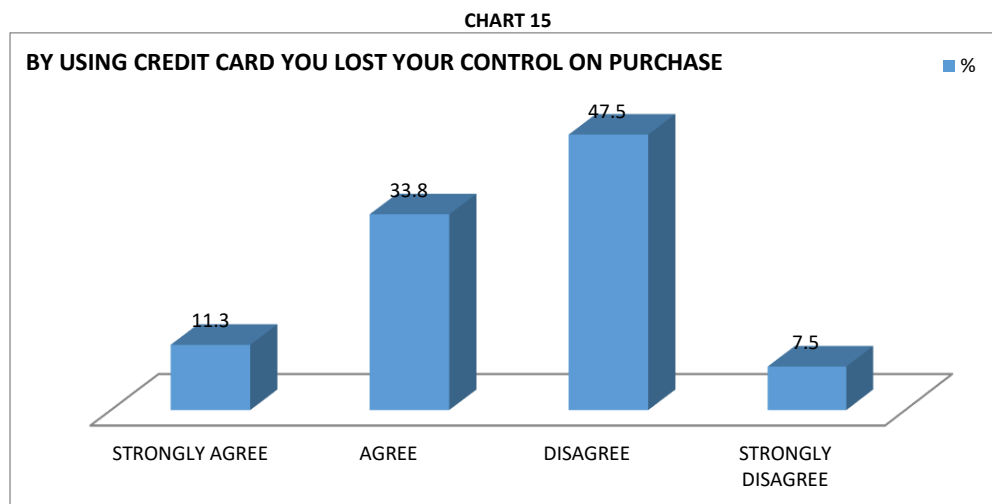
8.8% of the total people are strongly agree with the statement that they don't use credit cards because of fear of high interest rates, 46.3% are also agree but 41.3% of the people are disagree with this statement while 3.8% are strongly disagree.

QUESTION NO. 14: You don't use Credit Cards because it increases purchase habit and affect the budget.



17.5% of the total people are strongly believe that credit card increases their purchase habit and affect their budget also 41.3% are also agree but 38.8% of the total persons are disagree with this statement while 2.5% are disagree.

QUESTION NO. 15: Do you really think that, if you will use Credit Cards you will not have your control on purchases of goods.



11.3% of the total people are strongly believe that by using credit card they lost their control on purchasing 33.8% are also agree but 47.5% of the total peoples are disagree with this statement while 7.5% are disagree.

FINDINGS

78.8 % of the people (including teachers and army employee) think that credit card is the need of today's life. 50% of the people have credit cards. 92.5% of the people have knowledge about credit card. 82.5% people also know how to use credit card. 22.5% of the people don't use credit card due to short grace period, 42.5% are afraid of late payment of penalties, 26.3% people have a fear of fraud and remaining 8.8% don't use because their bank gives bad services to them. This is what people think about using credit cards. 56.3% of the people think that by using credit card their debt increases so why use credit card. 56.3% of the people are feels that they are afraid of using credit card or they have a fear of using credit cards that's why they don't use it. 47.6% of the people feel that paying various charges for credit cards and keeping their records are time consuming. 38.7 % of the people have negative experience with the bank that's why they don't want to take credit cards. 61.3% of the people feel that credit card increases their habit of spending money and they spent more and more, so they don't want to use it. 26.3% people feels that credit card leads them to the bankruptcy. 35% of the people are saying that they don't use credit card for their peace of mind. 55.1% of the people believe that they don't use credit cards because of fear of high interest rates. 58.8% of the people feels that credit card increases their purchase habit and affect their budget also. 45.1% of the people believe that by using credit card they lost their control on purchasing and they kept on purchasing.

CONCLUSION

Most of the people are confused about the requirement of credit cards in reality they don't have the complete knowledge That's why they are not able to use credit card, so the following is the requirement for credit cards. **HSBC Classic Credit Card:** Rs. 1,44,000 (self-employed or salaried) i.e. monthly salary of Rs. 12,000. **HSBC Gold:** Rs. 2,40,000 (self-employed or salaried). Rs. 20,000 /month. **Axis Bank Insta Easy Credit Card:** Requires no income proof. But the condition to get a card is fixed deposit (FD) account at any of the axis bank and its branches across India with minimum deposit of Rs. 20,000 and maximum limit of Rs. 25,00,000. **Axis Bank Gold Card:** 1,80,000 (self-employed or salaried) which is Rs. 15,000 per month. **India Card by Bank of India:** To be eligible to get this card, gross annual income of the applicant should be Rs. 0.75 lacs & above. This comes out to be less than 7000 per month which is lowest. **Canara Bank (Visa Classic/Mastercard Standard Card):** Minimum annual salary is Rs. 1,00,000 p.a. This comes out to be nearly Rs. 8,000 per month. **Canara Bank (Global Gold Card):** Annual income required is Rs. 2,00,000. **ICICI Bank (HPCL Credit Card):** Rs. 1,44,000 (Both salaries and self-employed) i.e. monthly salary of Rs. 12,000. **HDFC (Gold and Silver):** For salaried Rs. 2 Lacs and self-employed Rs. 1.5 Lacs. I.e. monthly income between Rs. 15,000 – Rs. 16,000 for salaried person and Rs. 12,000 for self-employed. **Kotak Bank (Trump and Fortune Gold Card):** Rs. 3 Lacs for salaried and self-employed. Monthly salary of Rs. 25,000. **Andhra Bank (Visa Classic/Mastercard):** Gross annual income required is Rs. 1,80,000. **Andhra Bank (Visa Gold Card):** Gross annual income required is Rs. 2,40,000. **Bank of Baroda (Visa Gold Card):** Annual income required is Rs. 1,50,000. **Corporation Bank (Classic & Gold Card):** In order to be eligible to get classic card annual income required is just Rs. 1,20,000. Whereas for gold card, Rs. 2,00,000 is the annual income required. **Vijaya Bank (Visa Classic/Mastercard Global):** Requires lowest salary amongst all which is Rs. 60,000 and Rs. 1,20,000 respectively. However, the condition to avail the card is that the applicant should be the account holder of the bank.

Card issuer will ask for following documents related to your salary:

- Salary slips/certificate for last 3 months
- Income tax return document
- Latest bank statement indicating salary credited for minimum 3 months.

At last there are so many merits and demerits of using the credit card so people have to use it wisely.

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IMPACT OF MGNREGA ON RURAL WOMEN: A STUDY OF MANDI DISTRICT OF HIMACHAL PRADESH

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ABSTRACT

Intended for the effectual implementation of the MGNREGA, awareness among the target group is very important. Until and unless the target group understands the real approach of the scheme, one cannot think in context of their full participation and involvement. Since, the MGNREGA is fundamentally demand-driven the status of awareness among the rural people assumes greater significance in unleashing a wave of transformation in the lives of beneficiaries. Hence, it is significant that proper acquaintance and awareness should be generated among the rural poor with regard to MGNREGA to ensure their full participation and involvement in the programme.

KEYWORDS

MGNREGA, rural women social impact, unemployment.

INTRODUCTION

Unemployment is a core cause of poverty. The Government has launched a variety of schemes for the eradication of poverty. Among these programmes, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the largest rural employment programme ever undertaken in India. The Government as a commitment to its National Common Minimum Programme, has successfully passed the Bill on MGNREGA. The launching of MGNREGA is a memorable endeavour to make certain employment to rural needy and poor households. MGNREGA is a holistic measure Rights that is Right to Employment at least to one member of the family.¹ MGNREGA guarantees the right to work for 100 days in every financial year for every rural household for manual work. The major objective of MGNREGA is the creation of durable assets and strengthening the livelihood resource base of the rural poor for fighting poverty. For receiving work under MGNREGA, the villagers have to apply to the Gram Panchayat for registration. Gram Panchayat issues a job card within 15 days after the villager's registration. After having undertaken the work, the villagers are supposed to get cash amount for the work done every week. Under the MGNREGA, men and women are given equal minimum wages and Gram Sabha selects the types of rural works such as watershed, plantation, rural connectivity, land-leveling, soil conservation, etc. Gram Panchayats are given more significance than Panchayat Samitis and Zila Parishad for the implementation of MGNREGA. To ensure transparency and accountability, the Government has made a provision of 'Social Audit' under this scheme. Under the MGNREGA, the tool of Social Audit is extensively used by local community to ascertain the relevance, usefulness and utility of the funds allocated. The Gram Sabha under social Audit scrutinizes the standard, quality and performance of rural development initiatives. The formulation and implementation of MGNREGA constitutes a significant step to poverty alleviation by providing an institutional framework for guaranteeing supplementary livelihood opportunity to the rural households.² Hence, it is imperative to evaluate real position of the impact and implementation of MGNREGA in district Mandi of Himachal Pradesh. Four blocks namely Balh, Drang, Gohar and Sundernagar of Mandi district and a sample of 318 women respondents has been selected to know the economic, social and political impact of MGNREGA on rural women.

RESPONSES REGARDING ECONOMIC IMPACT OF MGNREGA ON RURAL WOMEN

To analyze the impact of MGNREGA on rural women, here, an attempt has been made to analyze the social, political and economic impact of MGNREGA on rural women under the study area. In this context, the data has been collected from the sample programme beneficiaries by rendering three statements i.e. 'MGNREGA' helps in improving income of rural women', 'It helps in making women self-dependent' and 'It helps in improving women's say in family's economic matters'. The opinion in this context has been illustrated in table 1.1.

TABLE 1.1: ECONOMIC IMPACT OF MGNREGA ON RURAL WOMEN BENEFICIARIES

| Sr. No. | Statement | Responses | | | |
|---------|---|-------------------|----------------------|---------------|-----------------|
| | | To a large extent | To a marginal extent | Not at all | Total |
| 1 | Providing income to rural women | 67 (21.06) | 188 (59.11) | 63 (19.81) | 318 (100.00) |
| 2 | Making women self-dependent | 54 (16.98) | 182 (57.23) | 82 (25.78) | 318 (100.00) |
| 3 | Improving women's say in family's economic matter | 61 (19.18) | 203 (63.83) | 94 (29.55) | 318 (100.00) |

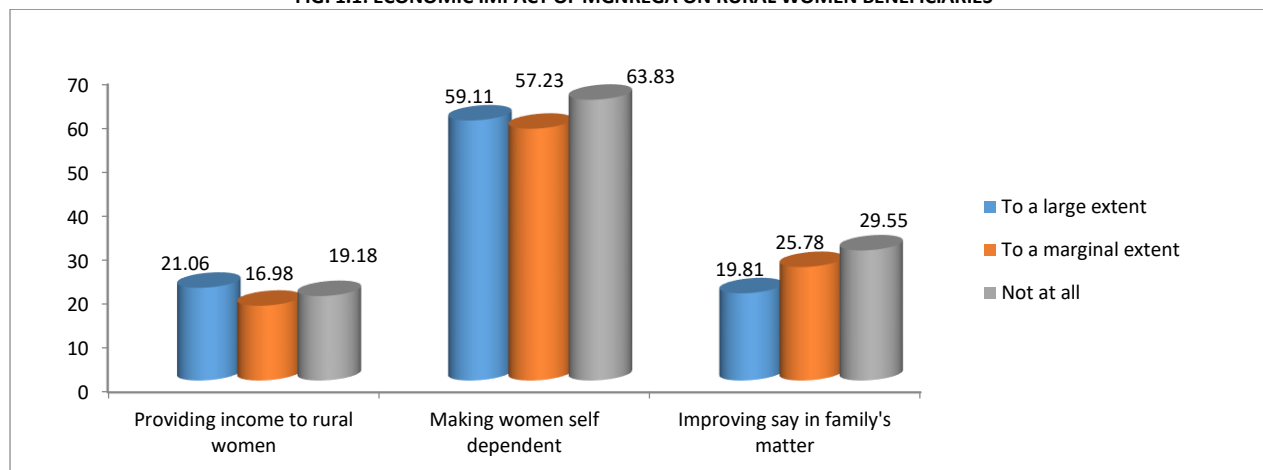
FIG. 1.1: ECONOMIC IMPACT OF MGNREGA ON RURAL WOMEN BENEFICIARIES

Table 1.1 illustrated that, 21.06 per cent of sample respondents were of the opinion that, MGNREGA is providing income to rural women 'up to a large extent', 59.11 per cent of respondents recognized it 'upto a marginal extent' and 19.81 per cent of respondents stated that, it is not providing income to rural women. However, with regards to the second statement, 16.98 per cent of respondents recognized that, MGNREGA is making women self-dependent 'upto a large extent', 57.23 per cent were of the views that, it is making women self-dependent 'upto a marginal extent' and 25.78 per cent of sample respondents reported that, MGNREGA is not making rural women self-dependent.

In context of third statement, 19.18 per cent of sample respondents held the views that, MGNREGA is improving women's say in the family's economic matters 'up to a large extent', whereas, 63.83 per cent of respondents recognized it 'upto a marginal extent' and 29.55 per cent were of the opinion that, MGNREGA is not improving women's say in family's economic matters.

The analysis of above data leads to the conclusion that, the impact of MGNREGA on the 'women's self dependency' and 'having say' in the family's economic matters was found marginal in overall.

OPINION REGARDING SOCIAL IMPACT OF MGNREGA ON RURAL WOMEN

To analyze the social impact of MGNREGA on rural women, it has been ascertained on five statements, such as, 'Improving women's social status', 'Improving say in social matters', 'Transforming towards modernization', 'Helps in leaving conservative mores' and 'Inculcating a feeling of equality and self-identity'. The data with regard to the social impact of MGNREGA on rural women beneficiaries has been obtained and reflected in table 1.2.

TABLE 1.2: SOCIAL IMPACT OF MGNREGA ON RURAL WOMEN BENEFICIARIES

| Sr. No. | Statement | Responses | | | |
|---------|---|-------------------|----------------------|---------------|-----------------|
| | | To a large extent | To a marginal extent | Not at all | Total |
| 1 | Improving Social Status | 59 (18.55) | 197 (61.94) | 62 (19.49) | 318 (100.00) |
| 2 | Improving say in social matters | 48 (15.09) | 172 (54.08) | 98 (30.81) | 318 (100.00) |
| 3 | Transforming towards modernization | 51 (16.03) | 185 (58.17) | 82 (25.78) | 318 (100.00) |
| 4 | Helps in leaving conservative mores | 96 (30.18) | 186 (58.49) | 36 (11.32) | 318 (100.00) |
| 5 | Inculcating a feeling of equality and self-identity | 76 (23.89) | 186 (58.49) | 56 (17.61) | 318 (100.00) |

FIG. 1.2: SOCIAL IMPACT OF MGNREGA ON RURAL WOMEN BENEFICIARIES

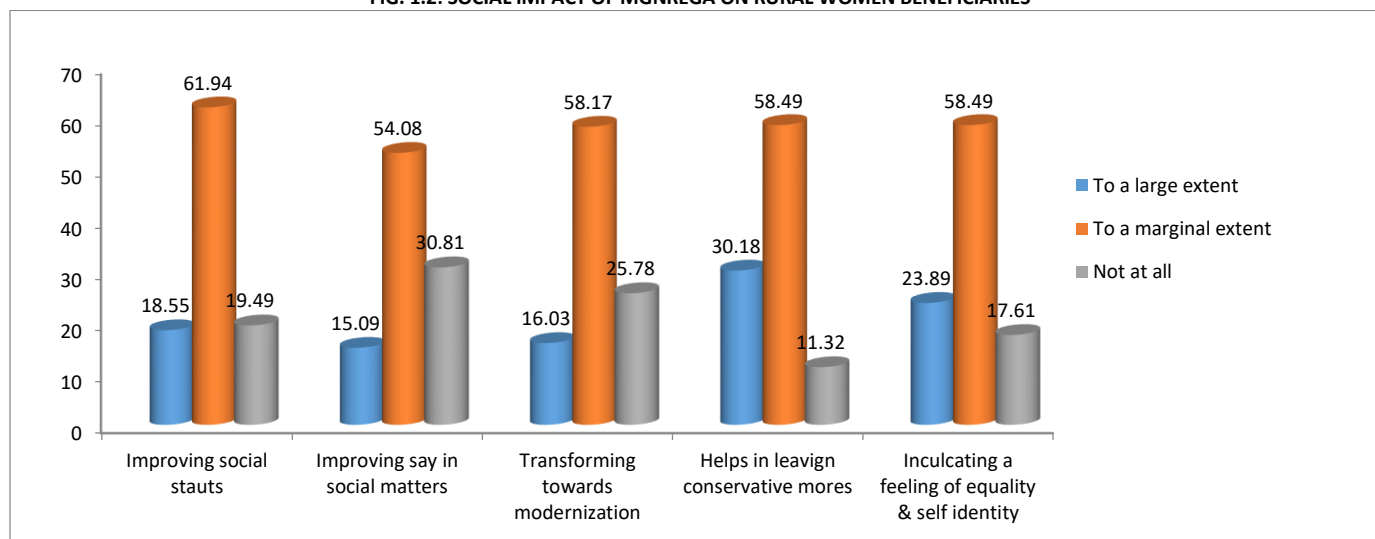


Table 1.2 indicates that, 18.55 per cent of sample programme beneficiaries recognized with regard to the first statement that, MGNREGA is improving social status of rural women 'upto a large extent', 61.94 per cent of respondents reported it 'upto a marginal extent', whereas 19.49 per cent of respondents were of the opinion that, MGNREGA is not improving the social status of rural women. In respect of second statement, 15.09 per cent of respondents were of the views that, MGNREGA is improving women's say in social matters 'upto a large extent', 54.08 per cent responded regarding this 'up to a marginal extent' and 30.81 per cent of respondents were of the opinion that, MGNREGA is not improving women's say in social matters. With regard to the third statement, 16.03 per cent of sample respondents generalized that, MGNREGA is transforming the women towards modernization 'up to a large extent', 58.17 per cent were of the opinion 'up to a marginal extent', however 25.78 per cent of respondents were of the opinion that, MGNREGA is not transforming women towards modernization.

In context of fourth statement, 30.18 per cent of respondents recognized that, MGNREGA is helping to rural women in living conservative mores, 'upto a large context', 58.49 per cent of respondents reported it 'upto a marginal extent', however 11.32 per cent of respondents held the opinion that, MGNREGA is not helping in leaving conservative mores. In addition to the fifth statement, 23.89 per cent of respondents were of the opinion that, MGNREGA inculcates a feeling of equality and self identity 'upto a large extent', whereas, 58.49 per cent of respondents rendered their majority to the second option i.e. 'upto a marginal extent', however, 17.61 per cent of respondents recognized that, MGNREGA is not inculcating a feeling of equality and self identity. On the basis of above analysis, it can be inferred that, the social condition of rural women has improved up to a marginal extent. They are now participating community's social matters. MGNREGA also helped in bringing some equality and identity to women in rural areas.

OPINION REGARDING POLITICAL IMPACT OF MGNREGA ON RURAL WOMEN BENEFICIARIES

Here, an attempt has been made to know the inner state of women beneficiaries regarding the political impact of MGNREGA on rural women. To ascertain the political impact of MGNREGA on rural women, five statements have been described such as, 'Role in panchayat's policy making process', 'Activating to participate in Gram Sabha meetings', 'Confidence to speak in Gram Sabha', 'Interaction with the official and representation in various committees. Data in this respect has been obtained from rural women beneficiaries. The data so collected has been demonstrated in table. 1.3.

TABLE 1.3: OPINION REGARDING POLITICAL IMPACT OF MGNREGA ON RURAL WOMEN BENEFICIARIES

| Sr. No. | Statement | Responses | | | |
|---------|---|-------------------|----------------------|----------------|-----------------|
| | | To a large extent | To a marginal extent | Not at all | Total |
| 1 | Role in Panchayat's policy making | 34 (10.69) | 158 (49.68) | 126 (39.62) | 318 (100.00) |
| 2 | Activating to participate in gram sabha meeting | 49 (15.40) | 154 (48.42) | 115 (36.16) | 318 (100.00) |
| 3 | Confidence to speak in Gram Sabha | 38 (11.94) | 146 (45.91) | 134 (42.13) | 318 (100.00) |
| 4 | Interaction with the officials | 51 (16.03) | 165 (51.88) | 102 (32.07) | 318 (100.00) |
| 5 | Representation in various committees | 114 (35.84) | 100 (31.44) | 104 (32.70) | 318 (100.00) |

FIG. 1.3: OPINION REGARDING POLITICAL IMPACT OF MGNREGA ON RURAL WOMEN BENEFICIARIES

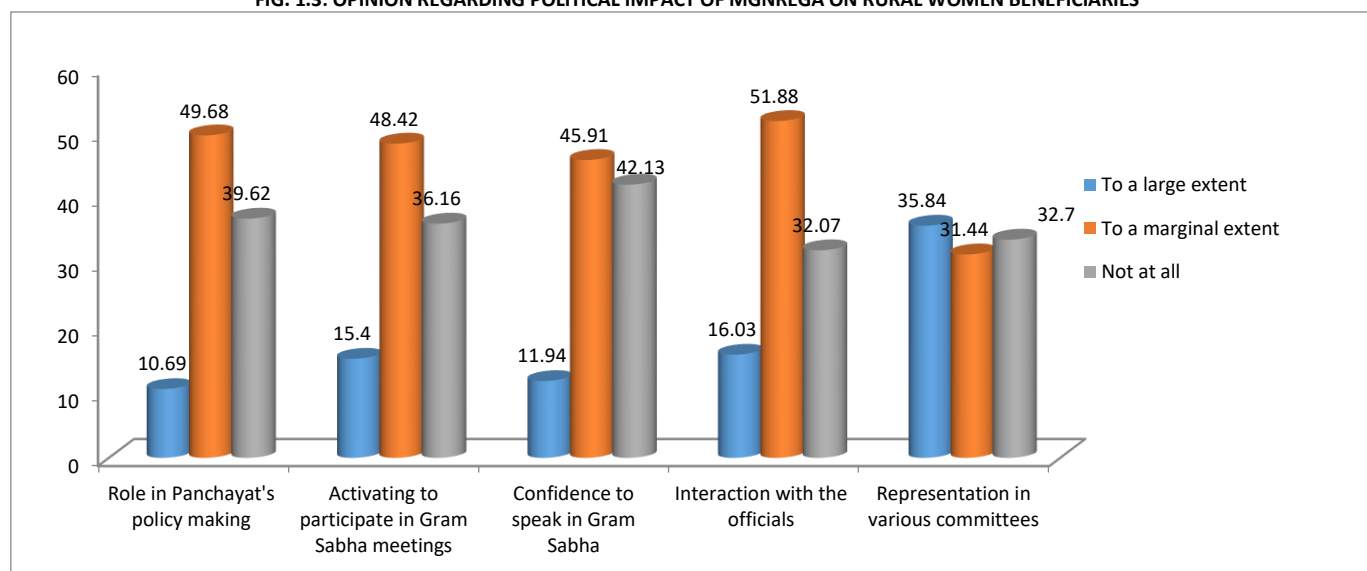


Table 1.3 reveals that, out of total sample respondents, 10.69 per cent of respondents were of the opinion that, MGNREGA provided opportunity to rural women to represent their role in Panchayat's policy making process 'up to a large extent' whereas, 49.68 per cent of respondents recognized with regard to the first statement 'up to a marginal extent', however, 39.62 per cent of respondents were of the opinion that, MGNREGA is not providing opportunity to rural women to represent their role in Panchayat's policy making process.

In context of second statement, 15.40 per cent of sample respondents held the views that, MGNREGA is activating the rural women to participate in Gram Sabha meetings 'upto a large extent', whereas, 48.42 per cent recognized it 'up to a marginal extent', 36.16 were of the opinion that, MGNREGA is not activating the rural women to participate in Gram Sabha meeting. With regard to the third statement, 11.94 per cent of respondents were agreed with this statement that, MGNREGA built the confidence level of rural women to speak in Gram Shaba 'upto a large extent', whereas, 45.91 per cent of respondents recognized it 'upto a marginal extent' and 42.13 per cent of respondents reported that, MGNREGA did not built the confidence of rural women to speak in Gram Sabha. In addition to the fourth statement, 16.03 per cent of respondents held the views that, MGNREGA create interaction of rural women towards the officials 'upto a large extent', whereas, 51.88 per cent of respondents were agreed 'upto a marginal extent' and 32.07 per cent were of the opinion that, MGNREGA did not create any interaction of rural women toward the officials.

In addition to the fifth statement, 35.84 per cent of the respondents held the views that, MGNREGA provides opportunity to rural women to represent their self in various committees 'up to a large extent', whereas, 31.44 per cent of the respondents were agreed regarding the fifth statement 'upto a marginal extent' and 32.70 per cent of respondents were of the opinion that, MGNREGA is not providing opportunity to rural women to represent their role in various committees. From the above analysis, it can be inferred that, MGNREGA has empowered the rural women politically to a marginal extent except, their representation in various committees of Gram Sabha at Panchayat level. Further, MGNREGA provide opportunity to represent them in various committees formed under MGNREGA to a large extent.

CONCLUSION

Despite all this, rural households have to work under the MGNREGA because it provides employment at the door step. However, there were no discrimination on the basis of caste, creed, age, gender and family status while rendering the employment under the MGNREGA. However, the prescribed provisions of MGNREGA were not found sufficient. Further, it was also observed that, this programme has marginally helped to the beneficiaries to improve their economic and social conditions in the rural areas. MGNREGA has successfully providing at least some level of employment opportunities and enhance the income of the rural women. MGNREGA was also providing platform to rural women by putting purchasing power in their hands and thereby rendering them marginal control over family's expenditure.

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