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ADAPTATION LEVEL OF GREEN SUPPLY CHAIN PRACTICES: AN EMPIRICAL STUDY OF INDIAN AUTOMOBILE SECTOR

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ABSTRACT

Green initiatives in supply chain operations of manufacturing organizations have emerged as indispensable approach, which not only reduces the environmental issues but also yields economic benefits to manufacturers. This paper aims to present, current state of Green Supply Chain Management (GSCM) practices' adaptation level in Indian automobile industry. Primary data was collected through questionnaire survey from Pithampur (Madhya Pradesh) and descriptive statistics is being used to analyze data. The research findings show that, in general, Indian Automobile manufacturers have initiated adaptation of environmental friendly practices into their supply chain operations.

KEYWORDS

Indian automobile sector, green supply chain management (GSCM), GSCM practices.

INTRODUCTION

The environmental management has now become a vital issue across the world. Tremendous growth in the production, consumption and transportation has caused the environmental issues such as global warming, climate change and air and water pollution. Besides, manufacturing supply chain is one of the major sources of environmental pollution by release of unnecessary waste and emissions throughout the operations. As a result, environmental issues have become a threat for supply chain activities of manufacturing organizations. Hence, an attempt has been made through this research to investigate adaptation level of GSCM practices in Indian Automobile Sector.

According to the Council of Logistics Management, Supply Chain Management (SCM) is defined as the process of planning, implementing controlling efficient and cost effective flow of material, and related information from point of order to point of consumption for fulfilling customers' requirements as efficiently as possible. Karchu (2009) defined SCM as conscious effort to maximize customer value and sustainable competitive advantage. In addition, SCM involves extraction and exploitation of the natural resources (Srivastava, 2007).

Consequently, it causes environmental degradation. Besides, conflict between natural environment and manufacturing supply chain has become more complex and need of environmental friendly initiatives has raised across full SCM activities; from extraction of resources to disposal of end life of product. GSCM has emerged as add-on to traditional SCM concept. It is the process of incorporating environmental consciousness in the SCM activities. Jung (2011) defined GSCM as fast moving, multidisciplinary field and an effort of organization to integrate environmental requirements with SCM systems.

Green et al. (2012) defined green supply as referred to the way in which innovations in SCM and industrial purchasing may be considered in the context of the environment. Godfrey (1998) addressed GSCM as the practice of monitoring and improving environmental performance in the supply chain.

LITERATURE REVIEW

The choice of GSCM practices depends up on some external and internal factors of organization like type of operations, nature of product, management policies and support and stage of organization in the supply chain of industry (i.e., supplier, OEMs, distributor). There are numerous studies conducted on GSCM practices. Zhu & Sarkis (2007a) found significant positive relationship between organizational leaning and management support and the adoption of GSCM practices in Chinese manufacturing firms.

In another study Zhu et al. (2008b) performed cross-sectional analysis with four Chinese manufacturing industries: power generating, chemical/petroleum, electrical/ electronic and automobile, to evaluate their GSCM and closing the supply chain loop (reverse logistics). They found the insights capabilities of manufacturers in implementation of GSCM practices and concluded that these practices are not considered equally across the four industries. Hence, GSCM practices implementation level and choice of practice varies as per the industry operations and requirements.

Hsu et al. (2008) developed a model to prioritize practices while implementing GSCM practices in electronic industry. Their findings indicate that supplier management and organizational involvement are the two most important decisions for implementing GSCM practices followed by product life cycle management and product recycling. Zhu et al. (2008a) applied confirmatory factor analysis to construct both first and second order GSCM practices model. They developed standard constructs and scale to implement GSCM practices in manufacturing organizations.

Few studies addressed common practices among manufacturing organizations. Eitayeb & Zailani (2009) empirically investigated the adoption of green supply chain initiatives namely, green purchasing, eco- design, and reverse logistics among ISO 14001 certified manufacturing firms in Malaysia. Eco- design was found to be the most adopted practice followed by green purchasing whereas reverse logistics adoption level found very low. Moreover, they found that manufactures with more number of suppliers are practicing more green purchasing initiatives than lower. They also found that green adoption level is no significantly varied between firm age and type of product.

Zhu et al. (2010) compared implementation of internal environment management, eco - design, customer cooperation, green purchasing and investment recovery in Japanese and China large manufacturing firms. They found that internal environmental management practices as most adopted practice in Japanese manufacturers than Chinese manufacturers. Luthra et al. (2013) identified and ranked strategies for the successful implementation of GSCM practices in Indian manufacturing sector with the help of experts view and Analytic Hierarchy Process (AHP). They divide strategies into four categories namely, non members of supply chain, downstream supply chain members, organizational members and upward stream supply chain members. Lo (2014) investigated the relationship in supply chain position of an organization in the industry and type of GSCM practices adoption. According to literature review, GSCM Practices mainly includes the followings:

- a. Green Design,
- b. Green Procurement,
- c. Green Manufacturing,
- d. Green Packaging,

- e. Green Warehousing & Building,
- f. Green Distribution & Transportation, and
- g. Green Reverse Logistics.

NEED AND OBJECTIVE OF STUDY

Automobile sector is one of the major contributors in critical environmental issues. Meanwhile, Indian Automobile Sector is also tackling a range of environmental issues in their supply chain. Thus, greening the supply chain has become essential for Indian automobile manufacturers to take global competitive edge. Therefore, this research paper is aimed towards to describe adaptation level of green supply chain practices in Indian Automobile Sector.

RESEARCH METHODOLOGY

This research is descriptive in nature. Based on available literature, a questionnaire was developed of fifty two identified parameters of GSCM practices and grouped into main seven GSCM practices, which include; green design, green purchasing, green manufacturing, green packaging, green warehousing and building, green distribution and transportation and green reverse logistics.

Data was collected through survey questionnaire on 5 - point Likert scale of 1= not considering it, 2 = planning consider it, 3 = considering it currently, 4 = initiating implementation, 5 = implementing successfully (scale adopted from Zhu et al. 2007b).

The non-probability, convenient sampling, was used to opt for the data from original equipment manufacturers (OEMs) and auto component manufactures situated in Pithampur (Indore) Mandhya Pradesh, India. Pithampur is one of the big auto clusters of India. The questionnaires were emailed to Automobile organizational managers according to their area of expertise in Supply Chain Management/ Production/Logistics. Out of 50 questionnaires, 31 complete questionnaires were received.

RESULTS AND DISCUSSION

This research aimed to find out the adaptation level of GSCM practices in Indian Automobile Sector. The reliability (Refer Table 1) and descriptive test (Mean and Standard Deviation) of GSCM practices was computed. Out of fifty two practices, only two GSCM practices mean scores were found less than the threshold of 3, which are; use of alternative fuels in transportation (2.71) and collect back used packaging from customers for reuse or recycle (2.94) (Refer Table 2). Therefore, these two GSCM practices are not practicing by selected sample of Indian automobile manufacturers. Table 1 shows that research data is reliable and scored value of more than .70.

TABLE 1: RELIABILITY TEST OF GSCM PRACTICES

Factor	Reliability Test Value (α)
Green Design	.807
Green Procurement	.878
Green Manufacturing	.872
Green Packaging	.754
Green Warehousing and Building	.818
Green Distribution and Transportation	.826
Green Reverse Logistics	.851
Overall	.954

TABLE 2: MEAN AND STANDARD DEVIATION OF GSCM PRACTICES

S. No.	GSCM Practices	Mean	SD
Green Design		4.05	0.59
1	Design of products for optimum consumption of material/energy	3.84	0.77
2	Design of product for reuse, recycle, recovery of material, components parts & remanufacturing	3.9	0.87
3	Design of products to avoid or reduce use of hazardous of products	4.1	0.94
4	Design of products to reduce waste & costs	4.19	0.74
5	Design of product to meet environmental regulation and safety standards	4.48	0.72
6	Co-operation & feedback with customer in developing eco-design	3.65	1.17
7	Design of product for easy to repair	4.06	1.12
8	Design of product to be energy efficient for users	4.19	0.79
Green Procurement		3.59	0.69
1	Holding awareness seminars for suppliers	3.87	0.76
2	Guiding suppliers to set up their own environmental programs	3.74	0.99
3	Informing suppliers about the benefits of cleaner production and technologies;	4.03	0.83
4	Pressuring suppliers to take environmental actions	3.35	1.25
5	Choice of supplier by environmental criteria	3.71	1.00
6	Environmental audit for suppliers' internal management	3.45	1.15
7	Provide design specifications to supplier that include environmental requirements for purchased items	3.42	1.25
8	Second-tier supplier's environmentally friendly practice evaluation	3.06	0.92
9	Developing a mutual understanding of responsibilities regarding environmental performance	3.29	0.97
10	Require Supplier's ISO 14001 Certification	4.03	0.79
Green Manufacturing		4	0.61
1	Optimization of process to reduce noise	3.71	1.29
2	Optimization of processes to reduce solid waste	3.58	1.17
3	Optimization of processes to reduce air emissions	3.77	1.20
4	Taking environmental criteria into consideration in selection of manufacturing process	3.81	1.13
5	Use of environmental friendly raw materials	4.23	0.76
6	Substitution of environmentally questionable raw materials	4.45	0.50
7	Minimize toxic/hazardous waste during manufacturing	4.42	0.72
8	Production planning and control focused on reducing waste and optimizing materials exploitation	4.29	0.58
9	Process Design focused on reducing energy and natural resources consumption in operations	3.97	0.91
10	Use of cleaner technology process to make savings (energy, water, and wastes)	4.1	0.7
11	Measures taken to reduce material, water & energy used in manufacturing	4.29	0.64
12	Internal recycling of materials within the production phase	3.42	1.20
Green Packaging		3.91	0.77
1	Selection of recyclable packaging material	3.87	1.08
2	Selection of multi-purpose, reusable and cleaner technology in packaging	3.87	0.99
3	Redesigning containers/packaging to minimize materials	3.84	1.15
4	Reduction in packaging materials	4.06	0.77
Green Warehousing & Building		3.81	0.76
1	Reducing energy consumption through solar panels and green roofing options	3.23	1.33
2	Reducing inventory and handling of product	4.1	0.7
3	Standard water systems (e.g. plants and landscaping materials that minimize water waste, use of "grey water" systems)	3.81	1.13
4	Standard Day Lighting system (Installing skylight, use natural light as a interior illumination)	4.03	1.08
5	Use of Energy - efficient material handling equipment	3.71	1.03
6	Use of Energy - efficient lighting system	3.97	0.94
Green Distribution & Transportation		3.68	0.74
1	Redesigning distribution networks to accommodate greater returns	3.39	1.23
2	Use of environment-friendly technology in transportation	3.39	1.23
3	Use of reusable containers /storage equipment	4.13	0.80
4	Use of alternative fuels in transportation	2.71	1.32
5	Effective shipment considering consolidation and full vehicles loading.	3.97	0.98
6	Optimizing location of distribution hubs	3.94	1.09
7	Minimizing frequent shipments	4.19	0.74
8	Periodically Services of the vehicles at service stations	3.74	1.23
Green Reverse Logistics		3.13	1.02
1	Collects back used products from customers for recycling, reclamation of materials, or reuse.	3.23	1.20
2	Collects back used packaging from customers for reuse or recycling	2.94	1.15
3	Requires suppliers to collect back their packaging materials.	3.26	1.29
4	Returns back its products to suppliers for recycling, retaining of materials, or remanufacturing.	3.1	1.24

The descriptive data shows that, in general, Indian Automobile Sector is considering implementation of GSCM Practices into their supply chain. Table 2 shows that, the Indian Automobile Sector (selected sample) has initiated implementation of Green Design (*Mean* = 4.05) and Green Manufacturing (*Mean* = 4) practices in their supply chain management activities. On the other hand, Green Purchasing (*Mean* = 3.60), Green Packaging (*Mean* = 3.91), Green Warehousing & Building (*Mean* = 3.81), Green Distribution & Transportation (*Mean* = 3.68), and Green Reverse Logistics (*Mean* = 3.13) are at the initial level of consideration. Whereas, green reverse logistic is found to be the lowest considered practice in sampled organizations. In addition, the research findings are in similar direction of past research as discussed in literature review.

CONCLUSION

This research was achieved through extraction of fifty two parameters under seven dimensions of GSCM Practices from the literature available on GSCM and afterwards, pilot study questionnaire was framed to collect empirical data from automobile experts, to find out the implementation level of GSCM practices in Indian Automobile Sector. Out of fifty two parameters, two were found to be less than threshold mean score.

The study found that green design and manufacturing practices has adopted by selected sample and remaining practices are at the initial stage of consideration. Therefore, it can be concluded that Indian Automobile Sector is at the initial stage of implementing GSCM Practices in majority of supply chain functions.

RECOMMENDATIONS

The results show that Indian Automobile Sector is considering implementation of GSCM practices in their supply chain activities. The Indian Automobile Sector may increase the implementation of green procurement practices like ISO14001 certification and environment audit of suppliers to improve the upward supply chain. Additionally, customer cooperation should be increase to make green design of products. Measurement of carbon footprints during manufacturing should also be increased to improve the environmental and operational performance. It is also suggested that recycling and reuse of used vehicles or components should be also increased to minimize wastage in the environment.

LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

Research sample is the limitation of this study. Future research can be conducted with large sample. Some other methods, like, case study will be also useful for this area of research.

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LEASING: A SOLUTION TO CREDIT RATIONING**MANDEEP KAUR****RESEARCH SCHOLAR****I. K. GUJRAL PUNJAB TECHNICAL UNIVERSITY****JALANDHAR****DR. POOJA MISHRA****DIRECTOR****A & M INSTITUTE OF MANAGEMENT AND TECHNOLOGY****PATHANKOT****ABSTRACT**

"Leasing is one of the last financial resorts". Finance forms the most important resources for any organization. There are various methods through which such finance is being raised. It is still not resolved in financial literature that leasing could act as a substitute or not. A leasing is a contract by which one party conveys land, property, service etc. to another for a specified time, usually in return for a periodic payment whereas banks used credit-rationing mechanism in order to mitigate the losses that arise due to asymmetric information. The question still arises about the relationship between leasing and credit rationing. Over the years, lease finance has been consented as one of the cornerstone of modern economy. In this paper, we are going to discuss two things: first, what are the factors that influence credit rationing and secondly, to study relationship between them. We compare the lease rentals with the monthly payments of loan. The results shows that we pay less in leasing as compare to banking loan.

KEYWORDS

asymmetric information, century, credit rationing, leasing, mechanism.

INTRODUCTION

Finance forms the most important resource for any organization. The main objective of any organization is to maximize their profits. According to E. Chandraiah (2004)¹ when leasing business grew and met with initial success, and then there was a mushroom growth of institutions offering leasing services in India. Globally leasing is the second most powerful source of financing next to the banks. Leasing in India started in 1973 with the first leasing company named "First Leasing Company Of India Ltd". Since, a number of medium to large sized companies, financial institutions like IRCI, ICICI AND GIC have also entered the field of leasing. Leasing is an attractive form of financing because of its flexibility that's why approximately one-third of all equipment acquisitions are now financed by leases. Another significant phase in the development of Indian leasing was the Dahotre Committee's recommendations based on which the RBI formed guidelines on commercial bank funding to leasing companies. The growth of leasing in India has distinctively been assisted by funding from banks and financial institutions. Apart from these, there are Sale & lease back and direct lease, Single investor lease & leveraged lease and Domestic & international lease. Though in foreign countries people are getting more advantage of the leasing but in India it is not popular as compared to other countries. The lack of regulatory supervision, particularly with regard to lease accounting practices where lease transactions were used as a means for deferring tax liability, finally brought the industry under scrutiny from the RBI in the mid-1990s. In fact, the number of lessors and the total volume of leased assets continued to fall until around 2008/2009. In Global Competitiveness Report 2012-2013 produced by the World Economic Forum (WEF), India is ranked at 59th position out of 144 in the Global Competitiveness Index (GCI). Leasing started quite late in India and the penetration level is not that high. Currently, only a limited number of players operate in this business. (T.T. Srinivasaraghavan, Managing Director of Sundaram Finance). The market is segmented with clear asset focus. Hence, the impact of the current economic situation on the leasing market is quite marginal (White Clarke Group India Asset and Auto Finance Country Survey 2013). Credit Rationing is referring to the situation where lenders limit the supply of additional credit to borrowers who demand funds, even if the later are willing to pay higher interest rates. There are two working definitions of credit rationing in the literature. The first focuses on situations in which increase in the interest rate cannot clear excess demand in the loan market, whether this excess demand reflects a single borrower (who would like a larger loan amount) or many. Under this definition, rationing would exist if every potential borrower received a loan but smaller one than that desired at the equilibrium interest rate. The second definition restricts its attention to situations in which some borrowers are completely rationed out of the market, even though they would be willing to pay an interest rate higher than the prevailing in the market. Both of these definitions focus on the supply side of the market.

CONCEPT OF LEASING

There are various methods through which finance is being raised. Leasing is unique commercial activity in this century. A Lease may be defined as a contractual arrangement in which a party owning an asset (lessor) provides the asset and transfer the right to use the equipment to the user (lessee) over a certain agreed period of time, for consideration in the form of return for periodic payment (rentals) with or without a further payment. Andrea Eisfeldt, Adriano Rampini (2007)² study that benefit of leasing is that repossession of a leased asset is easier than foreclosure on the collateral of a secured loan, which implies that leasing has higher debt capacity than secured lending. Marie Christine and Eric Severin (16june2008)³ conduct a study to better understand the relationship between leasing and credit rationing. Kampumure Joseph (2009)⁴ reviews that leasing is an attractive form of financing because of its flexibility. There are two types of leasing: Financial lease and Operating lease. A financial lease is that lease in which all the risks and rewards transferred incidental to the lessee except the title of ownership. An operating lease is a lease whose term is short compared to the useful life of the asset or the equipment being leased.

CONCEPT OF CREDIT RATIONING

Credit rationing is a situation where lenders limit the supply of additional credit to borrowers who demand funds even if the latter are willing to pay higher interest rates. It's an example of market imperfection or market failure. Hodgman (1960)⁵ was the first to try and explain how credit rationing can persist in a rational equilibrium framework. Miller (1962)⁶ argued that Hodgman's analysis could be made consistent with rational expectations between the borrowers and lenders by incorporating bankruptcy costs that would be incurred by the lender upon the borrowers default. There is a situation where the interest rate is deemed too high. It means at the prevailing market interest rates, demand exceeds supply but lenders are not willing to either loan more funds or raise the interest rate charged, as they are already maximizing profits. Manfred Zeller (1994)⁷ study that formal groups obtain and use information about the creditworthiness of the credit applicant in a similar way than informal lenders do. In the SME's sector story in 1993 includes another four factors that are related with the rationing of credit.

1. The high fixed cost of information research.
2. The variety in credit conditions (interest and terms and conditions) used by banks to compete.
3. The variety of attitudes, skills and motivations that entrepreneurs presents.
4. The high mortality rate the SMEs presents.

RESEARCH OBJECTIVES

The research paper addresses the philosophical as well as practical approach to explain the concept of leasing and credit rationing. The main objectives are:

1. To render a better understanding of the concept of leasing and credit rationing.
2. To compare both options of sources of finance.

REVIEW OF LITERATURE

With the help of these literatures, we can understand the concepts of leasing and credit rationing more briefly.

Andrada-maria georgescu (2010)⁸ examine that if leasing is a solution to credit rationing, considering that the limiting of the bank credit supply will determine the orientation of enterprises towards leasing. Slotty.F(July 2009)⁹ conclude that the principal agency problems in joint ventures between lessors and banks that can arise if banks – on the basis of commission or on their own account also offer leasing to their customers. Eisfeldt Andera, Rampini Andriano (2007)² study that repossession of a leased asset is easier than foreclosure on the collateral of a secured loan, which implies that leasing has higher debt capacity than secured lending. Dowla Ud Asif (1998)¹⁰ revealed in his study that Grameen bank has plans to introduce leasing to rehabilitate problem centers. Christine Marie, Severin Eric (16 June 2008)¹¹ conduct a study to better understand the relationship between leasing and credit rationing. They suggest that SME use leasing so when they are young, leveraged and less solvent and that they present an small size and an important failure probability. Grenadier R. Steven (1996)¹² found a model that was flexible enough to be applied to a wide variety of real –world leasing structures, including security deposits, required up- front prepayments, embedded lease options, leases indexed to use and lease credit insurance contracts. Callimaci Antonello, Fortin Anne, Landry Suzanne (2011)¹³ examine the relationship between a firm's propensity to lease and several firm characteristics: tax position, financial constraint, ownership structure, growth and size. Cosci Stefania, Guide Roberto, Meliciane Valentine (March 2015)¹⁴ this paper investigate the relationship between financial constraints and leasing decision for a sample of Italian firm. It investigates the determinants of firm leasing decision, the degree of substitutability between leasing and debt and the impact of leasing on the profitability of the firms feeling credit rationed. The results support the hypothesis that leasing preserves capital, thus helping to relieve credit constraints. De Sankar, Singh Manpreet (Sep. 2010)¹⁵ conclude that creditors ration credit at high rates of interest. They also observed that creditors ration credit at lower rate of interest and ration a larger proportion of the pool of borrowers. Choudhary Ali M, Jain Anil (Dec. 2016)¹⁶ they conclude that well-functioning of credit market is crucial for the effective allocation of resources and in turn, economic growth. However, shocks to financial intermediaries can hide their effectiveness.

CREDIT RATIONING: FOCUSING ON ASYMMETRIC INFORMATION

One of the most accepted problem in credit rationing is the asymmetric information. Credit rationing explained on the basis of asymmetric information. One of the reasons for this considerable attention is the implication that credit rationing has the transmission mechanism of monetary policy. The incidence of every factor is affected by the lack of information or by the quality of available one:

1. High fixed cost of information: This cost is independent from the amount of the loan to grant. The small projects will be more affected, thus this difficulty to reach economies of scale in the assignment of loan. Loan Portfolio will be discriminate a prior to the smaller firms.
2. Incentive effect: It has the direct relation with the information available. The less the monitoring of the project, higher the probability that borrower would deviate from the original objectives agreed.
3. Variety of credit condition: The diversity of business is not a problem but to manage the information in effective way is difficult. So banks will be forced to make more efforts and increase cost of evaluation and monitoring.

STRENGTH AND WEAKNESS OF LEASING**STRENGTH**

- a) Shifting the risk of technological obsolescence: In business sector where there is a high risk of technology obsolesce, leasing yields great returns and save the business from the risk of investing in a technology that might become outdated soon.
- b) Easy source of finance: It is a very easy source of finance.
- c) Enhances liquidity.
- d) Conserves borrowing capacity through OFF-THE-BALANCE-SHEET financing: As lease expenses get same treatment as that of interest expense, leasing is classified as an off-balance sheet debt and does not appear on company balance sheet.
- e) Tax-benefit
- f) Hedge against inflation
- g) Low monthly payments

The leasing pros list may not be very long however, the list carries a lot of weight. The low monthly payments can be up to 60% lower than your monthly payments purchasing the same vehicle. The warranty is also a huge plus point. E.g. it can be extremely frustrating when the newly purchased vehicle has a major mechanical problem shortly after the warranty run out; but with a lease there is no need to worry about that.

WEAKNESS

- a) Risk of being deprived of the use of equipment
- b) Alteration in the asset
- c) Terminal value of the asset
- d) Problem of evaluating credibility of lease-customers
- e) Consistent maintenance of the asset/equipment properly.

Paying a constant payment does not require a stable predictable lifestyle. Any mis-happening or a major medical expense can really upset the finances. When we go for lease, it is hard to get out of the contact as compare to selling your purchased equipment.

RELATIONSHIP BETWEEN LEASING AND CREDIT RATIONING

When there is large flow of money in the market, RBI always takes action to control it. To control the money flow in the market, Monetary policy is the process by which the monetary authorities of a country controls the supply of money, often targeting an inflation rate or interest rates to ensure price stability and general trust in the currency. The limiting of the bank credit supply will determine the orientation of enterprises towards leasing.

EXAMPLE**LEASE Vs. LOAN (PAYMENT OF MONTHLY INSTALLMENTS)****FOR LEASE**

For example, let's say the negotiated selling price of the car is Rs. 26,00,000. Subtract a down payment of Rs. 1,00,000 and a trade-in value of Rs. 3,00,000 = Rs.22,00,000. The dealer then agrees to pay off the balance of the loan on your existing car at Rs. 5,00,000. So that equals a Rs. 27,00,000 net capitalized costs.

- Calculating the depreciation portion of the lease payment

Net capitalized cost = Negotiable selling price + down payment and other credits +loan B/s
 = 2600000 - (100000 + 300000) + 500000
 = 2600000 – 400000 + 500000
 = 2700000

- Determine the residual value of the car at the end of the lease

= sticker price * residual price
 = 300000* 55%
 = 300000*0.55
 = 165000

➤ **Calculate the monthly payments on the lease**

= $\frac{\text{Net capitalized cost- residual value}}{\text{Number of monthly payments}}$
 = $\frac{2600000-(300000+100000)-300000*55\%}{3 \text{ years} * 12 \text{ months}}$
 = $\frac{2200000-1650000}{36 \text{ months}}$
 = $\frac{550000}{36}$
 = **15277.7 (Monthly payment on lease)**

FOR BANK LOAN

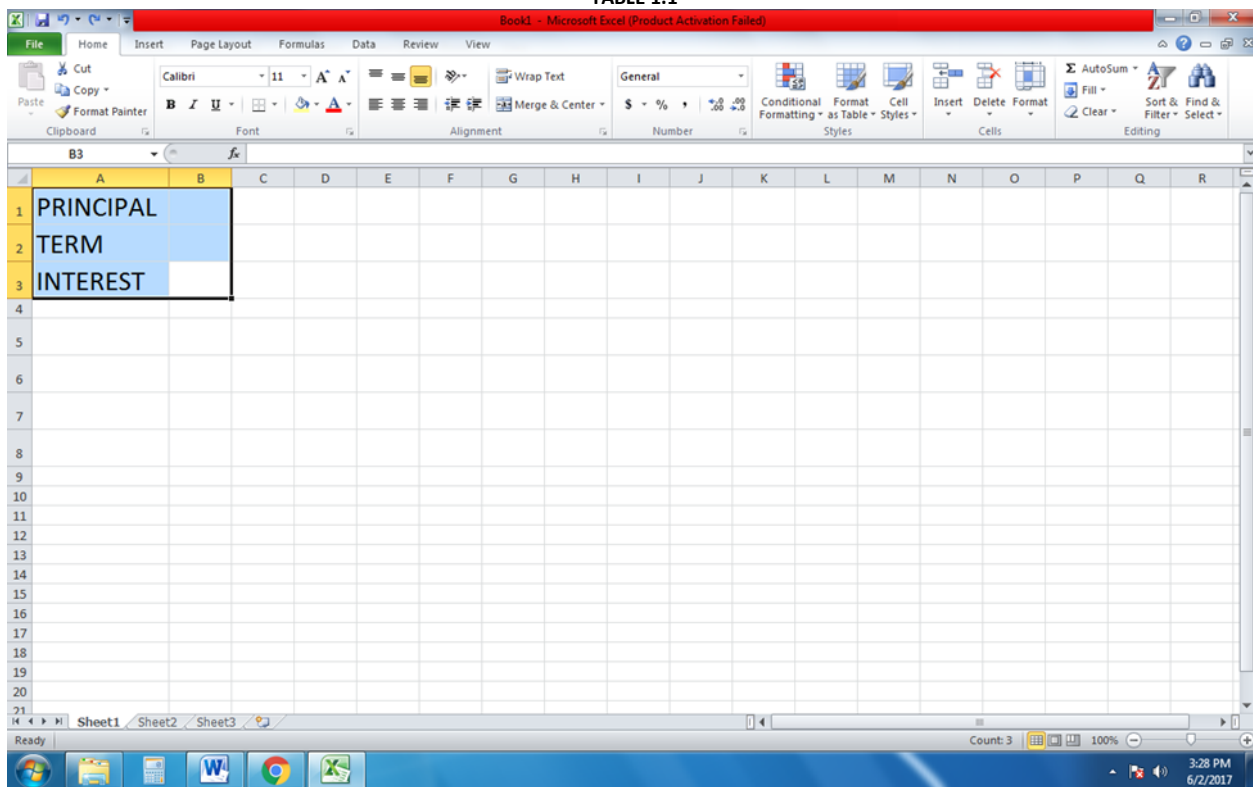
Same example on the loan from bank. We take 2600000 loan from the bank at 11% rate of interest for 10 years.

Payment= $\text{Principal} * \frac{i(1+i)^n}{(1+i)^n - 1}$

- For example, imagine a person took out a loan at 11 percent, and the loan required making payments on a monthly basis.
- Since the payments are monthly, we need to divide the interest rate by 12.11 percent (0.11) divided by 12 equals 0.00916.

CALCULATE THE MONTHLY PAYMENT WITH EXCEL

TABLE 1.1



1. Write the principal, term and interest from the loan in one column. Fill separate boxes with the amount of the loan, the length in which you have to pay and the interest and excel can calculate the monthly payments.
 - Like a person take home loan of Rs. 2600000 and have 10 years to pay it off at 11% annual interest rate.
 - Write the principal in as negative number, determine the number of payments and convert the interest rate to fit the number of payments.
 - In excel we have to write the principal amount in negative to tell excel that we are paying a debt.

Principal= -2600000

- Most of the payments are paid monthly, so simply multiply the number of years by 12 to get total number of payments
 10 years x12 =120 no. of payments
- We are paying monthly interest; so we need to know what is monthly rate of interest? So 11% is for 12 months, simply divide by 12 to get one month interest.
 $11\% = \frac{11}{100} = 0.00916$ monthly interest

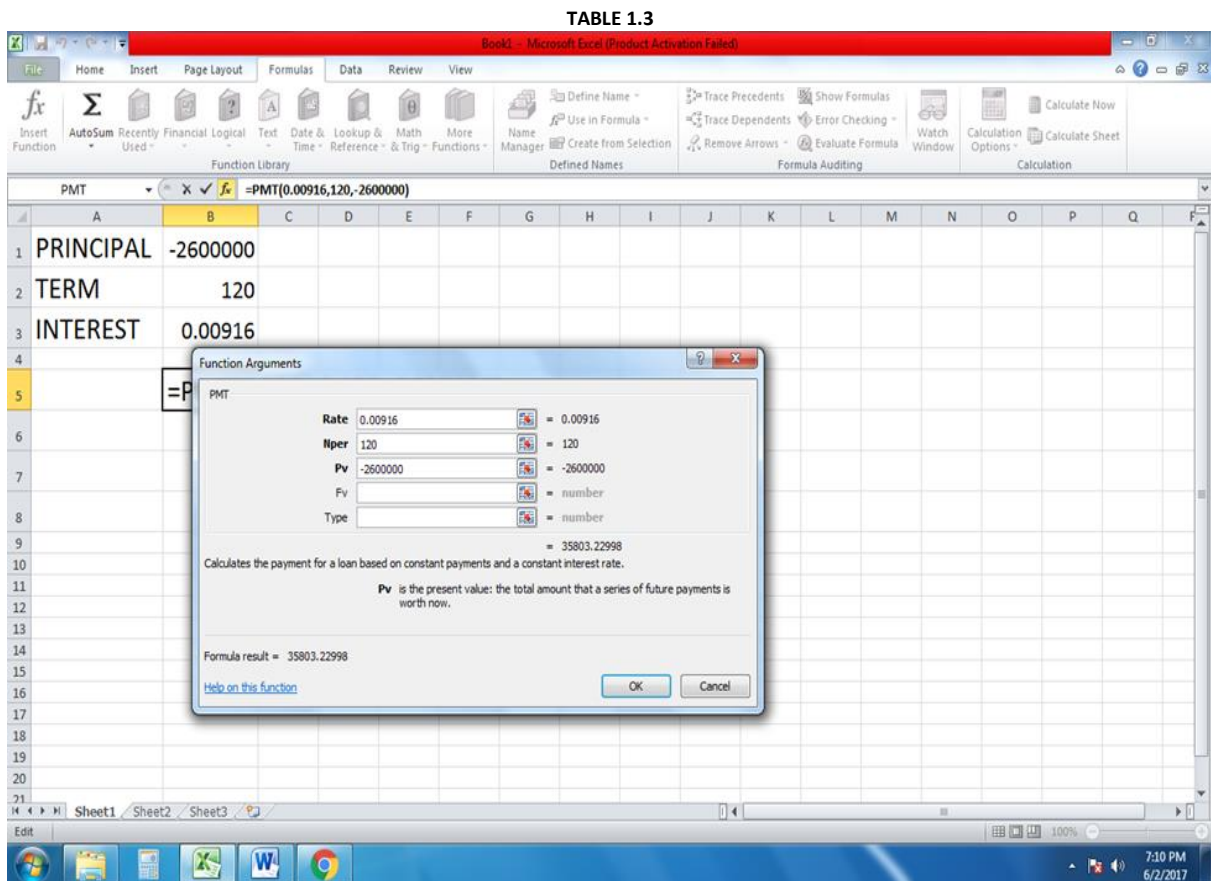
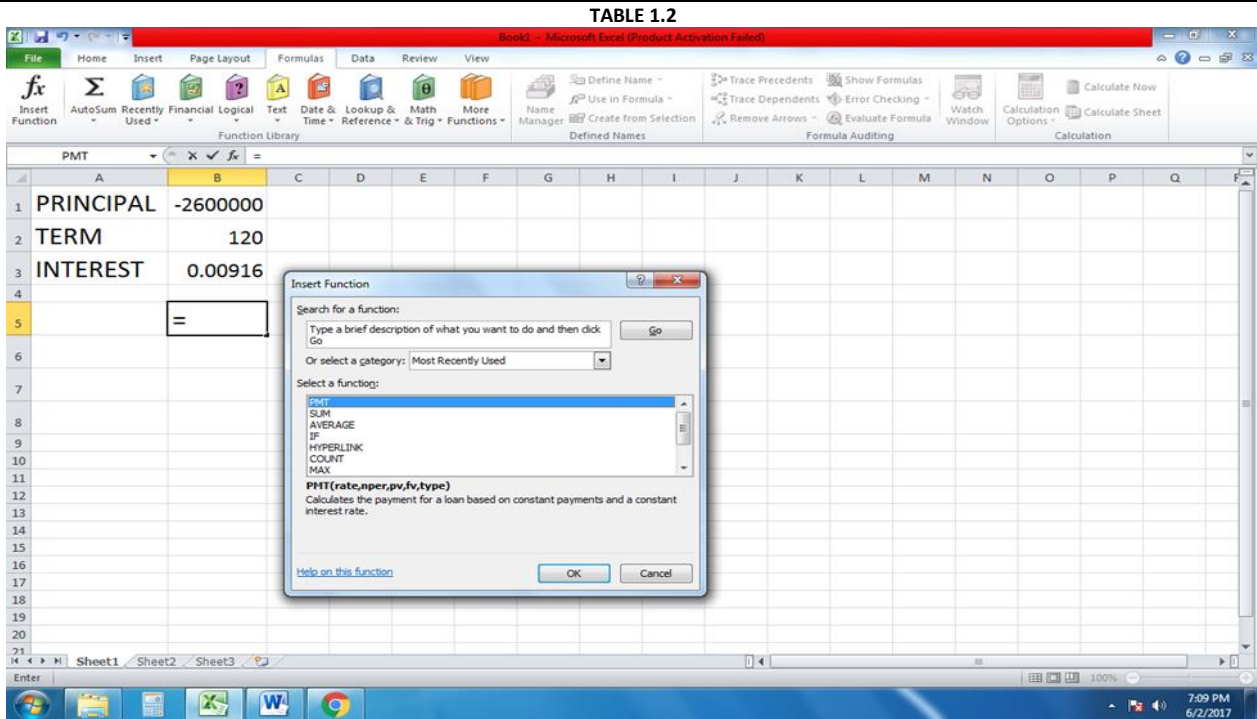


TABLE 1.4

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	PRINCIPAL	-2600000															
2	TERM	120															
3	INTEREST	0.00916															
4																	
5		\$35,803.23															
6																	
7																	
8																	
9																	
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The monthly interest on loan is Rs. 35803.23

Monthly payment on loan is 35803.23.

The difference between the monthly payments of lease is 15277.7 and loan is 35803.23. So it is clear from the example that a person opting for lease has to pay less as compared to loan.

BANKS RUNS AS CREDIT RATIONING

The theoretical literature on credit rationing in the deposit market (bank runs) has some features that distinguish it from the literature on credit rationing in the loan market. The ultimate causes of deposit market rationing can be similar to, or very different from, the causes of loan market rationing. Loan market rationing can reflect either information or incentive problems in the loan market or exogenous regulations. In the case of the deposit market, rationing can result either from incentive and information problems relating to the depositor-bank relationship or from exogenous liquidity needs of depositors. An alternative cause of credit rationing in the deposit market is a shock to the liquidity needs of depositors, which forces depositors to demand their funds from their banks irrespective of the portfolio performance of the banks. Diamond and Dybvig (1983)¹⁷ is an example of a model of this phenomenon. Bank depositor runs are but one specific example of how financial intermediaries may be credit rationed due to creditor risk intolerance and/or liquidity shocks.

CONCLUSION

This study has revealed that both leasing and credit rationing are two sides of a coin. Both have their own advantages and disadvantages which we had discussed in paper. When we talk about financing, banks generally lend a portion (60-80%) of the equipment or vehicle cost exclusive of soft costs such as shipping, installation etc. On the other hand, in leasing 100% financing is available including all extra costs. From the above example we also conclude that on lease we have to pay less as compare to bank loan. There are numbers of factors that affect the choice between lease and debt such as size, taxes, nature of assets and financial constraints. Lease end to be more prevalent in some industries than in others and companies tend to lease assets that are less specific, of more general usage and more liquid.

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A STUDY ON THE RELATIONSHIP BETWEEN FOREIGN DIRECT INVESTMENT AND ECONOMIC GROWTH WITH SPECIAL EMPHASIS TO FOREIGN TRADE AND GROSS DOMESTIC PRODUCT

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ABSTRACT

Foreign direct investment is indispensable factor that helps in boosting the growth of Indian economy. With the introduction of liberalization by former finance minister Dr. Manmohan Singh in 1991, India has witnessed a change in the flow and direction of foreign direct investment in to the country. Foreign Direct Investment in India increased by 874 USD Million in February of 2017. Foreign Direct Investment in India averaged 1225.67 USD Million from 1995 until 2017. Present paper shows the impact of Foreign Direct Investment on Trade Balance (Export and Import) and Gross Domestic Product. Efforts have been made to collect data from reliable sources. Statistical tool like correlation has been used in order to reveal the results. The results show that there is both positive and negative relationship between different factors.

KEYWORDS

export, foreign direct investment, gross domestic product, import, trade balance.

INTRODUCTION

Foreign direct investment refers to net inflows of investment in an economy. It is the sum of equity capital, reinvestment of earnings short term and long term capital. It usually involves participation in management, joint ventures, transfer of technology and experience. GDP refers to the market value of all final goods and services produced in the country and trade balance is the difference between exports and imports. FDI plays a major role in the developing countries like India. The investors also bring along best global practices of management. As large amount of capital comes in through these investments, more and more industries are set up. This helps in increasing employment. FDI also helps in promoting international trade. High growth rate and inflows of FDI is helpful in solving the structural imbalance of Indian Economy. Thus, we can say FDI is helpful in the development of India.

LITERATURE REVIEW

This section shows the previous researches conducted by different scholars in the field of foreign direct investment and its role in an economy.

Pardeep Agarwal (2000) founded that the increase in FDI inflows in South Asia were associated with a many-fold increase in the investment by national investors, suggesting that there exist linkage effects between FDI and GDP the impact of FDI on GDP growth is found to be negative prior to 1980, mildly positive for early eighties and strongly positive over the late eighties and nineties.

Blomstrom and kokko (2003) concluded in their paper that least developed economies attracting less FDI. It suggests that the existence of threshold level of development is necessary for FDI. Having more attraction of FDI inflows in least developed economies that results in boosting the economy of a country.

Nuzhat Falki (2009) examined the Impact of FDI on Economic Growth of Pakistan. She collected the data of FDI from the Handbook of Pakistan Economy-2005 published by the State of Pakistan and the World Bank Development indicators-2008 from 1980 to 2006 with variables of domestic capital, foreign owned capital and labor force. With the help of endogenous growth theory and applying the regression analysis, she concluded that FDI has negative statically insignificant relationship between GDP and FDI inflows in Pakistan.

Bhanagade D.B, Shah A. Pallavi (2011), they said in their paper that the impact of FDI on Indian Economy where they also emphasize on the investments, sectors attracting highest FDI inflows and FDI leads to Generation of Employment opportunities. Therefore, the growth of inflow of FDI would lead to positive growth of Gross capital formation. In India, the growth of GDP is largely influenced by FDI.

Chaturvedi Ila (2011), In this paper, analyze the FDI inflows with special reference to sector wise inflows in India. This paper also explore the sector wise distribution of FDI in order to know the dominating sector which has attracted the major share of FDI in India. And to find out the correlation between FDI and Economic Development, It reveals that there is high degree of significance between FDI and economic development.

Khan A.Q. and Siddiqui Ahmad Taufeeque (2011), studied the impact of FDI on Indian economy and a comparison with China & USA. The paper has also been ventured into carving out set of strategies to deal with the issues & problems in attracting FDI for promotion & growth of international trade. The double log model has been used to find elasticity between different factors in this paper. They also highlight the impact of FDI on employment. In this research paper, the discussion between FDI and GDP as to asses that FDI helps in boosting growth of a country.

Anitha, R. (2012) concluded in her research paper entitled "Foreign direct investment and economic growth in India" that FDI plays an important role in the long-term development of a country not only as a source of capital but also for enhancing competitiveness of the domestic economy through transfer of technology, strengthening infrastructure, raising productivity and generating new employment opportunities. Further, she suggests that India should sign the agreement of Double Taxation treaties with other countries in order to increase bilateral trade. And there is an urgent need to adopt innovative policies and good corporate governance practices on par with international standards.

Iram Khan (2012) concluded that there has been positive impact of FDI on overall growth of the economy. India has registered tremendous growth in FDI inflows during last decade and total inflows crossed the level of US\$ 30 million. But when it is compared with other countries and continents the figure of FDI inflows are not encouraging. It can be observed from above analysis that sectoral level of the Indian economy, FDI has helped to raise the output, productivity and export in some sectors.

Singh, Jasbir. Chadha, Sumita. Sharma Anupama (2012) concluded in their research paper entitled "Role of foreign direct investment in India – An analytical study" that the foreign investment increased in both term i.e. FDI and FIIs. The FDI has better performance that attracts the 58.29 percent amount of total foreign investment inflow. We should welcome inflow of foreign investment in such way that it should be convenient and favorable for Indian economy and enable us to achieve our cherished goal like rapid economic development, removal of poverty, internal personal disparity in the development and making our Balance of Payment favorable.

Naruka, Jitendra Singh (2014) concluded in his research paper entitled "Foreign direct investment and Indian retail sector – Aspects on Indian Economy" that the foreign direct investment is necessary for Indian economy to sustain the growth. It is also helpful to improve the infrastructure of the country. But it must be supported by well-planned micro and macroeconomic policies. So that it can create the feasible investment environment for foreign investors. The foreign direct investment gives strength to Indian market to compete with world market. It helps the economy in the long run. He proposes that the foreign direct investment is very much required by the Indian economy for its own benefit along with the implementation of certain strict rules and regulations so that it does not become a curse for Indian economy.

OBJECTIVES OF THE STUDY

The main objectives of this paper is to

1. Study the relationship between Gross FDI and exports in India.
2. Study the relationship between total outflows (Repatriation and FDI by India) and Imports in India.
3. Study the relationship between Net FDI and Trade Balance (Difference between exports and imports) in India.
4. Study the relationship between Net FDI and GDP in India.
5. Give suggestions, if any.

RESEARCH METHODOLOGY

In order to conduct the research, data is collected from secondary sources such as websites (websites of Reserve Bank of India and world bank), books, journals, research papers and newspapers. Statistical tool like Karl Pearson's correlation has been used in order to reveal the results. Data include the time period (post liberalization) from financial year 2000-01 to 2015-16. Following are the variables which have been studied.

Selected Factors	Symbols
Gross Foreign Direct Investment in India (Gross Inflows) {Independent Variable}	X1
Foreign Direct Investment by India (Gross Outflows) {Independent Variable}	X2
Net Foreign Direct Investment in India (Gross Inflows – Gross Outflows) {Independent Variable}	X3
Exports in India {Dependent Variable}	Y1
Imports in India {Dependent Variable}	Y2
Trade Balance (Exports in India-Imports in India) {Dependent Variable}	Y3
Gross Domestic Product In India (In Percentage) {Dependent Variable}	Z

Relationship will be studied between X1Y1, X2Y2, X3Y3 and X3Z with the help of correlation.

FOREIGN INVESTMENT FLOWS IN INDIA

STUDY OF INDEPENDENT VARIABLES

In order to achieve above said objectives, we will study the foreign investment flows (both inflows and outflows). Here gross inflows refer to total foreign direct investment by other countries in India. Total outflows refer to total foreign direct investment by India and repatriation. Here repatriation refers to the transfer of corporate money or property including earnings from a foreign country back to its home country. Some foreign governments restrict this action to prevent a drain of capital or exploitation by the company to its home country. Net foreign direct investment refers to foreign inflows--foreign outflows. Following table will show the scene of India in terms of foreign direct investment.

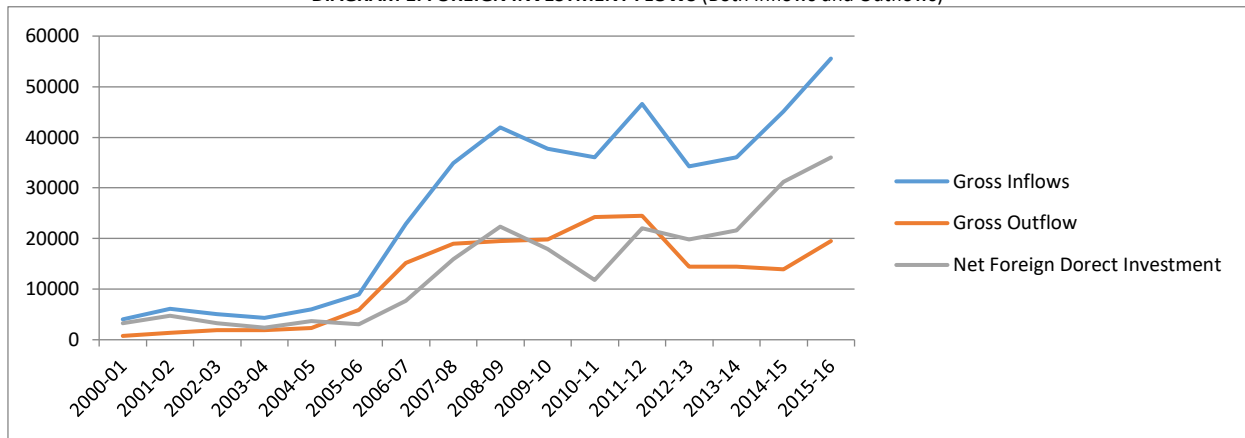
TABLE 1: FOREIGN INVESTMENT FLOWS (BOTH INFLOWS AND OUTFLOWS) Amount in US \$ Million

Year	Gross Inflows / Gross Investments (X1)	Repatriation / Disinvestment (A)	FDI by India (B)	Total Outflows (A+B=X2)	Net Foreign Direct Investment (X1-X2=X3)
2000-01	4031	0	759	759	3272
2001-02	6130	5	1391	1396	4734
2002-03	5095	59	1819	1878	3217
2003-04	4322	0	1934	1934	2388
2004-05	6052	65	2274	2339	3713
2005-06	8962	61	5867	5928	3034
2006-07	22826	87	15046	15133	7693
2007-08	34844	116	18835	18951	15893
2008-09	41903	166	19365	19531	22372
2009-10	37746	4637	15143	19780	17966
2010-11	36047	7018	17195	24213	11834
2011-12	46552	13599	10892	24491	22061
2012-13	34298	7345	7134	14479	19819
2013-14	36047	5284	9199	14483	21564
2014-15	45147	9864	4031	13895	31252
2015-16	55559	10652	8886	19538	36021

Source: www.rbi.org.in

Above data states that gross inflows are increasing except in year 2002-03, 2003-04, 2009-10, 2010-11 and 2012-13. On the other hand, repatriation is 0 in the year 2000-01 and the reason behind zero disinvestment is the first year of liberalization. After that disinvestment is also increasing except in the year 2003-04, 2005-06, 2012-13 and 2013-14. One thing is to be kept in mind that gross inflows are directly related to the growth of economy and disinvestment is indirectly related to the growth of economy. FDI by India is also increasing except in the year 2009-10, 2011-12, 2012-13 and 2014-15. And overall net investment is also increasing except in the year 2002-03, 2003-04, 2005-06, 2009-10, 2010-11 and 2012-13. Following diagram will make the situation more clear.

DIAGRAM 1: FOREIGN INVESTMENT FLOWS (Both Inflows and Outflows)



Source: www.rbi.org.in

**POSITION OF EXPORT, IMPORT, TRADE BALANCE AND GROWTH IN GROSS DOMESTIC PRODUCT IN INDIA
STUDY OF DEPENDENT VARIABLES**

Now we will study the position of export, import and trade balance in India. Exports means send goods or services to another country for sale. Import means bring (goods or services) into a country from abroad for sale. And the trade balance, also known as the balance of trade (BOT), is the calculation of a country's exports minus its imports. Gross domestic product is studied in terms of growth rate and data is given in percentage. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus all subsidies not included in the value of the products. It is calculated without making deductions for depreciation. Following table will make the situation in India more clear.

This table shows that exports are continuously increasing in India except in the year 2001-02, 2009-10, 2012-13, 2014-15 and 2015-16. Imports are also continuously increasing except in the year 2009-10, 2013-14, 2014-15 and 2015-16. Again one thing is to be kept in mind that exports are directly related to the growth of any economy because exports generate foreign currency and helps Reserve Bank of India to fill their reserves and imports are indirectly related to the growth of any economy because we have to make payment of imports in foreign currency and these payment hamper the growth of RBI's reserves.

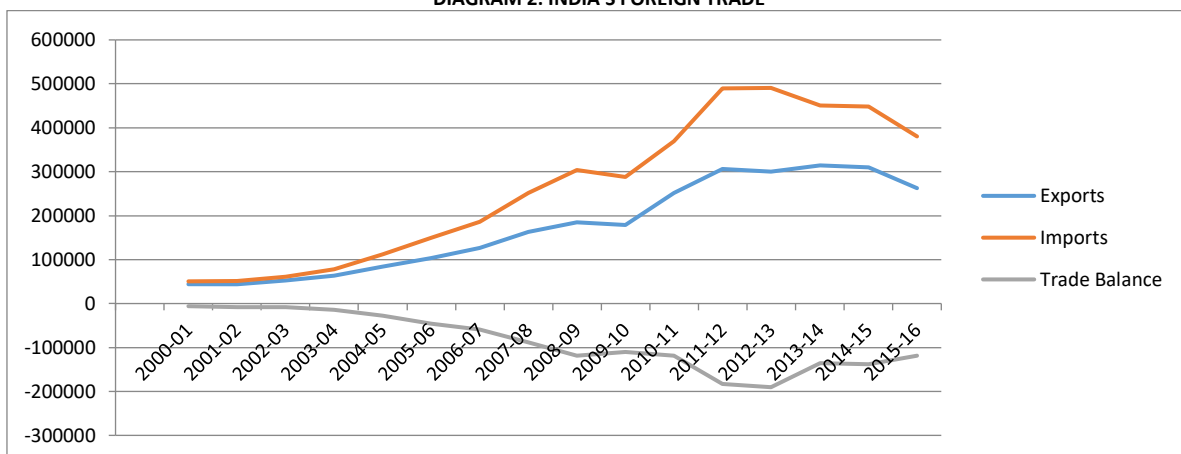
TABLE 2: INDIA'S FOREIGN TRADE AND GROSS DOMESTIC PRODUCT Amount in US \$ Million and in %age

Year	Exports (Y1)	Imports (Y2)	Trade Balance (Y1-Y2=Y3)	GDP of India (Z)
2000-01	44560.3	50536.5	-5976.2	3.8%
2001-02	43826.7	51413.3	-7586.6	4.8%
2002-03	52719.4	61412.1	-8692.7	3.8%
2003-04	63842.6	78149.1	-14306.5	7.9%
2004-05	83535.9	111517.4	-27981.5	7.9%
2005-06	103090.5	149165.7	-46075.2	9.3%
2006-07	126414.1	185735.2	-59321.2	9.3%
2007-08	162904.2	251439.2	-88535.0	9.8%
2008-09	185295.0	303696.3	-118401.3	3.9%
2009-10	178751.4	288372.9	-109621.4	8.5%
2010-11	251136.2	369769.1	-118632.9	10.3%
2011-12	305963.9	489319.5	-183355.7	6.6%
2012-13	300400.7	490736.7	-190336.0	5.1%
2013-14	314415.7	450213.7	-135798.0	6.9%
2014-15	310352.0	448033.4	-137681.4	7.3%
2015-16	262003.7	380356.3	-118352.6	7.6%

Source: www.rbi.org.in and www.data.worldbank.org

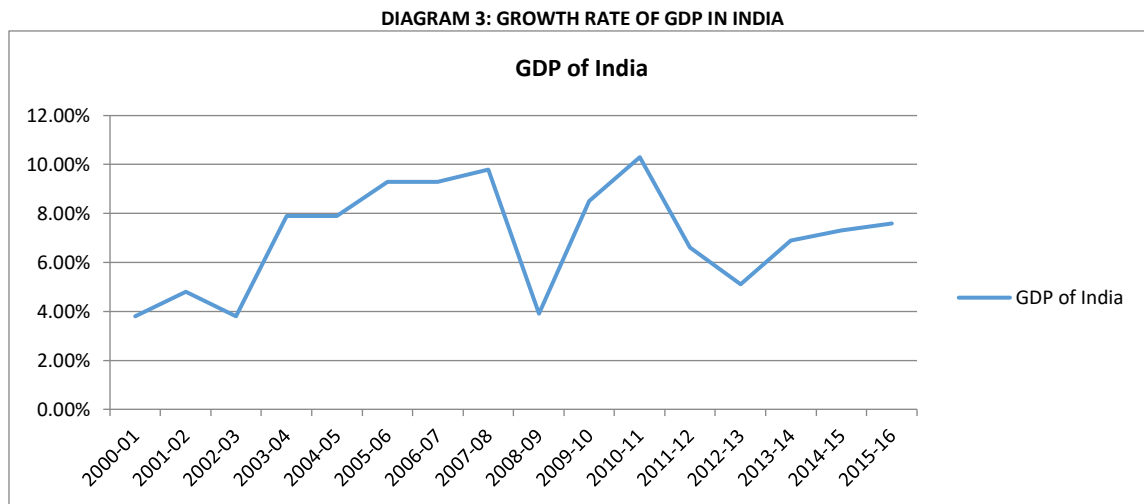
And as far as trade balance in concerned, India's trade balance is negative in all years which means imports are more than exports and this is very critical situation for an economy like India. And this negative amount is at increasing rate except in the year 2009-10, 2013-14 and 2015-16. Negative figure at increasing rate is again a very serious problem.

DIAGRAM 2: INDIA'S FOREIGN TRADE



Source: www.rbi.org.in

Above diagram is making the situation clear in the case of exports, imports and trade balance. Growth rate in GDP is also increasing except drastic fall in the year 2008-09 i.e. 3.9%. And again there is fall in the years 2011-12 and 2012-13. And there is constant GDP also in the year 2004-05 and 2006-07 with the rate of 7.9% and 9.3% respectively. Effective rate of GDP is must for the survival of any economy. Following diagram will make the situation clear in the case of growth rate of GDP.



Source: www.data.worldbank.org

OVERALL ANALYSIS WITH THE HELP OF KARL PEARSON’S CORRELATION

TABLE 3

Variables	Correlation Coefficient	Degree	Description
X1Y1	0.8833	High Degree	+ve correlation
X2Y2	0.809	High Degree	+ve correlation
X3Y3	-0.8026	High Degree	-ve correlation
X3Z	0.0313	Low degree	+ve correlation

INTERPRETATION OF THE RESULTS

- Correlation between X1 and Y1 :** There is a strong positive correlation between gross inflows and exports which means that exports are increasing with the increase in gross investment. These variables are directly related to each other. Gross inflows are helpful in increasing exports.
- Correlation between X2 and Y2 :** There is a strong positive correlation between total outflows and imports which means that imports are increasing with the increase in total outflows. These variables are also directly related to each other. Total outflow of funds force an economy to import the goods.
- Correlation between X3 and Y3 :** There is a strong negative correlation between net foreign direct investment and trade balance which means trade balance is decreasing with the increase in net foreign direct investment. Both the variables are indirectly related to each other. Here one factor is increasing and other one is decreasing.
- Correlation between X3 and Z :** There is technically a positive correlation between these factors. The relationship between these variables is only weak (the nearer the value is to zero, the weaker the relationship) which means that net foreign direct investment has almost no effect on the growth of an economy. Our economy can survive even without foreign direct investment.

FINDINGS OF THE STUDY

Following are the findings of the study.

- The study shows that gross inflows are continuously increasing which is a positive signal for Indian economy.
- The study shows that total outflows, which includes disinvestment and FDI by India is also increasing. Here increase in disinvestment is a major problem. Foreign countries, which are investing in India, are also repatriating their funds including earnings back to their own countries. Whereas increase in FDI by India is a positive, point which shows that India has sufficient funds to invest in other countries. India is also contributing towards the development of other countries.
- Result of net foreign direct investment is also on the increasing pace. But in many years it is less than the total outflow.
- Exports are also increasing which is a good signal for Indian economy.
- But along with exports, imports are also increasing.
- Trade balance is a major problem as shown in the study. Every year we have negative balance of payment, which leads to deficit financing. In order to set off debt financing, India has to borrow funds from other countries.
- Issue of new currency is another way to sort out the problem of debt financing but it will lead to inflation in an economy.
- Growth rate of GDP is not constant. It is either increasing or decreasing. It should be on increasing pace, which shows the development of an economy.
- The study shows that exports and imports are increasing with the increase in gross inflows and total outflows respectively. Means there is a direct relationship between these variables. Increase in independent variable leads to increase in dependent variable.
- There is a high degree negative correlation between net foreign direct investment and trade balance, which is a serious problem. It shows that increase in net foreign direct investment leads to decrease in trade balance.
- The study shows that net foreign direct investment has no effect on the growth of an economy. Our economy can survive even without foreign direct investment. There is a weak relationship between these two variables.

SUGGESTIONS

Following are some of the suggestions which can improve the situation of an economy.

- Foreign countries should be encouraged to reinvest their earnings in the development of India. Repatriation of funds should be strictly prohibited.
- Efforts should be made to increase exports and decrease imports. Only then balance of payment will be favorable.
- Efforts should be made to improve the growth in gross domestic product which shows the development of an economy.
- One thing is to be kept in mind that too much dependence on foreign funds should not be there.
- Foreign investors and FDI should be encouraged but in controlled manner.

CONCLUSION

This research paper shows the relationship between various variables. FDI is helpful in foreign trade. Many foreign investors are investing their funds in India and our economy is using their funds for the development purpose. We are increasing our exports with the help of foreign funds. The paper also analyzes the impact of FDI inflows on GDP in India. The study highlights that there is no impact of FDI inflows on GDP. Various other studies have shown the fact that there are various sectors having highest attraction of FDI inflows and these are Service, Telecommunication, Real Estate, Construction and Computer Hardware & Software sectors. FDI inflows to these sectors are not very much impacting GDP in India. Hence, India needs to have financial resources to accomplish double digit growth rate and for overall development of the country. For the openness of trade and favorable environment, FDI plays a significant role so as to achieve the desired goals of the economy. This is a wide topic to be researched on.

LIMITATIONS TO THE STUDY

1. Only secondary data is taken into consideration.
2. The data related to growth rate in GDP is taken for the website of World Bank. This data is according to calendar year i.e. from January to December. Data related to FDI and Foreign trade is taken from the website of Reserve Bank of India. This data is according to financial year i.e. April to March. In order to reveal the results in best possible way, we are assuming that data of growth rate in GDP is according to financial year i.e. April to March. Means we are ignoring the effect of three months.

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PERFORMANCE MANAGEMENT: IMPLICATIONS FOR POTENTIAL WAGE CAPPING AT RAKSHITH HOSPITAL, CHENNAI

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ABSTRACT

Performance Appraisal is an important tool for wage capping, motivating and improving employee performance. It is the process of planning performance, appraising performance, giving feedback and counseling an employee to improve his performance. The effectiveness of a performance appraisal system is dependent on the objectivity, fairness, communication in advance of the parameters on which performance would be assessed and provision of timely feedback. Rakshith Hospitals was the institution chosen for the purpose of the study. The reason to choose hospital sector because the Indian healthcare sector is witnessing phenomenal growth and the performance determines the wellbeing of the patients. The total population is 114 and data was collected from 100 employees. The main objective of the study is to find out the role of organization in updating the performance of the employees. The questionnaire contained close ended questions and dichotomous questions. The researcher had used statistical tools such as Chi-square test, Kolmogrov Smirnov Test to test the efficacy of the data collected and the results obtained. The major finding of the study is that the employees are satisfied with the appraisal System followed in the organization.

KEYWORDS

Rakshith hospital, Chennai, performance management, wage capping,

INTRODUCTION

Performance management is a system designed to identify the ways to achieve organizational goals through constant assessment and feedback leading to improvement of employee performance. Performance management, unlike the performance appraisal or annual evaluation process, is an ongoing assessment of employees in a manner geared to match their goals to the organizational goals. It also makes strong use of goal-setting and metrics to identify progress and areas of individual strengths.

In performance management, employers provide continuous appraisal through feedback and re-alignment of goals based on performance. Unlike the annual evaluation process, most performance management systems are designed to meet the changing needs of both the organization and the employee.

STATEMENT OF PROBLEM

For a Company's vision to take shape, an organization must have good quality human resources. Since a motivated, work force is the key to meet day- today business challenges, performance appraisal is an extremely important area which requires organizational focus.

OBJECTIVES

1. To find the role of employees in the organization growth
2. To find out the problems faced by employees in the organization.

RESEARCH METHODOLOGY

RESEARCH

M. Stephenson in the encyclopedia of social science define research as "the manipulation of things, concept or symbols for the purpose of generalization to extend, correct or verify knowledge, whether that knowledge aids in construction the practice of an art 'Webster New International Dictionary defined as, "careful or critical inquiry or examination in seeking facts or principles: diligent investigation in order to ascertain something"

RESEARCH DESIGN

In this survey descriptive research is used which is most appropriate. This research enables a researcher to explore new areas of investigation; normally empirical problems are investigated adopting this approach. A researcher develops his hypothesis based on his knowledge about the subject matter to study.

INSTRUMENT

The instrument used in this study is a structured questionnaire. A questionnaire is a sheet or sheets of paper containing questions relating to certain specific aspect regarding which the researcher collects the data. A structured Questionnaire is one in which the same questions in same order are asked to all the respondents. The purpose for which data is collected is made known to the Respondents.

DATA COLLECTION

Data refers to informant or facts. Often researchers understand by data as only numerical figure. It also includes descriptive facts, non-numerical information, qualitative and quantitative information. Collection of data is an important stage in research.

PRIMARY DATA

Primary data is also known as the data collected for the first time through the field survey. Such data are collected with specific set of objective to assess the current status of any variable studied.

SECONDARY DATA

Secondary data refers to the information or facts already collected by someone else and already posed through the statistical tools.

SAMPLING PROCEDURE

This sampling method involves convenience selection of particular units of the universe for constituting a sample, which represents the universe.

SAMPLE SIZE

Pertaining to the limitations to the study and in consultation with the company guide and the faculty, the sample size is taken as 100 employees.

PILOT SURVEY

Pilot testing is conducted for testing the questionnaire. In a big enquiry the significance of pilot survey is felt very much pilot survey is infact the replica and rehearsal of main survey, being conducted by experts being to light the weakness (if any) of the questionnaire and also the survey techniques. From the experience gained in this way, improvements can be effected.

LIMITATIONS OF STUDY

- As the respondents were busy, they could not spare time during the interview schedule and hence sample size was restricted to 100 samples.
- The employees in many cases were unwilling to private accurate information, because of various reasons.
- There is lack of co-operation on the part of certain employees.
- Due to cost factors, survey could not be extended further.

ANALYSIS AND INTERPRETATION

CHI – SQUARE TEST: 1

Opinion towards the Higher Level Authority Vs. Age

Ho: There is no significant difference between Age and the support from the Higher Authority.

H1: There is a significant difference between Age and the support from the Higher Authority.

TABLE 1

Factors	Yes	No	Total
18-25	45	10	55
26-35	30	2	32
36-45	5	5	10
46-55	1	2	3
Above 55	0	0	0
Total	81	19	100

TABLE 2

O	E	O-E	(O-E) ²	(O-E) ² /E
45	44.55	0.45	0.2025	0.0045
30	25.92	4.08	16.64	0.6422
5	8.1	-3.1	9.61	1.1864
1	2.43	1.43	2.04	0.84
0	0	-1.88	3.53	0.2744
10	10.45	0.45	0.20	0.01
2	6.08	4.08	16.64	2.73
5	1.9	0.45	0.2025	0.0236
2	0.57	1.43	2.04	3.59
0	0	0	0	0
			χ²value	= 2.1311

Degree of freedom (r-1)(f-1) = (5-1)(2-1) = 4*1=4

5% Level Of Significance, table value = 9.49

Calculated value = 2.1311

Inference

Calculated value is lesser than tabulated value, Ho is accepted.

Hence we conclude that there is no significant difference between the age and the Support from the Higher Authority.

CHI-SQUARE TEST: 2

Opinion towards the satisfaction level of Performance Vs. Gender

Ho: There is no significant difference between the satisfaction level of performance and Gender.

H1: There is a significant difference between the satisfaction level of performance and Gender.

TABLE 3

Factors	Highly Satisfied	Satisfied	Neither Satisfied	Dissatisfied	Highly Dissatisfied	Total
Male	2	26	13	1	1	44
Female	8	35	7	7	-	56
Total	10	61	20	8	1	100

TABLE 4

O	E	O-E	(O-E) ²	(O-E) ² /E
2	4.4	-2.4	5.76	1.3090
26	26.84	-0.84	0.7056	0.026
13	8.8	4.2	17.64	2.004
1	3.52	2.52	6.35	1.80
1	0.44	0.44	0.1936	0.0202
8	5.60	2.4	5.76	1.02
35	34.16	0.84	0.7056	0.0206
7	11.20	-4.2	17.64	1.57
7	4.48	-2.24	5.0176	0.3089
			χ²value	= 3.6887

Degree of freedom $(r-1)(f-1) = (2-1)(5-1)$
 $= 4 \times 1 = 4$

5% Level Of Significance, table value = 9.49

Calculated value = 3.6887

Inference

Calculated value is lesser than tabulated value, H_0 is accepted.

Hence we conclude that there is no significant difference between the gender and the satisfaction level of performance.

KOLMOGROV – SMIRNOV TEST

Opinion towards the Qualification and the Promotion Policy

TABLE 5

Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
SSLC	1	1	1	1	0	4
HSC	0	1	1	0	0	2
UG	3	5	4	4	0	16
PG	0	1	1	0	0	2
OTHERS	6	52	14	3	1	76
TOTAL	10	60	21	8	1	100

TABLE 6

O	E	O	E
1	0.40	4	1.28
1	2.40	0	0.16
1	0.84	0	0.20
1	0.32	1	1.20
0	0.04	1	0.42
0	0.20	0	0.16
1	1.20	0	0.02
1	0.42	6	7.6
0	0.16	52	45.6
0	0.02	14	15.96
3	1.6	3	6.08
5	9.6	1	0.76
4	3.36		

TABLE 7

O	CF	Fo(x)	E	CF	Fe(x)
6	6	0.06	5.82	5.82	0.0582
8	14	0.14	11.38	17.2	0.1720
8	22	0.22	4.64	21.84	0.2184
8	30	0.30	9.76	31.6	0.3160
52	82	0.82	45.6	77.2	0.7720
18	100	1	22.8	100	1

TABLE 8

Fe(x)	Fo(x)	DM = Fe(x)- Fo(x)
0.0582	0.06	0.0018
0.1720	0.14	0.032
0.2184	0.22	0.0016
0.3160	0.30	0.016
0.7720	0.82	0.048
1	1	0

K-S Test = Maximum D $|Fe(x) - FO(x)|$
 $= 0.048$

Tabulated Value = 0.521

Calculated value = 0.048

Inference

Calculated Value is lesser than Tabulated Value, H_0 is accepted.

Hence, we conclude that there is no significant difference between the promotion Policy and the qualification.

STATISTICAL FINDINGS

1. Chi Square

Result : H_0 is accepted

Decision: There is no significant difference between the age and support from the higher level authority

2. Chi Square

Result : H_0 is accepted

Decision: There is no significant difference between the gender and the Satisfaction level of the performance

3. KOLMOGROV – SMIRNOV

Result : H_0 is accepted

Decision: There is no significant difference between educational qualification and Promotion policy

SUGGESTIONS

- With regard to satisfaction level of the current Performance Appraisal system, 30% of respondents have not expressed satisfaction. Therefore the organization should find out the reason for the same and remedy the situation.
- The organization can go in for Potential Appraisal in order to identify the talent for further promotions and to utilize the capabilities of employees.

CONCLUSION

All employees are aware of the Performance Appraisal Systems and said that they are accountable for their performance. A small proportion of respondents have not expressed satisfaction with regard to the Performance Appraisal Systems followed in the organization. Hence, it is suggested that the organization should study the reason for dissatisfaction and the remedy for the same.

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ANNEXURE**QUESTIONNAIRE**

1. Age: 18-25 26-35 36-45 46-55 above 55
2. Gender: Male Female
3. Educational Qualification: SSLC HSC UG PG Others
4. Are you satisfied with the current performance Appraisal System?
Highly Satisfied
Satisfied
Neither Satisfied nor Dissatisfied
Dissatisfied
Highly Dissatisfied
5. Do you get support from the Higher Level Authority?
Yes No
6. Educational Qualification
SSLC HSC UG PG Others
7. Your opinion towards the promotion policy
Highly Satisfied
Satisfied
Neutral
Dissatisfied
Highly Dissatisfied

EMPOWERMENT OF WOMEN THROUGH CREATING AWARENESS TRAINING ON VALUE ADDITION OF NUTRICEREALS FOODS

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ABSTRACT

The term Nutricereals includes a number of small-grained cereal grasses. Based on the grain size, millets have been classified as major millets, which include sorghum and pearl millet, and several small grain millets, which include finger millet (ragi), foxtail millet (tenai), kodo millet (varagu), proso millet (panivarugu), barnyard millet (kudiraivali) and little millet (samai). The study lean-to more light on the role played by small and landless farmers of villages and Agriculture farm women labour in promoting socio-economic empowerment of women in India through a more effective use of local available ancestor using the nurtigrains and its products. The analyses has confirmed the strategic role that such types of interventions can play in rural and urban situations where women are too often marginalized in income generation activities and decision making processes. As a result of capacity building interventions to enhance local skills in value addition, women were able to generate substantial income and use this towards their own family welfare developments. The training interventions a strategic role by increasing self-confidence of women in undertaking small scale food processing of value added products of minor millet. The training on value addition of minor millet for preparation, biriyani, biscuit, curd rice millet based beverages and millet kheer and retoring at enhancing the income from the marketed grain through value addition. The 2014-15 (200 nos) and 2015-16 (643 Nos) the awareness of training increasing in ratio comparing previous years. Empowerment of women was undertaken through based on the need assessment carried out in a participatory mode. The training was imparted for preparation of value added products of minor millet quality control, labeling, marketing of the produce with attractive cost benefit ratio. Empowerment of agriculture women through training and nutrition education had positive impact on leadership qualities, enhanced self-confidence; skills to undertake value added products and their marketing, domestic consumption, income generation and all converging to improved nutrition and economic status.

KEYWORDS

women empowerment, small millets, value addition.

INTRODUCTION

In India, value addition has come to the forefront of agricultural policy agenda to strengthen small farm and farmers to survive in an era of agricultural liberalization, privatization and globalization. This can be attributed that agriculture in India is in the hands of millions of peasant households. 80 percent of farmers own less than 2 hectares of farmland and contribute 41 percent to national grain production [12]. Value additions in agriculture has vast untapped opportunities for increasing employment and revitalize rural communities, diversify the economic base of agricultural communities, increase farmer's financial stability and opportunities for smaller farms and companies through the development of niche markets

PURPOSE AND OBJECTIVES

This study focused on the impact of training who completed at least one training programme. Specifically provided to farmers on their perceived knowledge, acquisition of skills and adoption level of value added practices in small millets.

THE FOLLOWING OBJECTIVES GUIDED THE STUDY:

1. To describe the demographic profile of food processing participants.
2. To assess the impact of value addition training conducted by food processing

MATERIALS AND METHODS

The study adopted ex post facto research design and selected 50 participation by applying systemic random sampling techniques from among who had completed value adding training during 2014 to 2015. Training programmes include value addition to varagu, ragi, tenai, samai, and kudiraivali. The participants were selected using computer generated random sampling number. A likert scale ranging from 1 to 5 not at all knowledgeable/skilled to very knowledgeable/skilled was used to indicate participants perceived knowledge and acquisition skill level and another likert scale was used to assess the adoption level that included adopted (2), partially adopted (1) and have not tried (0).

Therefore perceived knowledge, acquisition of skills and adoption level of participants is the response variable, other variable included in the study were information about participants, gender, education, family annual income post harvest knowledge, extension agents contact, attitude towards value addition and membership of self help group. The interview schedule was developed based on the face to face interviews was conducted by using a structured questionnaire

ANALYSIS

TABLE 1: DEMOGRAPHIC PROFILE OF THE PARTICIPANTS

Demographic profile	Variables	Frequency	Percentage
Education	Primary school	32	64
	Middle school	11	22
	High school	6	12
	Graduate	1	2
Family per day income	<300	12	24
	300-400	11	22
	400-500	9	18
	>500	18	36
Post-harvest knowledge	Low knowledge	15	30
	Moderate knowledge	18	36
	High knowledge	17	34
Attitude towards value addition	unfavorable	32	64
	Moderate favourable	6	12
	Favourable	12	24
Membership of self help group	<3 year	10	20
	3-5 year	22	44
	>5 year	36	36

TABLE 2: DISTRIBUTION OF FOOD PROCESSING PARTICIPATION BASED ON PERCEIVED KNOWLEDGE ON VALUE ADDITIONS

Statement	VK	MK	SwK	NK	NAAK	Mean	SD
	Percentage						
Preparation of dietary foods (Varagu biriyani, thenai curd rice, kudiravali payasam and sami rice)	0	36	60	2	2	3.3	0.61
Knowledge of value added balanced food	10	36	32	18	4	3.3	1.01
Value addition in minor millet bakery food items	24	2	54	20	0	3.3	1.05
Role of trust, NGO and Amma thitam and SHG in creating awareness	0	24	56	18	2	3.02	0.71
Importance of value additions	14	16	36	32	12	3.08	1.06
Value added income generation activities	2	14	58	26	0	2.92	0.69
Economic of production cost involve in value added products	0	12	68	20	0	2.92	0.56
Importance of packaging of value added food items	2	24	32	42	0	2.86	0.85
Diversity of value added tenai and sami, lattu and halwa	0	12	54	34	0	2.78	0.64
Knowledge of evaluation of value added products	0	2	32	64	2	2.34	0.55

Note: VK= Very Knowledgeable; MK= Moderate Knowledgeable; SwK= Somewhat Knowledgeable; NK= Not Knowledgeable; NAAK = Not at all Knowledgeable.

TABLE 3: TRAINING METHODS PREFERRED BY WOMEN

Training method	Percentage of preference
Demonstration	98
Lecture with projected aids	70
Video film	72
Exhibition	60
Field visit	71

RESULTS AND DISCUSSION

It is clearly observed from Table 1 that out of 64 percent were primary school, 22 percent middle school, 12 percent high school, 2 percent graduate, 24 percent were <300 per day family income, 22 percent were 300-400 were per day family income, 18 percent were 400-500 per day family income, 36 percent were >500 per day family income, 30 percent were low knowledge, 36 percent moderate knowledge, 34 percent were high knowledge, 64 percent unfavorable attitude towards value addition, 12 percent moderate favorable attitude towards value addition, 24 percent favorable attitude towards value addition, 20 percent <3 years Membership of self help group, 44 percent 3-5 years Membership of self help group, 36 percent >5 years Membership of self help group In India, 70 percent the farmers belonged to resource poor category comprising marginal and small (1).

Standard deviation value 0.61 Preparation of dietary foods (Varagu biriyani, thenai curd rice, kudiravali payasam and sami rice), Standard deviation value 1.01 Knowledge of value added balanced food, Standard deviation value 1.05 Value addition in minor millet bakery food items, Standard deviation value 0.71 Role of trust, NGO and Amma thitam and SHG in creating awareness, Standard deviation value 1.06 Importance of value additions, Standard deviation value 0.69 Value added income generation activities, Standard deviation value 0.56 Economic of production cost involve in value added products, Standard deviation 0.85 Importance of packaging of value added food items, Standard deviation value 0.64 Diversity of value added tenai and sami, lattu and halwa, Standard deviation value 0.55 Knowledge of evaluation of value added products (Table 2) attitudes are necessary precursors to changing behaviors, as it determines person's intention to perform (2). Therefore, attitude toward value addition encouraged food processing participants to gain perceived knowledge, skill and adoption through active participation in value addition training. Further, membership of SHGs brings people together, which flourishing their resources, strengthening the human spirit and empowering the vulnerable community. The training activities organized through the trainers are more preference for demonstration for millet products >98 percentage of trainees need with demonstration (Table3).

CONCLUSIONS

Concluded the education imparts knowledge, creates awareness and makes inquisitiveness to explore and learn which helps them to become skilled and to make desirable changes in adoption. And survival of small and marginal farmers in India. Moreover, the value addition training positive impact on participants in terms of magnitude of perceived knowledge, acquisition of skills and adoption level respondents. Education favours the acquisition of knowledge and widens the horizon of knowledge by proper understanding of the importance of value addition practices by getting exposed to trainee institute and contacting other informal sources. Trainers provide scientific knowledge, necessary information on agricultural innovations and technologies, which develop farmers' knowledge and help to change their attitude toward adoption. The recent thrust on value added agriculture of the new agricultural policy XI five year plan of Indian government was step and right direction.

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MERGER & ACQUISITION IN THE INDIAN CONTEXT: THE IMPACT ON SHAREHOLDER VALUE

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ABSTRACT

One of the primary motives behind any strategic corporate decision is to maximize shareholder value. Strategic decisions for firms are made with the objective of maximizing the wealth of the company's shareholders. This paper investigates the performance of selective sector of chemical companies, which have been involved in chemical related mergers and acquisitions and examines the impact of merger announcements on acquiring firms' and target firms' stock performance in the Indian industry. It also examines abnormal share returns throughout a period surrounding the announcement of both successful and unsuccessful acquisition and merger bids. The overall results indicate that related construction mergers create wealth for shareholders of the target firms.

KEYWORDS

acquisitions & mergers, chemical industry, shareholder value analysis.

INTRODUCTION

Mergers and acquisitions are increasingly becoming strategic choice for organizational growth and achievement of business goals including profit, empire building, market dominance and long term survival. The ultimate goal of this strategic choice of inorganic growth is, however, maximization of shareholder value. The phenomenon of rising M&A activity is observed world over across various continents, although, it has commenced much earlier in developed countries (as early as 1895 in US and 1920s in Europe), and is relatively recent in developing countries. In India, the real impetus for growth in M&A activity had been the ushering of economic reforms introduced in the year 1991, following the financial crisis and subsequent implementation of structural adjustment programme under the aegis of International Monetary Fund (IMF). In recent times, though the pace of M&As has increased significantly in India too and varied forms of this inorganic growth strategy are visible across various economic sectors.

The term mergers and acquisitions encompass varied activities of stake acquisition and control of assets of different firms. Besides, there are several motives for different types of mergers and acquisitions seen in corporate world.

REVIEW OF LITERATURE

Dodd (1980) finds that shareholders of target firms earn large positive abnormal returns from announcement of merger proposals. These announcement period returns range from 13% at the announcement date of the offer to 33.96% average over the duration of the merger proposal i.e. 10 days before and 10 days after the announcement. On the other hand, shareholders of bidder firms experience negative abnormal returns of 7.22% and 5.50% over the duration of the proposals. **Malatesta (1983)** examined a matched sample of targets and their bidders in 30 successful mergers and finds a significant average increase of \$32.4 million ($t = 2.07$) in their combined equity value in the month before and month of outcome announcement. The acquired (target) firms gained more than the acquirer forms. The target firms earned \$18.6 million ($t = 5.41$) of the combined increase in the equity value while acquiring firms earned \$13.8 million ($t = 0.91$).

PROBLEM OF THE STUDY

Through the strategy of M&A thus, the acquiring firm intends to improve its long term operating and financial performance. The major focus is on improving long term profitability of firms, improve the efficiency of utilization of existing and acquired assets and make the acquirer firm more stable in the long run to address competitive forces and command sizeable market share.

RESEARCH METHODOLOGY

Research is an art of scientific investigation. According to Redman & Mory defines research as a "Systematic effort to gain Knowledge".

RESEARCH DESIGN

According to Kerlinger, "Research Design is the plan structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance." The research design undertaken for the study is analytical one. A researcher use facts or information already available and analyze those to make critical evaluation of the material. It is quantitative in nature.

DATA COLLECTION**SECONDARY DATA**

Company Profile, annual reports, Websites, Magazines, articles are used widely as a support to secondary data. Print media and internet has been used for data collection.

PERIOD OF STUDY

The study covers M&A in India during the period from financial year 2005- 2016 through 2005-2006. The study period is divided as pre-merger and post merger period for each case of M&A depending upon the year of merger for each M&A deal. Pre-merger as well as post-merger period comprises of 3 years each. The year in which merger/acquisition has taken place is excluded from the study so as to allow for post-merger adjustments and integration issues.

SAMPLE DESIGN

The study basically follows judgemental sampling. The sample for the study primarily includes mergers by public limited companies listed on BSE, during the period of study. Only domestic mergers are included in the study.

OBJECTIVES OF THE STUDY

1. To examine the trends in M&A in India
2. To examine pre-merger and post-merger operating and financial performance of firms in M&A deals

ANALYSIS AND INTERPRETATION**MERGERS AND ACQUISITIONS IN INDIA****TABLE 1**

Year Aggregate	M&A	Mergers	Acquisitions
2005-06	33	NA	NA
2006-07	124	NA	NA
2007-08	248	NA	NA
2008-09	387	NA	NA
2009-10	1469	288	1181
2010-11	1340	287	1053
2011-12	1169	323	846
2012-13	1047	216	831
2013-14	1041	252	789
2014-15	1243	373	870
2015-16	1261	347	914

Source: CMIE M&A, CMIE Business Beacon Database and Kar, R. (2016)

NA: Not Available

The following important observations can be, made from above table:

- (i) A total of 9,631 M&A transactions have occurred during the entire period from 2005-06 to 2015-16. The maximum number of M&A transactions is reported during the year 2010-11 (1,469) while the lowest are observed during the year 2005-06 (33).
- (ii) The number of M&A deals has grown at CAGR (Compounded Annual Growth Rate) of 35.47% during study period.
- (iii) The number of M&As during early periods of economic reforms are found to be negligible in comparison to those observed during the later part of study period. There were only 33 M&As during the year 2005-06 and this figure rose to 387 during the year 1999-2000. Further, within this period, a considerable decline is observed in year-on-year increase in M&As. From 33 M&As in 2005-06, the number rose by a significant 124 which is 275.76% increase from the figures of 2005-06. In the following year however, the total M&A deals increased to 248 accounting for a comparatively low 100% growth on year-on-year basis.
- (iv) The year 2008-09 recorded the worst increase during this period of only 21 M&A deals in comparison to previous year figures that accounted for a negligible 8.47% increase. The percentage increase in M&A deals improved during the year 2009-2010 to 43.87% with 387 transactions reported during this year. The total number of M&As reported during this period of five years is 1,061 which accounts for a mere 11.02% of the total (9,631) M&As recorded during the entire period of study.

PERCENTAGE CUMULATIVE ABNORMAL RETURNS OF SAMPLE ACQUIRER FIRMS IN MANUFACTURING SECTOR IN INDIA**TABLE 2**

Acquirer	Pre-Announcement period			Post-Announcement period			Around Announcement period		
	(t-20)	(t-10)	(t-5)	(t+5)	(t+10)	(t+20)	(t-20, t+20)	(t-10, t+10)	(t-5, t+5)
Chemical Sector									
Bayer India Ltd	35.42	29.57	19.49	-6.5	0.76	-1.12	29.64	25.67	8.33
Futura Polyesters	25.2	-20.07	-10.07	9.12	1.84	.68.20	100.06	7.21	5.7
Kissan Mouldings Ltd	25.45	16.29	16.86	6.47	18.08	31.15	50.63	28.5	17.36
Berger Paints	-47	-52.28	4.19	1.19	0.7	-5.32	-50.6	-49.86	7.1
Beck India	-36.6	-27.01	-20.19	0.52	2.45	-4.39	-40.74	-24.3	-19.41
Sree Rayalaseema Hi - Strength Hypo Ltd	-15.27	-5.25	-4.83	20.78	33.15	12.41	-2.25	28.51	16.56
Castrol India	7.58	2.66	1.51	5.85	8.4	-4.52	-1.73	6.26	2.57
Dharamsi Morarji chemicals Ltd	-2	-1.33	-2.11	1.91	-5.67	-6.03	-8.04	-7.01	-0.21
BASF	-17	-8.35	-5.72	10.26	6.44	-1.92	-18.83	-1.82	4.63
Arvind International	-50.43	-10.09	17.18	-40.61	-3.07	-45.62	-54.82	-8.59	-18.86
Exide Industries	7.12	3.53	5.21	5.95	23.43	13.71	19.82	25.95	10.15
Average CAR	-6.14	-6.58	1.96	1.36	7.86	5.14	2.1	2.77	3.08
t Statistics	-0.684	-1.001	0.524	0.29	2.16 **	0.608	0.151	0.371	0.839

The analysis of announcement period returns for acquirers in chemicals sector indicate that Average CARs are substantially lower during pre-announcement period for acquirers while the same increases during post-announcement period. Average CAR for acquirers in Chemical Sector are -6.14% during (t-20) window which is however, not statistically significant. On the other hand average CAR is 5.14% during (t+20) window which again though is not statistically different from zero. However, average CAR for period of 10 days after announcement (7.86%) is found to be statistically significant at 5% level. statistical significance could not be established for average CARs for acquires in chemical sector, the indication of high number of positive CAR in all the observations for the sector provides a weak evidence of positive short term gains to shareholders in this sector.

SUMMARY OF FINDINGS

- The pre-liberalization era severely restricted mergers and acquisitions in India by imposing regulatory restrictions through multiple legislations like FERA, MRTP and licensing system. In particular, there was lot of discouragement to horizontal combinations. The real impetus was given to mergers and acquisitions through the 1991 economic reforms that encouraged liberalization, privatization and globalization. Easing of regulations, sale of state-owned companies, overcapacity and deregulation of fragmented industries gave boost to M&A in India.
- A total of 9,631 M&A transactions have occurred during the entire period from 1995-96 to 2006-07. The number of M&A deals has grown at CAGR (Compounded Annual Growth Rate) of 35.47% during study period.
- Sectoral analysis of announcement period returns indicate that Average CARs are substantially lower during pre-announcement period for acquirers in Chemical Sector while the same increases during post-announcement period. Average CAR for acquirers in Chemical Sector are -6.14% during (t-20) window but 5.14% during (t+20) window. However, average CAR for period of 10 days after announcement (7.86%) only is found to be statistically significant for acquirers in chemical sector.

SUGGESTIONS

- Since mergers and acquisitions have not found to be contributing - significantly to profitability, liquidity and solvency or operational efficiency, the acquirers need to assess whether paying substantial purchase considerations for these transactions is economically viable for the firm in the long run. Given the fact that acquisitions premiums are rising, it becomes imperative for acquirers to evaluate the inorganic growth strategy against the organic growth options available.
- The acquirers need to identify appropriate target that has complimentary fit within the acquirers own organizational structure, product portfolio and work culture. Post merger integration issues may be one significant reason for failure of M&As to improve long term operating and financial performance of acquirer companies. As Machi (2005) suggests, organization structure with similar management problems, cultural system and structure will facilitate the effectiveness of communication pattern and improve the company's capabilities to transfer knowledge and skills.

SCOPE FOR FURTHER RESEARCH

- The study can be extended to more sectors based on availability of data in future.
- Future research on the topic can also be directed to include cross border mergers and acquisitions which are increasingly becoming significant in Indian economy.
- A detailed sectoral analysis of these mergers and acquisitions can be made to identify if there are any concrete gains to acquirers. This is particularly important given that cross border M&As involve a very large purchase consideration.

CONCLUSION

Regulatory changes and economic reforms have been major reasons for bringing significant changes in M&A scene in India. The major reasons for increasing consolidations in India are the industry specific advantages, cost reduction, exploiting core competence and global competition. These factors have skewed the M&A activity in India towards horizontal and vertical mergers and acquisitions. The diversified M&A have been thus reduced to negligible number.

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CHALLENGES OF CHANGE MANAGEMENT ON SERVICE DELIVERY IN THE ADMINISTRATION POLICE SERVICE IN MURANGA COUNTY

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ABSTRACT

Change is an inevitable part of life, a well-planned and formulated change, can produce positive results. Despite planning change, change is hard to incorporate, accept and appreciate. Change has an impact on the individuals and the organization as a whole, and no matter how small, they always encountered resistance from within itself. The police in Kenya have always been characterized by many years of impunity in various forms such as embezzlement of state resources, endemic corruption, non-compliance with the law as well as illegal political interference. Key police reforms were undertaken by the government of Kenya to make sure that the police are at par with international standards, in an attempt to move away from reactive nature of the police to a proactive and service oriented policing. Despite this, the reform process has faced various challenges emanating within and without the organization. Therefore, this research aimed at examining the challenges of change management on service delivery in Administration Police Service in Murang'a County. The study adopted descriptive casual-effect research. The sample of 135 officers were used to obtain information. The researcher adopted cluster, purposive, stratified, and random sampling technique to enable adequate representation of officers across all ranks in the county. Primary data were collected using questionnaires while secondary data obtained from published documents including journals, periodicals, magazines and police reports. Data analysis was done through the use of SPSS version 17 and Excel. Inferential and descriptive statistics were used to describe features of the data to be collected. Presentation of the data was done through the use of tables, graphs, and charts. The final results of this study is relevant for fellow researchers, policy makers and managers of the police service, among other beneficiaries especially in the field of change and management in general.

KEYWORDS

change, police, service delivery.

BACKGROUND OF THE STUDY

Kanter.R.M, Stein.B.A and Jack.T.D (1992) says that we live in a constantly changing world and Organizations experience change throughout their existence. Change is natural phenomena that run through all organizations regardless of size, type, and age. Organizations must align itself with the ever-changing technology, globalization of markets, shifting demographics, transforming economies, reforming governments, effective competition, and fluctuating consumer preferences.

Daniel Wischnevsky and Fariborz Daman, (2005) state that, change occurs when there is a transition from the current situation to a desired future state, through periods of transformation. By realizing that the current situation is no longer suitable therefore establishing a vision for the future direction as well as implementing the change and setting up new systems to support. Implementation of change, no matter how small, should expect to encounter some resistance from within the organization. Resistance to change is normal, and people tend to cling to habits and status quo (Burnes, 1996). While the external environment continues to play a role in an organization's ability to deliver its objective, the internal environment within the organization will increasingly inhibit it from achieving the required to meet the needs of the marketplace unless it can adjust quickly. Managerial operations can reduce or trigger resistance. People must be encouraged to get rid of old ways so that "managed change" takes on the character of "natural change" (Daniel *at el* 2005).

Osakina (2013): Martin (2005) view management of change as a structured plan and process for managing transition within an organisation and more importantly maintaining the reaction to change by employees. Agency's management of change and success depends on the nature of the structure, the type of change and the people involved (Luthans 2008). Many countries across the world have reacted differently in managing change (Weill & Woodham, 2002). Corporate bodies have always been occupied with change as leaders pursue on ways of capitalizing on chances created by technological and economic advancement. All organizations encounter change, but some are perceived to operate in more dynamic environments than others, (Ndemo, 2015). Globally, many countries have called for a change in the public sector to enhance service delivery. Police institutions as part of the public sector have redesigned its systems to remain relevant in the modern world.

STATEMENT OF THE PROBLEM

Since Kenya's independence in 1963, the Police have been linked with hostility, abuse, corruption, and ineffectiveness. To address these matter, the government of Kenya has in the past established several task forces and enacted legislations supporting police reforms. However, these past efforts and the reform processes have not born fruits. Security threats have continued to evolve giving rise to emerging threats and putting much more pressure and demand on the police. The pace and momentum of reforms are also viewed to be slow. Further, the institution has been turned into a criminal enterprise where tribalism, favouritism and violation of ethics, integrity and respect for human rights and fundamental freedoms as well as violation dignity of the Kenyan citizens continue to prevail. Human rights violation is still reported in the police service. Recently, Administration police officers in Machakos County were accused of kidnapping and executing a lawyer, a client and their driver, an indication that reforms have not yet fully realized. Organizational reforms, including administrative merger and vetting, have so far had limited impact. The endemic culture of corruption and lack of political reform remains a deep-seated becoming principal obstacle to the current change process. The thinking and institutional culture of the police have not changed even though the law, policies, and guidelines are new. Many studies have focused on reform process in Kenya police service. Kiraithe (2011) studied management of strategic change at Kenya Police Service, Nyangesa (2013) considered Challenges of strategy implementation at the Kenya police service, Kihiko (2013) examined the implementation of police reforms and how it affects service delivery in Kenya police service among others. Therefore, this study is an attempt to explore the challenges of change management on the provision of services in Administration police service and make recommendations to address these challenges.

GENERAL OBJECTIVE THE STUDY

The overall goal of the study was to examine the effects of change management determinants on service delivery in Administration Police Service in Murang'a County.

SPECIFIC OBJECTIVES

The following specific objectives guided this study

1. Establish the effects of organizational culture on service provision in the Administration Police Service.
2. Examine the effects of leadership on service delivery in the Administration Police Service.

RESEARCH QUESTIONS

The following research questions guided this research:

1. What is the impact of organisational culture in managing change processes on the provision of services in Administration Police department?
2. What is the impact of leadership in change management processes on the delivery of services in Administration Police Service?

SIGNIFICANCE AND JUSTIFICATION OF THE STUDY

The findings of this study contributes valuable additions to the existing literature and fill the current information gap left by researchers in the change management on police reforms within Kenya, especially in Administration Police Service. The managers and administrators in the service will use the information obtained from the study to address management issues on persistent structural and administrative challenges within the police commands of Murang'a County and the entire service by assisting the institution in pointing out areas of difficulties in managing change and addressing the priority sectors.

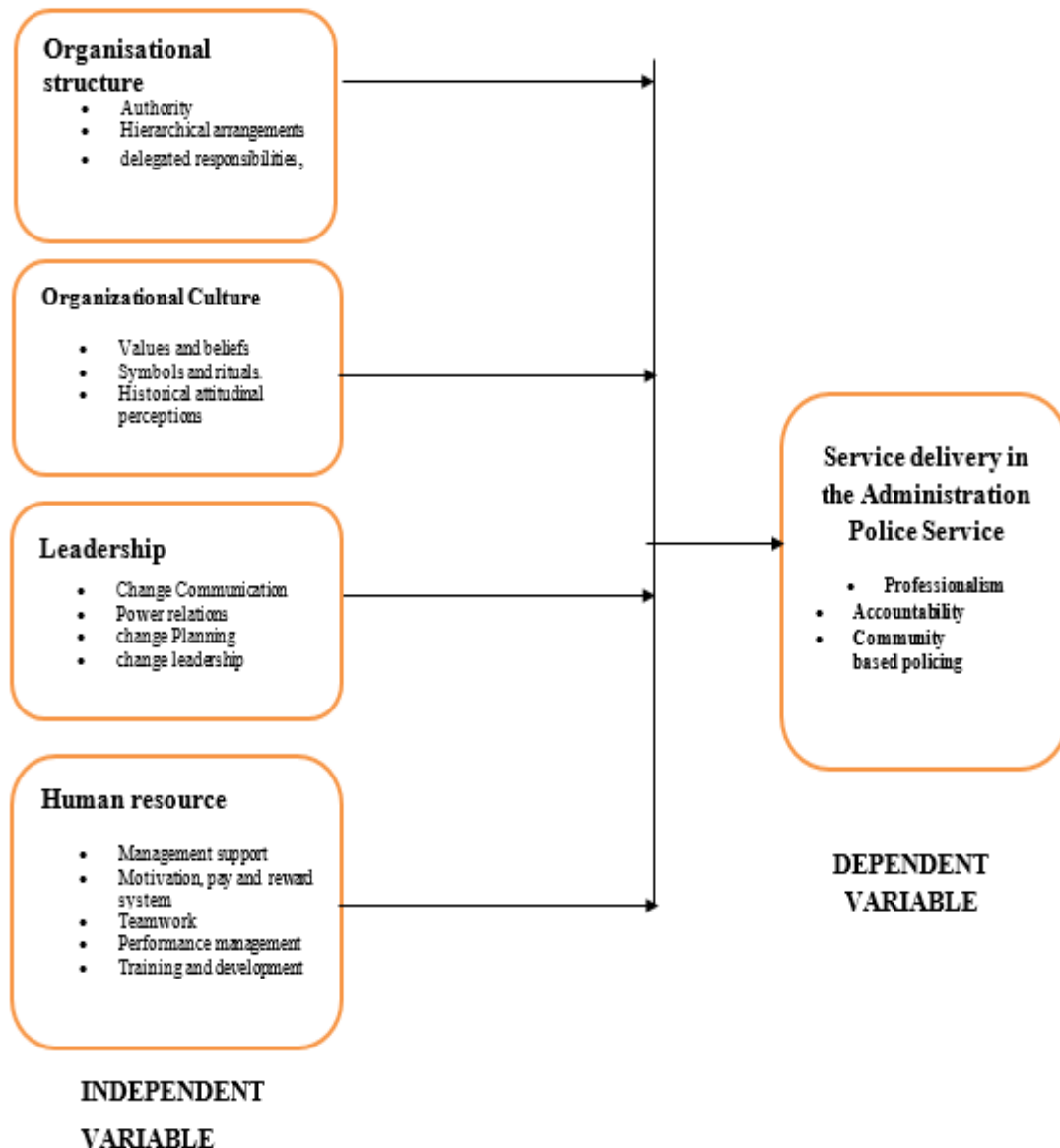
SCOPE AND LIMITATIONS OF THE STUDY

The focus of this research was on organisational change management on service delivery in Administration Police Service in Murang'a County. The County has eight sub-counties, therefore, the review will be limited to all the sub-counties.

KUBLER-ROSS CHANGE CURVE MODEL

The Change Curve deposit a positive move towards change where acceptance is the outcome. Kubler-Ross describes the six stages people go through as they adjust to change. Despite the improvement of systems, there must be a change in the people. Organisations do not just change because of new systems, processes or new group structures. The organization is required to support the employees in the course of making transitions as personal changes can be traumatic and may involve loss of power and prestige issues (Kubler-Ross, 1973).

FIGURE 1: CONCEPTUAL FRAMEWORK



ORGANISATIONAL CULTURE

Selznick (1992) defines Culture as the norms of behaviour, Shared beliefs, perceptions, norms priorities and values among a group of people. Organizational culture includes an organization's experiences, ideologies, values, and expectations that hold it together, and conveyed in its interactions with the outside world, self-image, inner workings, and future presumptions. Based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid.

The elements of a social sub-system is identified from a variety of sources by Schein (1985). It includes observed behavioural regularities such as language, rituals, dress and demeanour, the norms that evolve in working groups, dominant values for instance quality of service and adherence to the law. Also, organisational philosophy which includes the vision or knowledge that guides an organisation towards its staff and customers, the rules that have to be learned by a newcomer to be accepted as well as climate, for instance, the impression created by physical layout and how staff interact with outsiders

VALUES AND BELIEFS

Organisational beliefs are what members of a particular organisation hold as right while values are ideals shared by the members of society about what is right or wrong and desirable or undesirable. Change process deals with changing beliefs that have been practiced by members of an association for a particular period. Police culture is the operative and moral behaviour of the police. It is the means in which officers perform their duties and represents to the public a significant indicator of change in the police service (Ott, 1989). Culture regarding Shared values is the fiber that networks all the primary players in the Police reforms. Shared values drive Structures, Strategy, Systems, Skills, Styles and Staff and further influences the operating environment (Revised Police Reforms Program Document 2015-2018).

Chepkemoi and Mokari, (2015) in a study on challenges hindering effective strategic change management in Counties in Kenya: a case of Nairobi County found out Structural characteristics, as well as attitudes, beliefs, and values, are more likely to act as barriers to an effective change management program. Employee norms and beliefs affected adoption of the change process in the organization. They are not willing to leave their long-time practices to adopt new shifts in the body. It is hard for them to leave behind the long-time organizational dress, tools, and organizational layout. Changes initiated are not well received by the team members in the organization because of Lack of unity and existence of an active persistent organizational culture, which prolonged the implementation of the change process in the country.

RESEARCH DESIGN

A research design is a structure of the research that holds all the elements in a research project together (Dooley, 2007). A detailed causal-effect research design was employed. The study adopted both quantitative and qualitative study because both quantitative and qualitative data were used. Mugenda and Mugenda (2003) perceive a causal-comparative research design as one that enables the investigator to explore relationships between variable. A descriptive study was

undertaken to ascertain and be able to describe the characteristics of variables in a situation and obtain pertinent and precise information concerning the current status of phenomena (Kothari 2004). Further, it establishes an association between variables by quantifying the relationship between the variables using techniques such as regression (Kothari 2004).

STUDY LOCATION

Mustang's County occupies a total area of 2,558.8 Km² (square kilometer). Administratively, the county is divided into eight administrative Sub-Counties namely: Murang'a East, Kahuro, Kangema, Mathiyoa Gatanga, Kandara and Murang'a South Sub Counties. According to August 2016 personnel returns, The Administration Police Service -Murang'a County strength is 860 staff.

DATA ANALYSIS

According to Kothari (2004), data analysis means categorizing, ordering, manipulating and summarizing data to obtain answers to research questions. The purpose of analysis is to obtain meaning from collected data. Data was analysed both qualitatively and quantitatively. Qualitative analysis was done on the information collected from questionnaire. On the other hand, quantitative analysis used both descriptive and inferential statistical techniques. Descriptive statistics technique used to analyse the quantitative data included frequencies and percentages. Inferential statistics used regression to measure of the relationship between variable and presented in form of tables. To enable the researcher meaningfully describe a distribution of scores or measurements. Further data analysis was done using Microsoft excels and the statistical package for social sciences (SPSS) program version 17.

RESEARCH FINDING AND DISCUSSION

EFFECT OF ORGANIZATIONAL CULTURE ON SERVICE DELIVERY

The relationships between organizational structures and Service Delivery indicated a strong positive relationship of 0.908 between the two variables. Organizational culture strongly influence everything within any institution. It plays an instrumental role in the attained of the set goals and objectives of any organization.

EFFECTS OF ORGANIZATIONAL CULTURE ON SERVICE DELIVERY

TABLE 1: MODEL SUMMARY OF INDEPENDENT AND DEPENDENT VARIABLES

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.964 ^a	.929	.926	.306	.929	324.994	5	124	.000	.380

a. Predictors: (Constant), change Management, Organizational Leadership, Culture.

b. Dependent Variable: Service Delivery

The R Squared regression can range from 0.000 to 1.000, with 1.000 showing a perfect fit that indicates that each point is on the line (Carver, 2009). From the above table coefficient, correlation R value is the correlation of determination, R² is the coefficient of determination and the standard error of estimate is 0.926. R value of 0.964 is a good of estimate ratio of the service delivery by the independent variables i.e. change Management, Leadership, and Organizational Culture. 92.9% corresponding variation of service delivery is explained by independent variables of Organizational Leadership and Organizational culture while the other 0.071 is presented by other unexplained variables. This imply that the independent variables are good estimators of service delivery in the administration police in Muranga County. This indicates that change Management, Organizational Leadership, Organizational Culture influences service delivery in the police service 92.9%.

ORGANIZATIONAL CULTURE AND SERVICE DELIVERY

TABLE 2: MODEL SUMMARY OF ORGANIZATIONAL CULTURE AND SERVICE DELIVERY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.925 ^a	.856	.855	.429	.856	763.222	1	128	.000

a. Predictors: (Constant), ORGANIZATIONAL CULTURE

From the above table R squared is 0.855 implying that 85.5% change in corporate culture affects service delivery and the relationship between the two variable is very strong indicated by sig 0.000

Therefore from the above findings, police culture significantly influences service delivery within the institution as indicated by Revised Police Reforms Program Document 2015-2018 that police Culture regarding Shared values is the fibre that networks all the primary players in the Police reforms. Shared values drive Structures, Strategy, Systems, Skills, Styles and Staff and further influences the operating environment.

Based on these findings, the study agrees with a study by Chepkemoi and Mokari, (2015) that Structural characteristics, as well as attitudes, beliefs, and values, are more likely to act as barriers to an effective change management program and service delivery. Employee norms and beliefs affects adoption of the change process and the delivery of service in an institution.

As urged by Bii, Adam, Redemta, (2015) that the change initiatives in Kenya Prisons Service had not been effective based on the aspects of organizational culture. This study also agrees that The changes initiated in the police service is limited since they have not improved aspects of Organizational Culture which play an instrumental role in the attained of the set goals and objectives of any organization. There is, therefore, need to reinvent them now and then through the wheel of change to make them relevant to ever-changing global environments.

In support of Kihiko (2013) findings, morale of the officers has slightly been improved by police reforms. Despite this, there is a continuation of the culture of dissatisfaction and corruption which impact negatively on service delivery. The Police Service has not cultivated the culture of maintaining a high employees' moral which are fundamental factors that the Police Service needs to trench in its organizational culture if it is to succeed in improve performance and delivery of service.

ORGANIZATIONAL LEADERSHIP AND SERVICE DELIVERY

TABLE 3: MODEL SUMMARY OF ORGANIZATIONAL LEADERSHIP AND SERVICE DELIVERY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876 ^a	.767	.765	.494

a. Predictors: (Constant), Leadership

From the above table R squared is 0.767 implying 76.7% change in leadership affects service delivery. This Mean that any significant changes in leadership affects service delivery either positively or negatively. This is in line with earlier researchers such as Kotter (1990), who says that without leadership, the chances of mistakes occurring increases and the opportunities for success diminish.

Njenga and Gachunga (2016) found out that when an organization is going through change, it is time for the management to exercise leadership, which becomes a role model to the staff. Management styles need to be examined and realigned with the requirements and demands of today's workplace because as change continues and organisations react to the changing environment, employees also evolve and change with their surrounds It must exhibit behaviours which demonstrate expectations from employees about the change. Therefore, Organizations that invest in leadership development better performance than those that do not. This study indicates that leaders must take prompt and aggressive action to institutionalize change within the organisation. They must demonstrate visible ownership of the institution, communicating openly with partners about the details, value, and the importance of the change to the institution.

The efficient use of power is key to effective management and leadership. The findings supports Cole (1995) statement that power acts as the intention behind force for leadership and authority. In line with Bii, Adam, and Redemta, (2015) study, changes initiated in any institutions will not be effective if organizational power, and politics aspects are not addressed. To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding particular implementation activities.

The findings further conforms to Chepkemai and Mokari (2015) that lack of proper leadership in the change process prolongs the implementation of change management process. Without careful planning, transformation initiatives may fail and result in loss of agency resources and decline of morale by employees leading to poor service delivery. Therefore this study agrees with Luthans (2005), that when employees are involved in decision making, staff absenteeism reduces, there's greater organizational commitment and improved performance reduced turnover and increased job satisfaction, hence effective service delivery.

SUMMARY OF FINDINGS AND DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

SUMMARY OF FINDINGS

Change is an inevitable part of life. To, make sure that the police are at par with international standard and in an attempt to move away from reactive nature of the police to a proactive and service oriented policing; Key police reforms were undertaken by the government of Kenya. Despite this, the reform process has faced various challenges emanating within and without the organization. Therefore the main objectives of the study was to examine the challenges of change management on service delivery in Administration Police Service in Murang'a County while the specific objective were to establish the effects of organizational culture on service provision in the Administration Police Service and Examine the effects of leadership on service delivery in the Administration Police Service.

FINDINGS ON ORGANIZATIONAL CULTURE

The findings indicate that there is a strong positive correlation between corporate culture and service delivery. Police culture significantly influences service delivery within the institution as indicated by Revised Police Reforms Program Document 2015-2018 that police Culture regarding Shared values is the fiber that networks all the primary players in the Police reforms. Shared values drive Structures, Strategy, Systems, Skills, Styles and Staff and further influences the operating environment. Negative and inappropriate culture leads to poor delivery of service while positive corporate culture enhance service delivery. police reforms has slightly motivated police officers which indicates that police reforms add value in motivating officers hence a component of good service delivery despite the continuation of culture of corruption, this impact negatively on service delivery.

FINDINGS ON ORGANIZATIONAL LEADERSHIP

The findings indicate that there is a strong positive correlation of 0.908 between leadership and service delivery. Managing Change requires strong leadership to rapidly overcome stressful, discomfoting and dangerous shifts in the organisational system. Based on the indicators measured leadership had a great influence that effects on how delivery of service were conducted in the Administration police service.

RECOMMENDATIONS

Based on the analysis of the study, the researcher wishes to make the following recommendations;

- i. the administration police service should adopt modern technique of service delivery for instance adoption on modern method of tactical operation to curb terrorism
- ii. the administration police service should adopt effective corporate culture that enhance service delivery by disregarding old ways of doing thing and embracing modern ways as well as addressing negative historical attitudinal perceptions through creating public awareness on the milestone of the police reforms
- iii. Embracing planning and proper allocation of resources as well as staffing and deploying officer efficiently to relevant departments. This will help boost the morale of the officers
- iv. Restructuring the existing hierarchy of authority to give authority and more responsibility to lower ranked officer

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A STUDY ON ELECTRONIC-HUMAN RESOURCE MANAGEMENT AND ITS STRATEGIES: LITERATURE REVIEW

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ABSTRACT

Technology and tradition is in the current bilateral edge in which human and its practices are standing. When technology fuses with Human Resources dramatically reengineering with the HR practices, it gives birth to the advanced version of HR coined as E-HRM for which the human resource management process has been under transformational changes in the aspects of HRM functions over the last decades. Because the human resources involves the human capital therefore the process of human resource management is being undergoing by the phases of changes implementing various tools of technology while improvisation in its performances. The amalgamation between HRM processes with the Information Technology being termed as Electronic Human Resources Mgt. (E-HRM). So the phenomenon E-HRM undoubtedly tries for there up to functionalise all over the operations and its activities that the human resource management system is dealt with and with the help of information technology with the very fastest mode and adequately accurately. The uses of information technology in the field of human resource management is much improvised for the purpose of standardising the human resources functional and operational activities with allowing distributed facilitation to employees as well as the line managers. This particular study signifies to enquiry about the influential impacts of E-HR to the HRM functions within the organisations.

KEYWORDS

HRM, E-HRM, information technology.

INTRODUCTION

Nowadays, technology is in each and every blink of us. People have been turning down luxury to more luxurious even if we say turning down the tasks to even more simplest form. Even these daily routines as well with the use of computers and that very use of Internet networking. It has fastened the whole of the functions and improvised the performance of the assigned tasks. Competitions are into cutthroat mode all over. So global competitions are always in demanding mode. So organisation have to use innovativeness with the help of IT for survival. Each units of department within the company of an organisation performs a vital role for its prosperity though each conceptualise that the HR department is the mother of the whole over processes of strategy planning, departmentalisation, distribution, implementation for darting the envisioned mission for an organisation as the HR manager reads its nature of job as recruiting, selecting, training, promotion and retention. So these are all the part and partial of the business as a whole. But a camouflaging healthy organisation can better compete with the beats of changes where there is the involvement of technology in the human capital. So it's E-HRM and its practices. But from the piles of evidences it shows that there was a struggling/puzzling situation while allocating the resources in those traditional affairs. They were often hindered by pen paper based processes and transactions, file movements and relocation, multitudes of manuals and leafs of papers reading taxes, payrolls and benefits information that were costly, error prone, stressed and time consuming to manage and deliver. So, these all looked like a milestone to cross over and aim on prominent values business task forces that would have helped to increase profit and captivity for those human resource organisations. For these the E-HR business strategic model that is channelizing those yesteryear's human resources things, tools and actions of processes of channelization onto internal intranets or the internet via a portal (medium). Those techno savvy human resources solutions automates the tasks and streamlines the flow of work to ascend the standard of the workforce through facilitating the self-service tools, training and information. Through this process of automation, human resources could streamline itself with the standards set for the business enterprises with a visionary eye upon the standardised worth of the services of the business and employee requisitions such as the need for the training and development processes.

LITERATURE REVIEW

Since the 1940s the uses of computers in HRM is seen. There was strategic improvement in the developmental processes in the year of 1980 as there was tremendous benefits by the technology and its applications and the evolving fields like finance and accounting were in the process mechanised. And here there was the evolvement of HRIS (Human Resource Information System) that is being practised by the scholars, researchers, practitioners etc. With the emergence of networking technology, the focus was on the HRM functions and activities by the approach of 1990s. As per a research survey held by Cedar Crestone (2006) was founded that the organisations in a way spread the units of the companies in order to promote the facilities that is being provided by the applications of HRM and it's processes with a vision to capitalise the return of investment in the domain of HR technology. Along with this, it's been seen that the Enterprise Resource Planning System have included the applications and tools of the E-HRM processes for the systematic functionalization of those operational activities. It even sums up with the financial issues. As per Walker 1980 the information so collected regarding the employees and the payroll systems were believed to be the first amongst the processes of transactions inputted by the usages of information technology. It was even seen that in the year 1943 within the United States of America there was the active practice of federal taxation system where as still the struggle was going on for the clerks who were under the payroll basis who still continued the practices as in the manual methods and hardly anyone could find any errors in them. According to (Fletcher 2005:11) in order to lessen the constant pressure of the human resource department and their staffs, there was the usages of new advanced machineries which helped in the automation of the payroll systems and in a way increased the efficiency of the various departments within the organisation especially the auditing department. After the 1940s, it was seen that the year 1980s took a rage of the developmental parameters witnessing the proof of very strong contented usages of information technology and it's tools and applications among the various sectors which was even proven beneficial as and when the time passed with efficiency and timely productivity. Within an organisation along with the human resources department, the marketing department and others; even one more department is that very essential for the functioning and operation of each units of/within an organisation and that is the Finance department; therefore, the processes of finance and accounting were gradually explored mechanically and developed. And now as because there is the usage of technology in providing information so there came the invention of the new term as "Human Resources Information Systems" (HRIS) which are being wide spread practised by both the practitioners and researchers. In 1990s, there was the evolvement of the Internet and it's usages which again impacted upon the HRM and its functions. Cedar Crestone (2006) survey's stated that slow and steadily the organisations widened the functionality of those HRM applications which boosted their return on investment and again strategically planning to reinvest upon human resources information technology. Apart from this, there is the adaptability of sophistication by the E-HRM applications as it's considered to be a part of the ERP (enterprise resource planning. It even includes the financial and the accounting modules. It is worth to say that it needs "change"

as a practice of innovation and new methodology within the organisation when there is the introduction and involvement of the information technology in a wiser mode and practices. And this involvement of E-HRM into the functions and practices of HR is as rapid as fire in a qualitative mode. Thus, the new change is good and is in increasing demand.

DEFINITION OF E-HRM

The term Electronic Human Resource Management could be viewed as the collaborative intersection between the Information Technology and Human Resource Management. As per Rule (2004), the people's perspective of E-HR is diversified but then E-HRM is only a concept as in the process of commitment of doing the human resource management practices. The process of E-HRM can be defined as "when any technology is applied in a way helping its employees and the managers to conduct or perform the HR practices in an easier mode and even practised in the other sectors of HR for quick, easy and better channelization of the information system, communication system, reporting of the performance appraisals, firm management in leading of the team, knowledge management and learning along with practising the administrative applications"(Watson Wyatt 2002:43). But then "(Foster 2009) says, the full integration of each units of companies within the inter/intra organisations connecting widely electronically to the whole of the networks through the HR related data, information, usages of tools and applications, services, databases.

DEVELOPMENTAL PHASES OF E-HRM

Those can be classified into the followings:

OPERATIONAL HUMAN RESOURCE MANAGEMENT

The prime sector, operational E-HRM focuses on primary human resource of work doings in the perspective of administrative department. Basically the cost to company (etc) management along with the management of the storage of the information regarding the personnel staffs the can be considered. It's seen that the efficiency and effectiveness outcome of E-HRM is by reducing costs and alleviating administrative burdens. In order to bring the effectiveness into the HR practices as in the perspective of cost cutting; a way of reducing the number of headcounts by diminishing the transactional costs as well as the operational costs can be followed and the productivity in efficiency can be seen.

RELATIONAL HUMAN RESOURCE MANAGEMENT

The relational E-HRM focuses on highly developed practices of HRM functionalities and theories, which is of course an advanced integrated format in the HR strategies. Here, the importance is given on the tools of HR which acts as a helping accessory for the important business transactions /phases as in the processes of HR activities/performance such as recruiting, selection, planning, co-ordinating, training, performance management, controlling, performance appraisal and rewards of the selected candidates/personnel or the other personnel staffs.

As in the process of the relational E-HRM, there is always an option in between adhering (support) the process of recruitment and the criteria of selection by the source of a networking application software or else visit a printed based medium (through advertisement, paper-based application forms and letters, etc). Also emphasizes processes of exchange of information as in the form of interactions and channelizing intersection between networks for communication process. In order to meet the rising demands economically of those line executive managers, employees related to the business, the partners of business, there's need to be an improved level of services so as rendered.

TRANSFORMATIONAL HUMAN RESOURCE MANAGEMENT

It aims to the foundation (base) in changes emphasizing the mere scope along with the functionalities of HRM, including the capability to dedicate to whole over organisational performances. In order to become an ideal business partner strategically, it can be promisable in nature only when the strategies so formulated to perform the business activities are standardised as the visionary objectives to accomplish the mission. The transformational E-HRM, this third phase focuses upon the HRM related activities aiming the performance to be done in a strategic manner camouflaging the visionary character enhancing better scope for further research by both the practitioners and researchers. The activities concerning the organisational change processes can only be accomplished with the vital playful strategic competence management. According to (Lepak & Snell,1998), in the context of Electronic Human Resource Management, it's an obvious to give birth to a ready to change workforce by the medium of an accumulated pair of networking foundational applications and electronically scientific tools which then reinforces the efficient human resources to productive in the context of the contented flow keeping in view the organisational policies and procedures strategically.

REFORMS IN HR DELIVERY OF SERVICES FROM STEREO- TYPES (TRADITIONAL) TO E-HRM

E-HR AND RECRUITMENT

Organisations for mostly initiated the use of computer systems as the medium of practising HR activities according to which this particular tool acted as a recruiting body(tool) for performing the operational functionalities. For example - advertising jobs on a bulletin board. And this particular service was enjoyed by various aspirants/ job seekers who could/couldn't make up to be physically present to the particular place for attending the interview. Many of those companies even entertained to receive the e-applications. Nowadays, this networking web is widely meant to be an extra-ordinary medium in fact the most unique vital connectors both for the employees and employers. The aspirants who are the job seekers and the employers who are looking out for candidates have got this perfect medium of networking connection. There are numerous job sites and n number of portals related to job descriptions on the networking based web sites, which help the seeking employers to upload their requisites to fill up of the desired vacancies as per the job descriptions and job specifications. Those employers use the job search portals to post their vacancy position and this obviously stimulates the seeking aspirants to step forward by applying to the desiring posts. Now there on those web sites help in the reviewing of the resumes of various types. If the process HRM turned into E-HRM when involved and stimulated with the technology granules so why not the process of recruitment can be turned out to a new name termed as the "online recruitment". It's obvious by the name that it performs one of those functions of E-HRM activities. The online recruitment darts to fill up the desired candidates within the fixed cost and the stipulated time. The vacancies are posted over the walls of the corporate websites or else on an online recruitment vendor's website, which allows the applicants to send their resumes along with documents so asked for via e-mail (electronic mail). The online recruitment process involves the active surfing over the Internet and in a way the addresses of resumes as well. But, then, there is the risk of overloading of received resumes and bio data can become an option anytime that can create the low profile and weak effectiveness of various websites and databases. The effectiveness of this concurrent networking system is often questionable when there happens to be a chaos cloud while uploading into very often job websites for a even that hold the position of senior executive level.

E-HR AND TRAINING

The probable number of companies initiated the online learning as the prime factor of the learning process. And yes, this is considered to be one of the most efficient ways to impart /distribute training inside the organisation. In fact, those sort of online learning by the organisation states its wealthy reputation of intake of employees. Basically, it's been read and even practised in on-the-job basis and off-the-job basis. It's availability as "any point of moment", "any random place" modules diminishing the direct related costs (instructors, printed materials, training facilities) and indirect costs (travel time, lodging and travel expenses, work-force downtimes) makes it worth to be defined as process of e-training. The most abundant, disadvantaged or remote locales can be advantageous by the acceptance of the churning training sessions through the E-learning processes modules (Hirschman, 2001). The another perspective of learning through the efficient uses of electronically human resource management is the tailor made learning processes that in a way actually justifies the exact need of the learner in the processes(Mumford 2003).

But Swaroop, 2012 and Zafar, 2012 slightly differ in their opinion as commenting that the process of e-learning can itself act upon as the source of barrier in the process of learning as it can bring the fear of new technology so implemented, lack of facilitation of hardware and of course the learner's inactiveness.

E-HR AND LEARNING

The term E-Learning signifies to any programmed of learning, training or education where electronic devices, applications and processes are used for knowledge creation, management and transfer. It covers a wide set of applications and processes, such as web-based learning, computer based learning virtual classroom

and digital collaboration. It includes the delivery of content via Internet, intranet/extranet (LAN/WAN), audio and video tape, satellite broadcast, interactive TV, CD-ROM and many more. (Swaroop, 2012 and Zafar, 2012).

E-HR AND PERFORMANCE MANAGEMENT

The internet-based system of appraisal can be defined as the system, which uses the web (intranet and internet) to effectively evaluate the skills, knowledge and the performance of the employees that lowers the cost of operation. The process of electronic human resource management too provides the line managers and rest as well with information regarding the context of evaluating the performance appraisal, along with the specific criteria, the degree of measurements of the given allotted positions and the nature of roles as well as examples and models of effective appraisals. The medium e-mail evolved and is stagnant as the only medium of communication electronically as well as firstly. The penetration rate of computer mediated communication, mainly e-mail, is higher than 75 percent in corporate environments. The e-mail and electronic forms on the intranet of the company or a restricted website are used to gather information on training needs assessment, including benefits in terms of less paper work, lower administration cost, shorter distribution and response time and higher response rate. (Swaroop, 2012 and Zafar, 2012).

E-HR WITH REWARDING/COMPENSATION MANAGEMENT

It's been seen that the companies all over whether it might be small or large should be engaged in the process of compensation planning. The process of compensation planning can be defined as the process of making sure that the managers have allocated the hiked salary equitably across the units of the divisions/departments of an organisation keeping the policies and procedures in view and moreover very specifically being within the budget constraint. As it can be seen that the organisations have already initiated expanding their arenas, the use of networking within inter and intra organisational circumferences, so it's a vital Performa to ponder over and thinking in a developing positive way strategically. The process that involves the liquidity factor much in concern and steps taken to retain the available monetary figures and assets concerning it without much depreciation or loss in favour aims at E-compensation management system and for those all the usage of internet and intranet is prominent enough. No denials.

DRIVERS AND INHIBITORS OF HR CHANGES

Young Brock bank and Ulrich (1994) have suggested the four main drivers leading to profound changes in an effort to reengineer HR and those are as follows:

COST REDUCTION

Here there is the point to eradicate the work that does not add any value to the substantial and this can be done by the usage of advanced technology to handle the delivery of routine based but essential HR processes that would emulsify the rapid increase in knowledge based and problem solving activities to satisfy customers (Young et al. 1994). But the HR put forth to operationalize in an advent cost effective manner without affecting the matter of quality regarding the delivery of services. It's even agreed by most of those organisations (companies individually) that by simply reducing the head counts is not that a very smartest solution over the track of runs.

CUSTOMER SATISFACTION

The main aim of employees working within an organisation is darting the visionary goal as in the mission for the productive development of the organisation as well as self. Therefore those line managers and employees in order to fulfil the desired targets assigned to them must be facilitated with immense fast track communications systems so that the service delivery in turn reciprocate in more of an effervescent efficient, value oriented and responsive manner. It's highly quoted that for a proper successful business in the long run it is very much essential to satisfy all the differences amongst the needs in all over the segments related to the HR interventions.

STRATEGIC CORPORATE NEEDS

The corporate strategies so made for a particular purpose needs to be lighted upon every slightest rim of the circle of fire as it needs to be spontaneous and inflammable for the action to be taken of. The leaders of HR are now being questioned to reengineer their functionality of operations and to focus more upon the advent time and energy on the strategies formulation to boost the sustainability of the business hemisphere rather than engaging more upon routine operational activities. There is always a cutthroat competition by each and every organisation that strive hard for newness. And this run for the radical innovation and the high level of grip for the customer captivity are more or less often not that very quenching that of the those with the transactional goals as in the cost price reduction or the improvement in the productivity but then definitely darts to the performing of the changing ambitions such as developing strategies to build blocks for each unit of the HR department.

TECHNOLOGICAL DEVELOPMENT

Zampetti and Adamson (2001) confirm that the employees and managers in order to obtain information used that form of technology that was interactive by nature. It even helped in transfer of transactions and even followed the short cut methods of work to be done especially the work that needed multiple steps to be followed, paperwork, the involvement of staffs amongst each of the units in the HR departments and the delays that such processes are prone to. The technological advancement that led HR to turn into E-HRM has impromptuously gave an enthusiasm to help the technology by self. In easier words, the process of E-HRM provides self-service in order to accomplish the HR works to be done. In a way by this, the electronic human resource management processes has gradually improved the captivating power in each finishing work. It has paramount enhanced the accuracy, the data quality of employee information system, departmentalisation of job posting, certain standardisations in policies along with the procedures, formulation of rules and guidelines, forms of training(on-the-job and off-the-job) processes and changes specifications of staff personnel.

DIFFERENT ROLES OF HR

The strategic human resource management concern is depicted to be as one of the inevitable tool in driving a successful business by the HR professionals. But then this is the challenge faced by the HR professional to become a critical business partner. There can be evidences found from the academic point of view that the roles of HR changes with the time.

The table figured below summarises several main studies concentrating on the roles of HR from 90's until recently.

THE HR ROLE TYPOLOGIES

TABLE 1

Sources	HR roles
Schuler (1990)	Personnel related to business concern, changes formulators, Personnel related to consultation in the organisation, Partners to line and employee managers, strategy planner and firm implementer, talent acquisition manager, assets and costs controlling agents.
Walker (1990)	Helping partners, rendering service agents, consultation prima facie, quality of leadership engagement.
Wiley (1992)	Different roles of strategic agents : Agent consolatory, assessor, diagnostician, agents bringing innovativeness and changes, catalyst, service partners, partners of businesses and cost and admin manager. Authenticated legalised roles: auditor/controller, consultant, Provider, conciliator. Performers as and in Operations: fire fighter, innovator of changes, change Agents, employee advocacies, policy formulator, facilitators, and training consultants.
Tyson and Fell (1992)	Clerical works by admin officials and senior and junior officials, contractual works handled by managers, and engineering and architecture.
Storey (1992)	Board of advisory council, handmaidens, change regulators officials and change makers.
Ulrich (1997)	Business partner formulating strategies, administrative expert, people handling champion and agent of change maker.
Kahnweiler & Kahnweiler (2005)	Keen observer of the whole over processes, consultant providing feedback, helping agents, expert Advisory agents, trainers, guides, directors, models, Collaborating partners.

The personnel management proposes the three models. Those models performing are ranging from the below mentioned following ways- The routine administrative works or the clerk of works from the 1960s to the interpretative industrial relations as in the contracts manager in the 1970s. By the year 1992, Tyson and Fell introduced the business manager planning or the architect of 1980s. Tyson (1995) states that the personnel management is the intersection of accumulation of the HR planning strategy so formulated with the corporate strategies there on. The process is on going and a long term continuum while it's loosely arranged from the least to the most powerful strategic role so formulated.

The "change maker agents" was very finely conceptualised by Storey (1992) while his way of thought process was similar to that of Tyson and Fell (1992). The HR roles has departmentalised into various forms of roles persisting and ranges from a wide varieties of activities ranging from what HR does from time to time till where HR spends time to how far does HR has created it's identity (metaphors) to what value HR has created or the HR value creation. This can be cited by the example- Walker(1990) in his theory of the HR relational transformational activities has defined the four roles as the key factor that a HR professional is needed to be responsible for and those are- Leadership, Service, Consultation, And support system.

For the conduction of an effectively efficient business, a business partner needs to be that effective enough for the operational activities needed to be performed. Even a business partner needs to be active in both of the operational and strategic decision maker and then and there only equally justifies to be an eminent HR staff. The organisations have been underlying importance to the consultation and the leadership roles instead of emphasizing on the other roles. The external vendors are nowadays entertaining the outsourcing activities. And those activities are indulged in pertaining the automation of the processes. These processes include certain HR activities like recruitment, training, payroll systems and certain legal compliances as well as others. There is an increasing craze of HR consulting roles that include indentifying of the clients' demands, providing them with the evaluation to take affirmative alternative actions, taking indigenous choices and implantation of those choices with proper coordination and planning. With those all roles the HR functionalities obviously adds value in fast and effective channelization of the strategic business planning.

As by then, the professionals of HR perform as the team member of the management playing the role of an effective leader trying to solve the people related issues (Walker 1994). While Schuler (1990) in the meanwhile categorised the six main roles from another perspective –

Time is guided by the personnel who are related to business, agents of change making, organisational consultant, business partner of line managers, formulator of strategies and implementer, talent hunt acquisition controller, assets controller manager, cost controller and implementer.

Where as Wiley (1992) defined the roles of HR fro his viewpoint as classifying them into three groups which are as followed- The critical planner thinker, the authorised and authenticated, and the operational aspects.

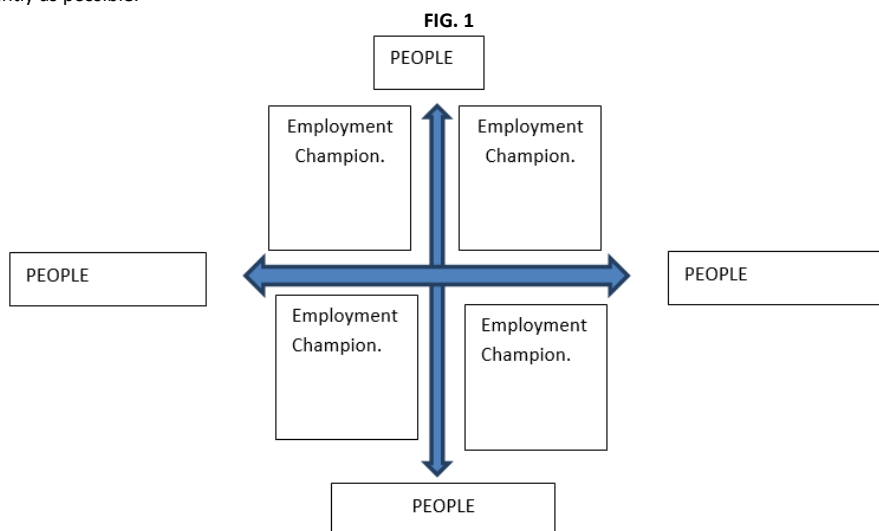
The critical planner roles includes as the agent consolatory, assessor, diagnostician, agents bringing innovativeness and changes, catalyst, service partners, partner of business and cost price and admin intervener. With relation in the context of those on the authorised aspects, it includes as the authenticated legalised performers: auditor/controller, consultant, provider, and conciliator.

As in the roles in the operational context it focuses upon the operational part that is the fire fighter, innovator of changes, change agents, employee advocacies, policy formulator, facilitators, and training consultants.

It has been an account of debate over the topic on how HR promotes value to the organisation decade by decade. And Schuler (1990) argues that obviously HR promotes and adds value as the value creator irrespective of coding only as the cost centre of evaluation processes by the conclusion that it solves the matter of people related to business processes balancing bondage between the HR, employees and the line managers. The Towers Perrin study (1992) even paid an yes to the point that the firing competitive advantage would be earned from the business partnership between those of the HR and line management. It prevails to align the HR efficiencies with the corporate needs.

Recently appraised as the practitioner paradigm" towards which the HR professionals should desire (Caldwell 2003:988), Ulrich's model (1997) prescribed that HR departments engage in a set of roles such as a change agent, strategic partner, employee champion and administrative expert defined along two axes: strategy versus operations and process versus people.

The "managing expert" impels traditional HR role concerning with designing and delivering HR processes such as :recruiting, hiring, compensating, rewarding and disciplining, training, record-keeping and terminating. An HR is there and then to be called as successful who delivers the high quality of services at possibly minimum costs and as efficiently as possible.



There is always an eyed focus on the people's matter and people as n the role defined by the employee champion instead of the process. There is a functionality of activities on operational part rather than the strategic parts. As the name goes as the employee champion, therefore the HR professionals are in concern to handle the daily issues, the matter concerning factor and the requisites needed by the individuals so concerned. The medium of communication is in the factor scale because the employee champion has to pay a hearing as it is related the people and their issues dedicating quality time, conducting surveys, questionnaires, discussions, one to one meetings and the communication processes. As per Conner and Ulrich 1996 suggestion the organisation (company) where there is the concern factor for the intellectuality in progress, then this capital exceeds the monetary capital though both of them are the two major wheels to run the organisational vehicle at par. The mind and soul of each and every employee should be engaged in developing the organisational benefit as wanted by the HR professionals and it demands them to be aggressive and active increasing the capital budget as well.

Caldwell (2003:997)contradicted in a way that the employee champion camouflaged as the business partner strategically with the line manager executives to produce the value additional by ensuring the employee contribution to accomplish the company's goals. Ulrich and Brock bank (2005) have unprecedentedly rectified or made some changes to the framework holding originality when there was the division occurred in between the concepts of employee champion defining it as synonymously divided into employee advocate and the HR developer.

In order to resolve and pertain an organisation's (company's) sustainability, competitiveness, resolving the challenges issues those change agents are responsible to be taken care of. Ulrich (1997) suggested that change agents "help make changes happen, they understand the critical processes for change so took place,

building up of the commitment and ensuring that the change so occurred happened for the good. The changes can be defined as both strategic perspective and people oriented. The change agents streamline themselves to be dealt only with the public in a collective manner as an interface of the medium of communication believing as the step taken forward to the developmental process for strategic business as a whole. While on the other hand, the employee champion focus on the matters related to the people as in individual.

In another word, it is concerned with the "health and needs of the organisation as a whole " (Kirk bride 2003).According to him, the role of the change agent is that very precarious and dangerous unlike the role of the strategic partner because it focuses on the generalisation of the facts and figures so concerned to be taken care of as a matter of challenge while keeping the assumptions behind the veil.

The role of the strategic partner emphasizes on adjusting the HR strategies and the belief of practices that fit for the corporate strategies. It transforms the assigned plans into actions within it's stipulated timeframe concerned along with proper strategic decision and in a way shows how HR can achieve the implemented directions through a particular set of strategies (skills and competencies) streamlined thereof.

And according to Ulrich and Brock bank (2005), it's defined as the most desirable playing of roles as far as designed that any of the HR professional would adapt and even at times referred as the partner of the business.

HR ROLES (CONNER & ULRICH 1996)

TABLE 2

Role of HR	Description
Strategic Business Partner	The processes and programs are developed by the HR that forms the linkage to formulate the HR strategies to accomplish the business goals. The other face of HR can be seen as a strategic business partner. The strategy so formulated to act upon helps in building credibility again to the business strategy itself. The business planning needs an active participant, which the HR justifies it in the proper manner. And obviously the HR in these all ways helps the organisation to achieve the goal so formulated.
HR /Business Partner as Change Agent	Changes happen only when the changes are made to happen. And this credit of changing scenario goes to the HR acting as the business partner. Therefore, it's very rightly said that HR as a strategic business partner is perceptualises as a change agent. For a change HR needs to experiment on different transformational changes and plays an active participant in renewal of changes. The processes and programs are to be made as such that ensures the productivity of the organisation and trusts in change process. The work so accomplished by the HR needs to reshape at time and again. It needs to predict future needs of the people.
Employee as the Champion factor	The employee personal needs are taken care of by the HR developmental processes and programs. Those beneficiaries even include helping with the personal needs of the employees. The act of listening to the problems and reciprocating them with the solutions is the best act, which the HR justifies to it. The HR spends quality time over counselling the employees. In a way, the HR strengthens the morale of the employees.
Administrative Expert	The administrative processes are monitored by the HR as an expert. The operational efficacies are handled and controlled by him/her. It ensures that the tasks are turned out efficiently. Those documents and transactions are very smoothly processed in order of maintenance.

The researchers and practitioners are attracted towards the discussion debating over the topic role played and contributed towards the success of the company. And this topic is rather debated very strongly the more easy an impression it creates. It can be perceptually either partly or wholly there are varied in discussions that the importance of roles performed because of the development in E-HRM has been varying from each unit to other in this changing environment. The only sole belief there within is regarding the role played by the strategic partner which is considered as that very important. Therefore the strategic partner plans to free the staff from the admin works to be carried there on from the huge pressure of admin works that handles the critical people management activities. According to Ulrich (1997) the roles that are needed to be handled effectively with credibility are the administrative expert and employee championship. So, it perceives a loosened impression if the considering role is only to and fro from operational to strategic and vice-versa by the HR professionals for which they need to scatter themselves enough in a full fledged covering all the departments within. Ulrich (1997) suggests to gain a mastery over both the strategic and operational processes involving people as prime ingredient. Wright and Dyer (2000) very fairly discovered the thin line of differences between the line executives and that of the change agents. In fact both need to perform the role of an HR having being the line executives in greater demand where as the change agent needs to perform in speed facing the uncertainty of challenges.

THE IMPACT OF E-HR ON THE ROLE OF HR

The impeccable influences that the HR technological information impacts over the HR roles so to be performed is highly measured. It's been seen that the transactional HR work is being shifted to a strategic oriented work by lessening of the burden of the administrative works. The renowned researchers Bell etal. 2006, Brown 1999, Ulrich 1997, Walker 2001 have been supporting this claim. The HR executives find the technology as a sword to channelize the strategic activities for and within the organisation. And Kossel, Young, Gash and Nichol (1994:137) even support this idea that " practically and symbolically the interference of the technology within the HRM processes represents the transformation of HR into a strategic business partner". Where as Longneck-Hall and Moritz 2003 even state the fact that the transformation of traditional HRM to E-HRM reduced the headcounts as E-HRM eliminated the HR middlemen. The implementation of E-HRM has brought inevitable changes.

According to Guitar and Fable (2005:191), reductions of 33 – 50% in HR staff in 2002 in US organisations occurred after the implementation of self service technology with forecasts of spending on E-HR set to increase. And by these changes the retaining HR professionals can act as specialists in a more strategic way finding this as an opportunity to act upon.

THE HR COMPETENCIES CAN INCLUDE

BUSINESS KNOWLEDGE

It is a much needed that the professionals of HR should be gaining sound knowledge in Finance sector, external client needs, information technology competitors and the like to become an effective strategic business partner. Those HR professionals need not have to worry becoming a master in those fields but it is critical for them to be able to conversant with line management in meetings. Those accumulated knowledge would act as the foundation to successfully align HR strategies with the visionary mission of the business and consult with line management about strategic issues. Granule with such epitome of technical information, fairly the HR professional as act as confidants to put forth the business related decisions and participate actively in the team of management.

DELIVERY OF HR PRACTICES

The human resources experts / professionals gain empowerment over the design schedules and the delivery of the HR practices within time effervescently and accurately. This process anticipates knowledge of "best-in class" human resources practices through benchmarking and environmental scanning, process management, improvement and the streamlines to measure the effectiveness of those human resources practices. The shared services centres that are channelized by the HR specialists would rather appreciate those set of competencies than any other skills. The only reason being is the deliverance of the HR services in a consistent and cost effective mode as it's considered to be as their fibal goal to establish an efficient infrastructure.

PERSONAL CREDIBILITY

As an employee relationships champion the competency model of personal credibility is considered to be as an important factor for the HR professionals. Ulrich and Hechinger 1998 stated that the HR professionals must enjoy the credibility and act with proper attitude handling the HR related issues as they embody values to their organisation. This competence values much to those HR experts who will to nurture the fulfilment of the employees and generate ideas to the relationships (Ehrlich 1997).

CHANGE MANAGEMENT

Now-a-days the fast changing business environment module the operations in the companies that refers the ability to anticipate changes and manage the situations as and when required. Those all processes are not only important for the line executives but also HR strategists as well. This competency serves the role of HR as a change agent who is capable of designing a change process for both HR and business initiatives (Ulrich and Hechinger 1998) helping the organisation over come and manage the individual resistance to changes when the change process is employed for example the implementation of E-HR systems (Bell et al.2006).

TECHNOLOGY EXPERTISE

The embedment of information technology and technological tools over the functionalities of the human resources arena helps to gel well with each other and in a way it allows the HR professionals to increase the productivity and integrity of the organisation. Now this improvement of the HR performances helps in the transformation of information into strategically important information (Bell et al.2006).The transactional HR skills are set to redesign themselves with the valuable contribution by the technology and it's tools in the manner that it reinforces the HR changes to gear up with positivity efficiency along with the speed.

CONCLUSION

The research gap that inspires the initiation to this study is to find out the varying influences of E-HR on the performances and competencies of HR. Though E-HRM is wide spread among academics and practitioners still it is in its youth phase so, it is needed to ponder over minutely. HR is confronting as much considerable barriers such as the shortfall of staff expertise, the availability of technology, the lack of support from the top management level and the difficulty in dealing with organisational and national cultures when attempting to reengineer its function for example adopting E-HRM strategy.

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AN EMPIRICAL STUDY ON ROLL AND PERFORMANCE OF MSMES IN INDIA

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Modern days Indian development Industrial sector occupying important portion, Post-independence MSMEs taken vital role to generation of employment and income. It is contributing Export growth also. It is having loge no of opportunities to firm formation and employment opportunities. This study provides the growth of MSMEs, Employment and Export Promotions in India; It is helpful for empowerment of MSMEs in India.

KEYWORDS

MSMED Act, GDP, Indian economy, enterprises, employment.

ENTERPRISES

Enterprise is an artificial Association form, generally it is associated by the Sole Proprietorship, Partnership, Joint Stock Company and Cooperatives. These are given to push up to the Micro and Macro Economy. This are playing major roll in developed economy and Developing Nations. The enterprises supporting to nation, through Utilization of Resources, Providing Employment Opportunities, Reducing Import goods and Services and Exporting goods and Services.

MSMED ACT 2006

India is a growing economy and its moving away from agriculture to Industry as contribution to GDP. Now a day's Micro, small and medium industry have undergone massive changes in India. The Micro small and Medium Enterprises in economic development increase in the number of Production, employment and Export earnings of the country.

Micro, small and medium enterprise as per MSMED Act 2006, defined based on their investment in plant and machinery and on equipment for enterprise providing or rendering services. The defined limit on investment to be classified as micro small and medium enterprises is as follows:

TABLE 1

Classification	Manufacturing Enterprises (Investment limit in Plant and Machinery)	Service enterprises (Investment limit in equipment)
Micro Firm	Rs 25 Lakh	Rs 10 Lakh
Small	Above Rs 25 Lakh up to Rs 5 Crore	Above Rs 10 Lakh up to Rs 2Crore
Medium	Above Rs % Crore up to Rs 10 Crore	Above Rs 2 Crore up to Rs 5 Crore

EMPLOYMENT

Enterprise gives community empowerment through providing employee opportunity and living standard. MSME creates employment opportunities at low capital of investment firms. The MSMEs providing Self-employment also, based on availability of the resources, employee skills and Demand of the market. The MSMED Providing Skill Improvement programs for Employee and employer. It is providing opportunity in rural area also.

GDP

India Gross domestic Products (GDP) growth is better than other developing counters with developed MSME sectors; Development is an inclusive and distributed growth. The Indian economy has taken initiative to concentrate on the development of MSMEs, which had contributed positively to the India's GDP. The government considers separate policy for empowerment of MSMEDs.

OBJECTIVES OF THE STUDY

1. To appraise the performance of working MSMEs in India for the period from 2010 to 2014.
2. To identify the performance of MSMEs in India for providing Employment opportunity in India.
3. To identifying the MSME performance of Nation growth.

RESEARCH METHODOLOGY

The present study is based on the secondary data. Most of the secondary data sources comprising of annual reports, Journals and websites of the MSMEs. The collected data analyzed, tabulated and Interpreted for conclusion in systematic manner. The period of study is from 2010-14.

ANALYSIS

- The Fig: 1 Express working Enterprises in India form 2009 -10 to 2013-14. The working Enterprises are Increasing Continuously in 410.8 to 488.56 Lakes from 2009-10 to 2013-14. it is good for Industrial development of the Nation.

- The Fig 2 Expressing Employment Opportunities in MSMEs in India from 2009-10 to 2013-14. The employment also increasing continuously from 921.79 to 1114.29 lacs.
- The Fig 3 Expressing GDP Contribution by Indian MSMEs from 2009-10 to 2013-14. Indian MSMEs contributed GDP is 36.12% in 2009-10 and immediately decreasing by 36.05% in 2010-11. 36.05% to 37.95% increasing from 2010-11 to 2012-13 and immediately decreasing from 37.54% in 2013-14.

RECOMMENDATIONS

- MSMEs working firms and Employment are continuously improving with similar growth. MSME Bodies are concentrate continue this kind of growth.
- We need to create the favorable Environment and supporting to the export operation.
- Most of the entrepreneurs are started enterprise without registration; we need to create the awareness and benefits of registration.
- To create the competition for State and district MSME bodies.
- We need to take right precautions for reducing inequalities of the Regional enterprises.

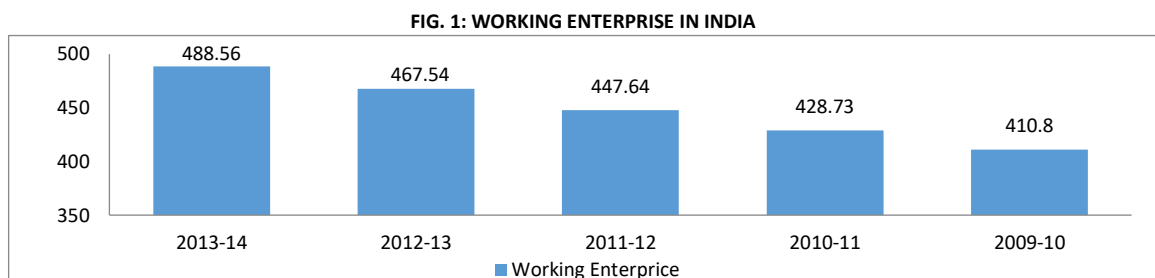
CONCLUSIONS

Indian MSMEs has achieved steady growth over the last couple of years. Every Entrepreneur takes the responsibility to give Push up the Nation development through Maximum Production, to meet the community requirement and earning foreign currency. It is become a trust area, further capturing major portion to contribute nation GDP.

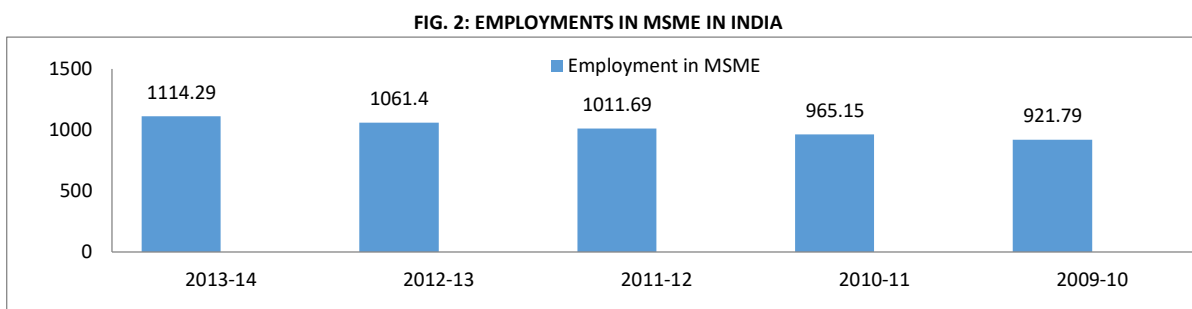
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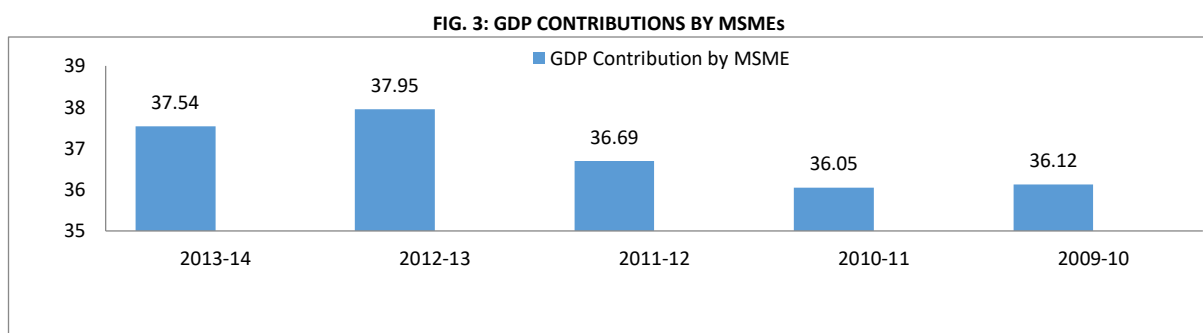
FIGURES



Source: MSME annual Report 2015



Source: MSME annual Report 2015



Source: MSME annual Report 2015

UNDERSTANDING CUSTOMER SATISFACTION OF INTERNET BANKING: A CASE STUDY IN UTTARAKHAND

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ABSTRACT

The technology in this digital era is growing with a pace far beyond everyone's imaginations. New Information Technology has brought about a lot of changes in almost all facets of life. In the Banking Industry, it has been in the form of innovative banking, which is now replacing the traditional banking. Indian banking system touches the lives of millions of people and it is growing at a fast pace. Banking industry in India is facing number of challenges like changing needs and perceptions of customers, new regulations from time to time and great advances in technologies, the pressure of meeting these challenges have compelled banks to change the old ways of doing business. The banking sector in India has seen a number of changes. Most of the banks have begun to take an innovative approach towards banking with the objective of creating more value for customers in the banks. Presently internet banking plays a very important role in banking customer life. It provides number of facilities to the people, banking service has become a need of the society. Now days banking provide services more than customer's expectation. Customer satisfaction is an important factor to help banks to sustain competitive advantages. Therefore, the purpose of this research is to search and examine the factors, which influence customer satisfaction towards Internet banking. This study mainly focuses on investigating the major factors that influence online customers' satisfaction with the overall service quality of their banks. This paper is descriptive in nature, and data has been collected through various primary and secondary sources. The major findings of the study is that majority of the customers are satisfied.

KEYWORDS

online banking, customer satisfaction, banking sector.

1. INTRODUCTION

In today's demanding world, everyone needs instant banking solutions for a better lifestyle. In this era Banking has become the need of every one. Now days banking has become the part of everyone lives. For the past three decades, India's banking system has several outstanding achievements to its credit. New Information Technology has brought a million of changes in the Banking Industry. Traditionally bank is only serving as an institution which provides banking services such as accepting deposits and providing loans. Online banking refers to the automated delivery of banking products and services directly to customers through electronic communication channels, most notably the Internet through a bank's secure website. This can be very useful, especially for banking outside bank hours (which tend to be very short) and banking from anywhere & any place, where internet access is available. Earlier banking services were only available in urban area but now their focus on rural area and introduced a variety of services geared to the special needs of their rural customers. On August 28, 2014, our Prime Minister Narendra Modi launched the Pradhan Mantri Jan Dhan Yojana to promote banking, According to the Yojana, anyone can open new bank accounts with zero balance.

1.1 INNOVATIONS IN BANKING IN INDIA

It is observed that technology has been playing a crucial role in the tremendous improvement of banking services and operations. Over the years, the banking sector in India has seen a number of changes. Most of the banks in India have begun to take an innovative idea towards banking with the objective of creating more value for customers and to attract more and more customers in the banking network. Online banking is booming each day with a constant increase in the number of people using the service to carry out their bank transactions, this is as a result of rapid technological progress and development in the financial market. Now a day's innovative banking are playing a very crucial role for the banking customer on the bases of card base payments, fund transfer, Inter Bank Transfer demat account services, mobile banking, RTGS/NEFT. Banking sector got success because of their innovation, now a day's bank are providing many online services to their customers. The services available online vary from bank to bank. Essentially, the idea of Internet Banking is to lead customers to a convenient way of Banking. Customers will be able to save their time and retrieve all the Banking product information with just few clicks in few minutes. Plus, Banking can be done anywhere, anytime according to their preferences.

1.2 GROWTH OF INTERNET BANKING

Internet banking offers different online services like balance enquiry, requests for cheque books, balance transfer instructions, payment services, account opening, form downloads, mobile banking, RTGS/NEFT. etc. Further, different banks have different levels of such services offered, starting from the lowest level where only information is distributed through internet to the highest level where online transactions are put through. The services available online vary from bank to bank.

2. REVIEW OF LITERATURE**ONLINE BANKING**

The study conducted Singhal and Padmanabhan (2008) is one of the studies that deal with Internet banking, however, is now used as the term for new age banking system & defined Internet banking as the use of the Internet to deliver banking activities such as funds transfer, paying bills and purchasing financial instruments. The study conducted by Gotlieb, and Denny [1993], is one of the studies that deals with the impact of IT on banking productivity per se. Computerization is one of the factors which improves the efficiency of the banking transactions. They concluded that higher performance levels have been achieved without corresponding increase in the number of employees. Also, has been possible for Public Sector Banks and Old Private Banks to improve their productivity and efficiency by using IT.

CUSTOMER SATISFACTION

Jyoti Agarwal (2012), studies customer satisfaction in banking services in Aligarh district. She examined that the banking sector in India is undergoing major changes due to competition and the advent of technology. The customer is looking for better quality service which enhances his/her satisfaction.

Dr. M. Selvachandra (2011), studied customer satisfaction towards E-banking services of ICICI bank in the Chennai city and concluded that the majority of the respondents preferred their branch because of Quality of Service.

According to Nupur (2010), a partial of the service quality dimension showed a significant relationship with customer satisfaction in internet banking, e-service quality is important to the banks because it will affect customer satisfaction.

3. OBJECTIVES OF THE PAPER

The present study seeks to achieve the following objectives:

1. To analyze the satisfaction level of online customers of E-banking.
2. To investigate the major factors that has the maximum impacts on customer satisfaction of e-banking.
3. To know the awareness level towards internet banking in terms of features, applications and services.

4. RESEARCH METHODOLOGY

4.1 SOURCES OF DATA

This research paper is an attempt of descriptive research based on Primary data and secondary data. Primary data was collected through well designed questionnaires and Secondary data was collected from various website, journals, magazines which focused on various aspects of customer satisfaction towards online banking.

4.2 UNIVERSE OF THE STUDY

For the purpose of the study, the universe consists of all the Banking customers of SBI, PNB, ICICI Bank at District Pauri Garhwal (Uttarakhand).

4.3 SAMPLE SIZE

A total of 120 questionnaires were collected. Majority of the respondents were male, Resident of Kotdwara area banking customers were the highest contributors (64%) of the total respondents.

4.4 STATISTICAL TOOL USED

Non probability Convenience Sampling method was used.

5. ANALYSIS OF DATA AND RESULTS

As mentioned above, the study is based on a sample of 120 Online Banking Customers in District Pauri Garhwal.

DEMOGRAPHIC CHARACTERISTICS OF SAMPLE CUSTOMERS (N=120)

TABLE 1

S. No.	Demographics	State Bank of India (37)	Punjab National Bank (84)	ICICI Bank (29)	Total
1.	Gender :				
	Male:	32(26.67)	23(19.17)	24(20.00)	79(65.84)
	Female:	19(15.83)	10(08.33)	12(10.00)	41(34.16)
2.	Age Group :				
	Less than 20	04(03.33)	00(00.00)	06(05.00)	10(08.33)
	20 – 35	23(19.17)	19(15.83)	13(10.83)	55(45.83)
	36 – 50	17(14.17)	12(10.00)	09(07.50)	38(31.67)
	More than 50	07(05.83)	02(01.67)	08(06.67)	17(14.17)
3.	Income Group :				
	Less than Rs. 5000	06(05.00)	05(04.17)	02(01.67)	13(10.83)
	Rs. 5,000 – Rs. 10,000	02(01.67)	11(09.17)	03(02.50)	16(13.33)
	Rs. 15,000 – Rs. 50,000	24(20.00)	04(03.33)	14(11.67)	42(35.00)
	More than Rs. 50,000	19(15.83)	13(10.83)	17(14.17)	49(40.84)
4.	Education :-				
	High School	01(00.83)	00(00.00)	03(02.00)	04(03.33)
	Intermediate	03(02.50)	04(03.33)	03(04.00)	10(08.33)
	Graduate	17(14.17)	15(12.50)	12(10.00)	44(36.67)
	Post Graduate	30(25.00)	14(11.67)	18(15.00)	62(51.67)

Source: Field Survey

It is revealed from the Demographics that (65.84%) of the respondents is male and (34.16%) are female. Most of the banking customer belongs to the Income group more than Rs. 50000 (40.84%). Most of the banking customers are Postgraduate (51.67%). Most of the banking customer belongs to the age 20-35 (45.83%).

TABLE NO. 2: FREQUENCY OF USE

Frequency of use	Frequency	Percent
Daily	34	28.33
Weekly	56	46.67
Quarterly	17	14.17
Occasionally	13	10.83
	120.00	100.00

Source: Field Survey

From the table -1 it is seen that most of the respondent (46.67%) Weekly use online banking, (10.83%) of the respondents occasionally use online banking, (14.17%) of the respondents quarterly use online banking and (28.33%) of the respondents daily use online banking.

FIG. 1

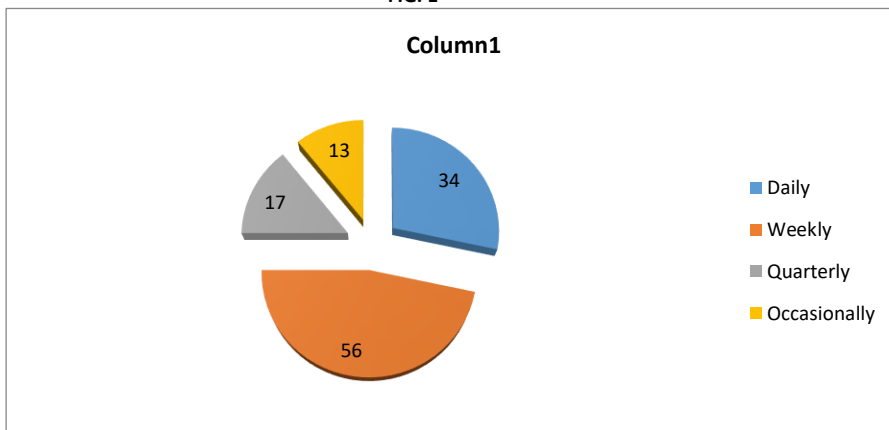


TABLE NO. 3: PLACE OF USE

Place of use	Frequency	Percent
Home	68	56.67
Office	34	28.33
Café	11	09.83
Others	07	05.83
	120.00	100.00

Source: Field Survey

The table-2 reveals that (56.67) of the respondents have done their online banking from own home, (28.33) have done from office and (09.17%) from other place & only (5.83%) from café.

FIG. 2

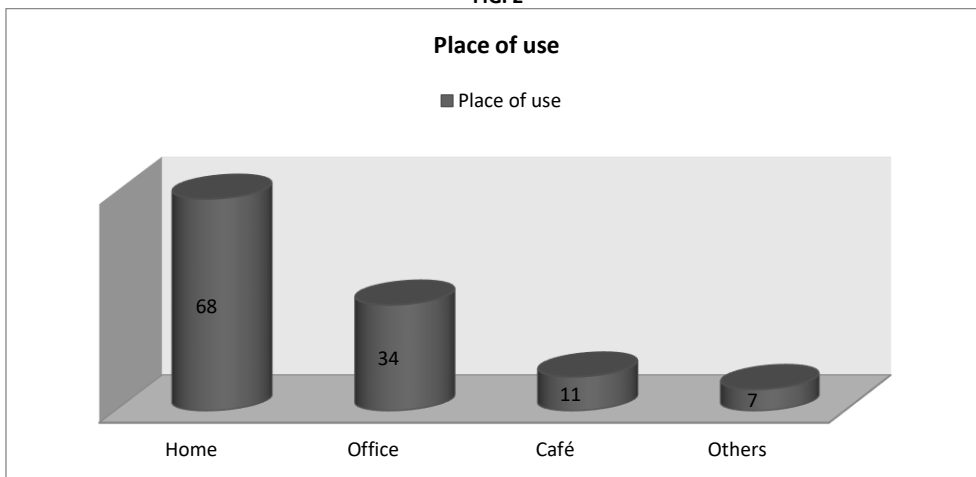


TABLE NO. 4: TYPE OF BANKING SOLUTIONS

Type of banking solutions	Frequency	Percent
Net Banking	99	82.50
SMS Banking	67	55.83
Mobile Banking	88	73.33
ATM	118	98.33
Others	13	10.83

Source: Field Survey

Above table reveals, that majority of respondents (98.33%) use ATM & Net Banking is used by (82.50%) respondent.

FIG. 3

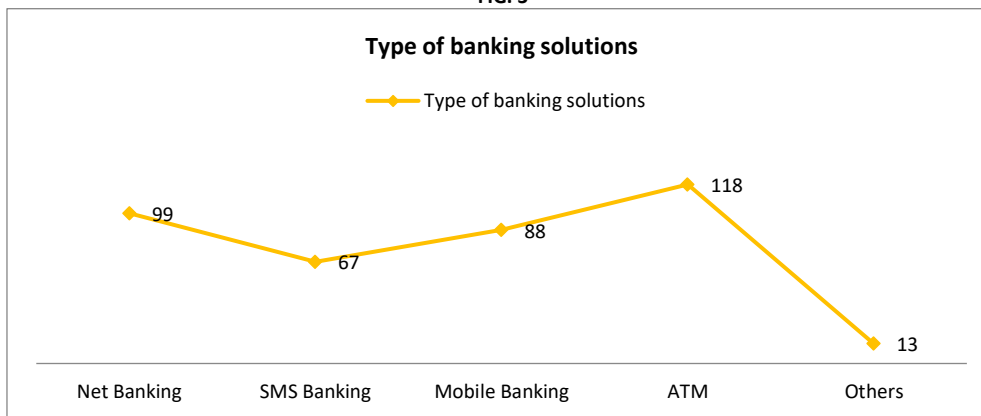


TABLE NO. 5: USE OF NET BANKING SOLUTIONS

Use of banking solutions	Frequency	Percent
Online Banking	107	89.17
Banking at POS	82	68.33
Cash withdrawal	117	97.50
Fund Transfer	78	65.00
Others	90	75.00

Source: Field Survey

From the above table it is revealed that most of the respondent's use of Net Banking Solution for fund transfers (89.17%) and cash withdrawal (97.50%).

FIG. 4

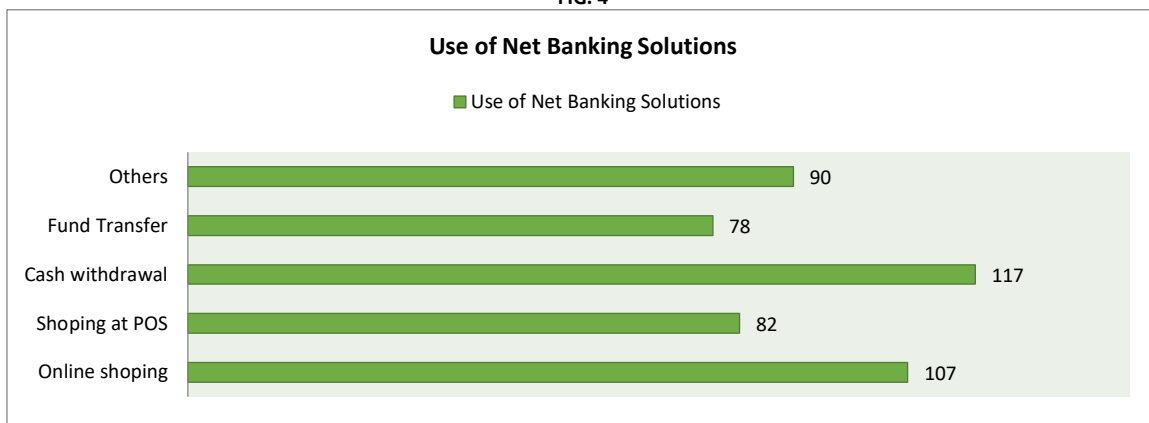


TABLE NO. 6: RECOMMENDED TO OTHERS

Yes	112	93.33
No	08	06.67

Source: Field Survey

It is cleared from the above table that (93.33%) of the respondent will recommend online banking to other; it implies that customers are satisfied with the services of online banking.

FIG. 5

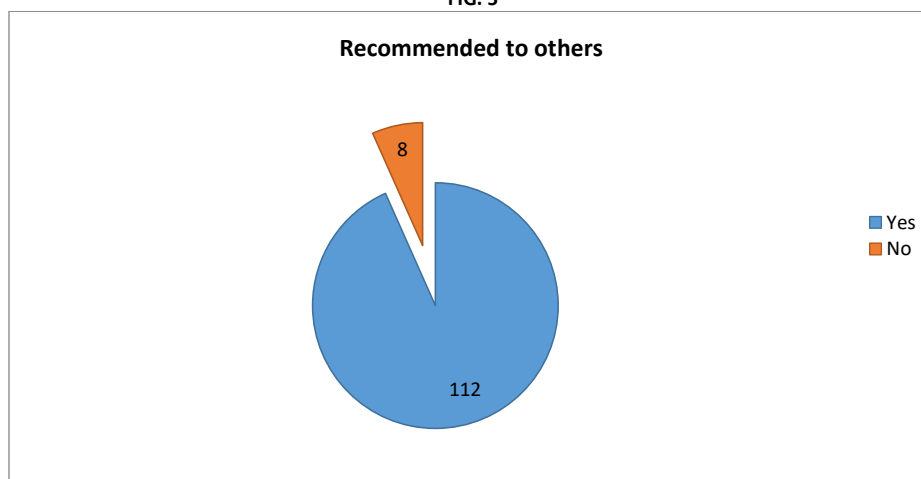


TABLE NO. 7: DISTRIBUTION OF CUSTOMER'S ACCORDING TO THEIR INDIVIDUAL PERCEPTION

S. No.	Attributes	SDA	DA	NAND	A	SA
A1	Price of services are costlier than traditional one	67 (55.83)	28 (23.33)	16 (13.33)	7 (5.83)	02 (1.68)
A2	Banking procedure is secure	12 (10)	22 (18.33)	15 (12.5)	57 (47.5)	14 (11.67)
A3	Banking procedure is convenient	09 (07.5)	16 (13.33)	05 (04.17)	75 (62.5)	15 (12.5)
A4	Services are easily available	03 (2.5)	14 (11.67)	22 (18.33)	36 (30)	45 (37.5)
A5	Quality of banking is unquestionable	06 (05)	18 (15)	09 (7.5)	41 (34.16)	46 (38.33)
A6	Delivery of service on time	03 (2.5)	09 (7.5)	16 (13.33)	37 (30.83)	55 (45.84)
A7	Cost of delivery reasonable	02 (1.67)	07 (5.83)	10 (8.33)	82 (68.33)	19 (15.84)
A8	Wide variety of product are available	00 (0)	04 (3.33)	01 (0.83)	60 (50)	55 (45.84)
A9	Desired products are available	02 (1.67)	12 (10)	08 (6.67)	31 (25.83)	67 (55.83)
A10	Online Banking saves time & money	00	00	00	44 (36.67)	76 (63.33)
A11	Customer help services are satisfactory	08 (6.67)	15 (12.5)	09 (7.5)	72 (60)	16 (13.33)
A12	Complain solving procedure is satisfactory	04 (3.33)	20 (16.67)	11 (9.17)	56 (46.67)	29 (24.16)

* SDA: Strongly Disagree, DA : Disagree, NAND : Neither Agree nor disagree, A : Agree, SA : Strongly Agree

6. FINDINGS

The study observed that, most of the customers are satisfied with online Banking. The distribution of customers according to their individual perception with respect to different attributes/statements is (table-6):

(i) It is found that customers are satisfied in all the 12 statements. The statements A1 (Price of services are costlier than traditional market) is negatively worded statement. 78.80% of the total respondents are simply dissatisfied with the statement which clarifies that they are satisfied with the price and services offered in Banks.

(ii) 100% respondents are satisfied with the statement A10 (online banking saves time and money).

(iii) 67.5 % respondents are satisfied with Services are easily available (A4).

(iv) More Than 90% are satisfied with the statement A8 (Wide variety of product are available) and

(v) 75% respondent are satisfied with the statement A3 (Banking procedure is convenient).

(vi) Out of the total respondents, 59% are satisfied with the statement A2 (Banking procedure is secure) still 28% are not satisfied with the security of internet banking.

7. CONCLUSIONS

On the basis of the present study concludes that online customers are satisfied. This research explicitly indicates that online banking should give more importance on price factor and security factor. In this competition era all the banks should have to concentrate on the customer's satisfaction to retain the existing customers and have to offer new scheme day by day to attract the new customers

8. LIMITATIONS OF THE STUDY

1. The study was confined to the District Pauri Garhwal in (Uttarakhand) only. So the finding may not be generalized in a broader perspective.
2. Some of the respondents did not read the questionnaire carefully and as a result, they may have been marked some answer incorrectly.
3. The study is restricted to the customers of three banks only. In making more generalize, reliable and significant conclusions, a study employing larger samples from all banks and all section of customers are needed.

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A STATISTICAL STUDY ON ADVERTISING EFFECTIVENESS OF COLD DRINKS IN CHINNATHIRUPATHY, SALEM DISTRICT

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ABSTRACT

Marketer's survival depends on consumer satisfaction. Consumer satisfaction depends on their perception and brand preference of the particular brand. In brand preference, advertising plays a major role. Nearly everyone in the modern world influence to some degree by advertising. Organizations in both public and private sectors have learned that the ability to communicate effectively and efficiently with their target audiences is important to their success. In this paper to analyse the influences of advertisement, in consumer brand preference, towards soft drinks product in Chinnathirupathy, Salem District, Tamilnadu.

KEYWORDS

advertisement, brand preference, marketing and soft drink.

1. INTRODUCTION

The word advertising is derived from the Latin word viz, "adverto", "ad" meaning towards and "verto" meaning towards and "verto" meaning. "I turn" literally specific thing ". Simply stated advertising is the art "says green." Advertising is a general term for and all forms of publicity, from the cry of the street boy selling newspapers to the most celebrate attention attracts device. The object always is to bring to public notice some articles or service, to create a demand to stimulate buying and in general to bring together the man with something to sell and the man who has means or desires to buy". American marketing association has defined advertising as "any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor. The medium used are print broad cast and direct. Stanton deserves that "Advertising consists of all the activities involved in presenting to a group a non- personal, oral or visual openly, sponsored message regarding a product, service, or idea. This message called an advertisement is disseminated through one or more media and is paid for by the identified sponsor.

Advertising is any paid form of non-personal paid of presentation of ideas goods or services by an identified sponsor. Advertising is a "non- personal paid message of commercial significance about a product, service or company made to a market by an identified sponsor. In developing an advertising programme, one must always start by identifying the market needs and buyer motives and must make five major decisions commonly referred as 5M (mission, money message, media and measurement) of advertising.

Cold drinks become essential in lifestyle of the people in the society. There are number of cold drink brands are available in the market. Different advertisements are available in advertisement media. Some brands' advertisements are more attractive than others and some are new creative advertisements.

2. NEED AND SCOPE OF THE STUDY

As we know these days cold drink companies are advertising their product so much on televisions and are spending so much money on the Advertisements of their products. In cold drink industry the cost of advertising is nearly 35 % of the total cost. For increasing the sale of their product they are taking film stars, good music and making in their advertisements of their products which are again very costly. The cold drink companies are spending so much on the sponsorship of events like cricket match etc. so this study deals with these aspects that whether Advertising is having any effect on consumers or not.

3. EFFECTIVENESS OF COLD DRINKS

The objectives of all business are to makes profits and a merchandising concern can do that by increasing its sales at remunerative prices. This is possible, if the product is widely polished to be audience the final consumers, channel members and industrial users and through convincing arguments it is persuaded to buy it. Publicity makes a thing or an idea known to people. It is a general term indicating efforts at mass appeal. As personal stimulation of demand for a product service or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it upon video television or stage that is not paid for by the sponsor.

4. BENEFITS

The functions of advertisement, and that purpose its ethics, may be discussion below:

- It leads to cheaper prices. "No advertiser could live in the highly competitive arena of modern business if his methods of selling were more costly than those of his rivals."
- It acquaints the public with the features of the goods and advantages which buyers will enjoy.
- It increases demand for commodities and this results in increased production.
- Satisfied consumer demands by placing in the market what he needs.
- It ensures the consumers better quality of goods. A good name is the breath of the life to an advertiser.

5. PROBLEM OF THE STATEMENT

The project has been undertaken with an objective, to understand the influences of advertisement, in consumer brand preference, towards soft drinks product. It also identifies the influence of communication, in the advertisement. The existing positioning of prominent brands and the perceptions among different segments were also covered under the study. The brand loyalty and switching were also studied. It also studies the essential for a marketer to find out the extent to which the advertisement creates positive change in preparing the brand of the company.

6. RESEARCH METHODOLOGY

Research Methodology is the science of collecting, identifying and presenting facts in such a way that to systematic way of finding solution to problem. The starting point of any research is to identify the problem and mention the objective defining the problem in clear terms. The sources of data include primary and secondary data sources. Primary data are those data which are collected directly from the persons and these data have been used for any earlier. For this study, information was collected using a questionnaire. The secondary data are those data which have already been collected. It means data that was already available. Secondary data was collected from sources like Journals, internet and previous studies. The research instruments used in this study are questionnaire cum review schedule. Sample design is definite is plan determine before any data is actually obtaining for a sample from a given population. The researcher must decide the way of

selecting a sample. Sample can be either probability samples or non-probability samples. In this paper, analyses are carried out based on the information's collected from 150 respondents in Chinnathirupathy, Salem. The following tools are used to analyse the data for various objectives of the study.

7. OBJECTIVES OF THE STUDY

1. To know the most effective media of advertisement.
2. To find out the reason for liking the advertisement of cold drinks.
3. To find out the most popular slogan of advertisement regarding cold drinks.

8. STATISTICAL TOOLS

a. Descriptive Analysis

One of the main functions of Statistics is to simplify complex data. The classification and tabulation are the devices of presenting the data in a neat, systematic, intelligible and understandable manner. A large amount of information extending over a large number of columns often does not interest the public and it is difficult for due to understand the significance of the data at a glance. These have necessitated the statisticians to introduce methods of diagrams and graphs. Complicated data through a diagrams or graphs can easily be understood.

b. Chi-Square Test

Chi-square test is the simplest and most widely used non-parametric test in statistical work. This test is very powerful statistical tool for test of significance of the discrepancy between theory and experiment. Chi-square may be defined as, $\chi^2 = \sum \frac{(O_i - E_i)^2}{(E_i)} \sim \chi^2_{(n-1)} d.f$

Where,

O_i = Observed frequencies and E_i = Expected frequencies.

c. ANOVA One-Way Classification

It is a statistical method used to test differences between two or more means. This technique is called "Analysis of Variance" rather than "Analysis of Means." As we see, the name is appropriate because inferences about means are made by analyzing variance for research.

9. DATA ANALYSIS AND INTERPRETATION

Based on the data, it can be inferred that 47.3% of the respondent are in male, 52.7% of the respondents are in female, 16.0% of the respondents are in below 20 years category, 32.7% of the respondents are in 21-30 years category, 24.0% of the respondents are in 31-40 years category, 27.3% of the respondents are in above 40 years category, 22.0% of the respondents are in school level, 28.0% of the respondents are in graduate, 16.0% of the respondents are in post graduate, 33.3% of the respondents are in illiterate, 7.0% of the respondents are in others, 41.3% of the respondents are in single, 58.7% of the respondents are in married, 32.0% of the respondents are in nuclear, 68.0% of the respondents are in joint, 19.3% of the respondents are in students, 49.3% of the respondents are in employee, 16.7% of the respondents are in business, 14.7% of the respondents are in others.

The maximum of 28.7% of the respondents are like in ad film stars, 42.7% of the respondents are like in ad good music, 23.3% of the respondents are like in ad good making, 5.3% of the respondents are like in ad other reason, 65.3% of the respondents are in yes, 34.7% of the respondents are in no category, 29.3% of the respondents are in very necessary for sales of cold drinks, 34.7% of the respondents are in necessary for sales of cold drinks, 14.7% of the respondent are in not necessary for sales of cold drinks, 21.3% of the respondents are in can't say for sales of cold drinks.

- The calculated chi-square p value 0.709 is greater than 0.05, we accept our null hypothesis. We conclude that the personal variable age and opinion of the cold drinks are independent
- The calculated chi-square p value 0.266 is greater than 0.05, we accept our null hypothesis. We conclude that the personal variable age and types of cold drinks are independent
- The calculated chi-square p value 0.764 is greater than 0.05, we accept our null hypothesis. We conclude that the personal variable age and brand of cold drinks are independent
- The calculated chi-square p value 0.220 is greater than 0.05, we accept our null hypothesis. We conclude that the personal variable age and types of advertisements are independent
- The calculated chi-square p value 0.030 is less than 0.05, we reject our null hypothesis. We conclude that the personal variable age and necessary sales are dependent
- The calculated ANOVA for one-way p value 0.180 is greater than 0.05, we accept our null hypothesis. We conclude that the there is no significance difference between the age groups with respect to types of cold drinks
- The calculated ANOVA for one-way p values 0.308 is greater than 0.05, we accept our null hypothesis. We conclude that the there no significance difference between the gender with respect to brand of cold drinks
- The calculated ANOVA for one way p value 0.369 is greater than 0.05, we accept our null hypothesis. We conclude that the there no significance difference between the educational level with respect to types of cold drinks
- The calculated ANOVA for one way p value 0.798 is greater than 0.05, we accept our null hypothesis. We conclude that the there is no significance difference between the educational level with respect to types of advertisement.

10. CONCLUSION

Majority of respondents said that TV is the most effective media of advertisement, Majority of respondents are of the view that advertisement is necessary for cold drink, Majority of respondents sees the advertisement of the cold drink they like most, Majority of the respondents like Mango flavour of cold drink. The demographical factors on the majority of the respondents are gender in female, age group 21to30 years, illiterate, and married person. The majority of the social factors are employees and monthly income (Rs.10,000-40,000). The majority of the respondents are advertisement is necessary sales of cold drinks.

From this study we have explored certain demographical factors as well as advertisement variables that affect the overall preference of the consumer towards soft drinks. Also we found that the factor such as Brand, Taste, Quality, Price, Advertisement, and Eco- Friendliness has a significant impact on the overall preference of the consumer towards soft drinks.

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PRIVATE LIFE INSURANCE INDUSTRY: AN OVERVIEW**MONA JINDAL****ASST. PROFESSOR****S.S.D WOMEN'S INSTITUTE OF TECHNOLOGY****BATHINDA****ABSTRACT**

The Indian life insurance industry has undergone drastic changes after liberalization, privatization and globalization. This policy led to the opening up of the economy to the private entrepreneurs. This attracted some private and international players in the insurance sector also. Thus, introduction of private players in the industry have changed the rules of the game and have added value to the industry. This paper focuses on the growth of private life insurance companies for the period from 2002 to 2014 on the basis of various growth indicators like death claims settlement, registered complaints and lapsation ratio as well as pattern of life insurance from global perspective. The sample for this study includes 5 Indian life insurers and it analysis the data of 13 years from 2001-2002 to 2013-2014. The study uses descriptive analysis for in depth analysis of the various parameters of growth for top five private life insurance company's.

KEYWORDS

Private life insurance industry, insurance, private entrepreneurs.

INTRODUCTION

Insurance is termed as a promise of compensation for specific potential future losses in exchange for a specific premium. It is designed to protect the financial well-being of an individual, company or other entity in the case of unexpected loss. With the advent of liberalization, privatization and globalization productivity enhanced. The wave of LPG has influenced the insurance market globally. In India, only 10 per cent of the market share of the life insurance business has been tapped by LIC and the balance 90 per cent remains to be tapped. There is a huge scope of insurance penetration in India with the emerging scenario several new players have entered the insurance business. Foreign players have also entered through the joint venture path.

REVIEW OF LITERATURE

Ashuturkar (2014) in his research paper studied and analyzed that the percentage of claims unpaid by LIC is low as compared to private companies though private companies receive less claims as compared to LIC which is ultimately beneficial to common person in selecting insurance policies & products of correct insurance companies.

Sharma & Chowhan (2012) showed the evolution and growth path of the private sector life insurance business, different types of life insurance policies and its future scenario. It found that private life insurers has been making use of new channels of marketing as compared to LIC to suit the requirements of the customers. It also found that solvency ratio of private life insurance was much better than LIC but lapsation rate & death claim settlement was better in case of LIC.

Gupta (2013) in his thesis evaluated the growth & performance of LIC over a period of 15 years. It is observed that LIC is losing market share in favour of new entrants or private companies. Moreover, the operating expenses of both private and public players are too high which need to be minimized. It further suggested that LIC need to put more emphasis on marketing so that private players are not able to make a dent in the market & lure away the prospective buyers.

OBJECTIVES OF THE STUDY

1. To evaluate the growth of top five life insurers in Indian insurance industry.
2. To study various parameters of growth of these private life insurers.
3. To study the global scenario of the life insurance worldwide.

RESEARCH METHODOLOGY

The present paper is designed to analyze the growth drivers and the global scenario of top five private life insurance companies i.e. ICICI Prudential Life, SBI Life, HDFC Life, Bajaj Life and Reliance Life during the study period from 2002 to 2014. This comprehensive analysis is based on descriptive methodology and analysis the private sector companies under the following growth measures.

SAMPLE SIZE

The top five private life insurers has been taken for the study on the basis of highest market share capacity. They are ICICI Prudential, HDFC Life, SBI Life, Bajaj Allianz Life and Reliance Life.

INDIAN INSURANCE IN THE GLOBAL SCENARIO**INSURANCE PENETRATION AND DENSITY IN INDIA**

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium). During the first decade of insurance sector liberalization, the sector has reported an increase in insurance penetration from 2.71 per cent in 2001 to 5.20 percent in 2009. However, since then, the level of penetration has been declining reaching 3.9 per cent in 2013. A similar trend was observed in the level of insurance density, which reached the maximum of USD 64.4 in the year 2010 from the level of USD 11.5 in 2001. During the year under review 2013, the insurance density was USD 52.0.

out the top- most private life insurance companies operating in India in terms of total premium income received in 2010-2011 and to evaluate how these companies are performing in India.

On the above basis, market share in terms of total life insurance premium of top five private life insurance companies has been calculated. Companies chosen are ICICI Prudential, SBI Life, HDFC Life, Allianz Bajaj and Reliance Life.

TABLE 3: MARKET SHARE OF LIFE INSURANCE COMPANIES FROM 2001-02 TO 2013-14 (in per cent)

INSURER	Market Share of Total of 5 companies	ICICI PRUDENTIAL	HDFC LIFE	SBI LIFE	BAJAJ ALLIANZ	RELIANCE	TOTAL PRIVATE SECTOR	LIC
2001-02	63.06	42.70	12.27	5.38	2.61	0.10	0.54	99.41
2002-03	63.81	37.31	13.29	6.46	6.18	0.57	2.08	97.91
2004	56.53	31.70	9.54	7.23	7.07	0.99	4.68	95.32
2005	61.56	30.58	8.88	7.77	12.96	1.37	9.93	90.70
2006	68.01	28.24	10.40	7.12	20.77	1.48	14.25	85.75
2007	70.92	28.00	10.10	10.36	18.91	3.55	18.08	81.92
2008	71.73	26.30	9.42	10.90	18.86	6.25	25.61	74.39
2009	67.71	23.80	8.62	11.18	16.47	7.64	29.08	70.92
2010	65.07	20.82	8.82	12.73	14.38	8.32	29.90	70.10
2011	63.51	20.28	10.21	14.68	10.89	7.45	30.23	69.76
2012	59.74	16.63	12.10	15.60	8.88	6.53	29.32	70.67
2013	58.97	17.26	14.44	13.32	8.79	5.16	27.29	72.70
2014	58.61	16.06	15.59	13.88	7.55	5.53	24.60	75.39

Source: Compiled from IRDA Annual Reports 2002-14.

The company-wise contribution to the private market share of total premium is depicted in Table 3. For the review, 11 dominant companies are selected which started from the dawn of the decade. Above all, it is found that their market concentration ratio comes to around 90 per cent of the market segment under the private domain. The highest market share in each year is bolded in the table. Throughout the decade, ICICI Prudential has succeeded in maintaining the private market leadership with their highest market share related to total premium. But their share has been declining since the inception period i.e. from 92.55 per cent in 2000-01 to 20.83 per cent in 2009-10.

AN ANALYSIS OF GROWTH OF TOP FIVE PRIVATE SECTOR LIFE INSURANCE COMPANIES IN INDIA

An in depth analysis of the various parameters of growth for top five private life insurance company's were identified and the data was subjected to analysis with the help of Annual Growth Rate (AGR), Compounded Annual Growth Rate (CAGR), means, Standard Deviation (SD), Coefficient of Variation (CV), Analysis Of Variance (ANOVA). The various findings have been as follows.

DEATH CLAIM SETTLEMENT PERFORMANCE

Claims settlement is considered as the most important function for measuring the servicing efficiency of any life insurer (Chaudhary and Kiran, 2011). It is the liability of the insurance company to clear valid and legal claims. At the same time, the company must identify the fraudulent and invalid claims. The claims are classified into two categories, namely, maturity claims and death claims. Maturity claims are normally settled during its known time period as the companies are aware of it. However, death claims are unknown and needs intimation of the death of the insured from the family members. On the basis of data available the annual growth rate of the top five private life insurance companies with respect to settlement of death claims from 2006-07 to 2013-14 is given below.

TABLE 4: TABLE SHOWING ANNUAL GROWTH RATE OF DEATH CLAIM SETTLEMENTS (in percentage)

	ICICI PRUDENTIAL		SBI LIFE		HDFC LIFE		BAJAJ ALLIANZ		RELIANCE	
	CLAIMS PAID NOP	CLAIM PAID AMOUNT	CLAIMS PAID NOP	CLAIM PAID AMOUNT	CLAIMS PAID NOP	CLAIM PAID AMOUNT	CLAIMS PAID NOP	CLAIM PAID AMOUNT	CLAIMS PAID NOP	CLAIM PAID AMOUNT
2006-2007	-	-	85.312	157.639	36.911	19.756	324.89	330.663	131.858	92.473
2007-2008	87.976	82.593	104.452	133.243	59.178	69.113	162.571	154.843	253.053	263.129
2008-2009	59.458	129.186	73.234	81.009	53.093	62.57	106.989	119.507	-96.536	169.692
2009-2010	55.722	114.416	84.611	96.723	37.191	75.998	93.781	69.086	24235.21	127.068
2010-2011	4.703	-7.503	36.981	50.195	24.936	21.027	18.035	10.823	69.988	50.057
2011-2012	-5.58	5.538	37.326	27.449	13.344	20.34	2.827	8.821	31.032	51.13
2012-2013	0.552	37.421	11.9	22.927	20.921	48.417	-1.89	-1.805	6.587	15.138
2013-2014	-12.402	-4.752	2.24	17.359	13.961	50.737	-10.475	3.135	-6.861	-2.362

Source: Calculated from IRDA Annual Reports

The claims settlement in ICICI Prudential Life on the basis of number of policies (NOP's) in 2006-07 is 3102 policies and in 2007-08 is 5831 policies showing annual growth of 87.976 per cent in 2007-08. On the basis of amount paid figures rose from 24.30 crores in 2006-07 to 44.37 crores in 2007-08 indicating annual growth of 82.593 per cent in 2007-08. This way annual growth for coming years is calculated on the basis of previous years data.

Table 4 shows that the claims settled in amount by ICICI Prudential Life in the year 2012-13 showed a huge increase when compared to the previous year. It is seen that there is a declining trend in all the companies chosen with respect to number of death claims settled which reflect not only on the quality standards of the administration of claim settlement, but is also the clear indication of fault in the underwriting process. Most of the companies show an abnormal decrease in the year 2010-11. The overall number of policies and amount paid and settled in the last year 2013-14 shows a negative growth rate in ICICI Prudential Life, Bajaj Life and Reliance Life. Among the private companies chosen Reliance Life shows maximum claims settlement growth per cent in terms of number of policies and amount paid.

TABLE 5: DESCRIPTIVE STATISTICS OF CLAIMS PAID (number of policies)

S.NO	COMPANIES	MIN	MAX	MEAN	SD	CV (%)	CAGR
1	ICICI	-12.4	87.98	27.2	39.6	145.6	20.51
2	SBI	2.24	104.45	54.51	37.51	68.8	40.63
3	HDFC	13.34	59.18	32.44	17.23	53.1	46.53
4	BAJAJ	-10.48	324.89	87.09	114.64	131.6	55.24
5	RELIANCE	-96.54	24235.2	3078	8549.41	277.8	38.70
		df=(4,34)	F= 0.97 ns				

ns: non significant at 5 % level.

Further, in Table 5 the mean annual growth rate of number of death claims paid in terms of NOP ranges from 27.20 in ICICI Prudential Life to 3078 in Reliance Life. The least coefficient of variation 53.1 per cent in HDFC Life reveals the consistent performance of this variable. CAGR of number of claims settled in terms of number of policies ranged from 20.51 of ICICI Prudential Life to 55.24 in Bajaj Life. The analysis of variance shows that there is no significant difference in the mean growth rates among the insurance companies.

TABLE 6: DESCRIPTIVE STATISTICS OF CLAIM PAID (amount)

S.NO	COMPANIES	MIN	MAX	MEAN	SD	CV (%)	CAGR
1	ICICI	-7.5	129.19	50.99	57.61	113.0	37.53
2	SBI	17.36	157.64	73.32	52.94	72.2	29.54
3	HDFC	19.76	76	45.99	23.01	50.0	45.38
4	BAJAJ	-1.8	330.66	86.88	114.76	132.1	13.48
5	RELIANCE	-2.36	263.13	95.79	88.38	92.3	75.92
		df=(4,34)	F= 0.66 ns				

ns: non significant at 5 % level.

The mean annual growth rate of number of death claims paid in terms of amount ranges from 45.99 in HDFC Prudential Life to 95.79 in Reliance Life. The least coefficient of variation 50.00 per cent in HDFC Life reveals the consistent performance of this variable. CAGR of amount of claims paid ranged from 13.48 per cent of Bajaj Life to 75.92 per cent of Reliance Life. The analysis of variance shows that there is no significant difference in the mean growth rates among the insurance companies.

LAPSATION

One of the important factors affecting the health of life insurance company's profitability is lapsation. Lapsation is the discontinuance of the policy by non-payment of premiums due, in violation of his obligations set out in the terms of policy contract. Lapsation of policies is one of the major challenges that an insurance company has to face. It is one of the major sources of leakage of revenue for an insurer. A policy is treated as lapsed if the premium is not paid within a period ranging from 15 to 60 days. However, within some specified time, the policyholder may revive the lapsed policy by paying all the premiums, which are due on that date. Hence net lapses refers to the total number of policies lapsed minus the total number of policies revived. But, the proportion of such revivals is less than 3 per cent in the industry and hence majority of lapses are permanent in nature. Customer dissatisfaction leading to lapsation of policy is widely prevalent in the private life insurance sector. This is more so due to mis-selling of insurance products, promise of false and unrealistic returns and high rate of allocation charges that are hidden from the client when the policy is sold. Insurance companies strive to have their policyholders consistently renew their policies since policy renewals means continued earnings. Table 1.7 shows the annual growth of number of policies lapsed in the years from 2005-06 to 2013-14 in percentages on the basis of the availability of the data.

TABLE 7: TABLE SHOWING ANNUAL GROWTH RATE OF STATUS OF LAPSED POLICIES (in percentage)

	ICICI	SBI	HDFC	BAJAJ	RELIANCE
2005-2006	162.526	110.133	6.711	0.105	
2006-2007	31.830	169.670	-28.483	15.842	167.349
2007-2008	143.889	-7.059	24.138	37.662	-8.511
2008-2009	76.993	-39.241	111.111	-9.434	111.628
2009-2010	24.714	-4.167	50.000	67.708	-10.989
2010-2011	-43.458	18.196	-29.351	-2.901	149.531
2011-2012	-4.101	100.515	-8.369	190.782	292.663
2012-2013	-2.689	85.562	48.401	1.025	-25.809
2013-2014	-12.668	76.179	47.389	6.857	-20.691

Source: Calculated from IRDA Annual Reports

Table 7 explores into the number of lapsed policies of non-linked products of life insurers during 2005-10. The status of lapsed policies in ICICI Prudential Life in 2004-05 is 52.01 in thousands and 136.54 in 2005-06, which shows annual growth of 162.526 per cent in 2005-06. This way annual growth for coming years is calculated on the basis of previous year's data.

Table is self explanatory in nature which tells that except Bajaj Life followed by ICICI Prudential Life, all the other private life insurers bear alarming size of number of lapsed policies. The high per cent growth rate of 292.66 of lapsed policies of Reliance Life is not at all justifiable and requires regulatory interventions to tap the reasons.

TABLE 8: DESCRIPTIVE STATISTICS OF STATUS OF LAPSED POLICIES

S.NO	COMPANIES	MIN	MAX	MEAN	SD	CV (%)	CAGR
1	ICICI	-43.46	162.53	41.89	71.54	170.8	-3.44
2	SBI	-39.24	169.67	56.64	68.2	120.4	8.27
3	HDFC	-29.35	111.11	24.62	45.21	183.6	31.02
4	BAJAJ	-9.43	190.78	34.18	63.52	185.8	56.80
5	RELIANCE	-25.81	292.66	81.90	117.17	143.1	2.39
		df=(4,39)	F= 0.74 ns				

ns: non significant at 5 % level.

Further, in Table 8 the mean annual growth rate of number of policies lapsed ranges from 41.89 in ICICI Prudential Life to 81.90 in Reliance Life. The least coefficient of variation 120.4 per cent in SBI Life reveals the consistent performance of this variable. CAGR ranges from -3.44 per cent of ICICI Prudential Life to 56.80 per cent of Bajaj Life. The analysis of variance shows that there is no significant difference in the mean growth rates among the insurance companies.

REGISTERED COMPLAINTS

A part of the claims not being settled may pave the way for the registered complaints. Table 9 shows the annual growth of complaints reported and growth in number of complaints resolved in percentage in the years from 2003-04 to 2013-14.

TABLE 9: TABLE SHOWING ANNUAL GROWTH RATE OF COMPLAINTS REPORTED AND COMPLAINTS RESOLVED (in percentage)

Year	ICICI pru		SBI life		HDFC life		Bajaj Allianz		Reliance life	
	Complaints re-ported	Complaints re-solved	Complaints reported	Complaints resolved	Complaints reported	Complaints resolved	Complaints reported	Complaints resolved	Complaints reported	Complaints resolved
2003-04	-20.000	-33.333	50.000	-50.000	450.000	150.000	0.000	-33.333		
2004-05	387.500	266.667	700.000	600.000	172.727	240.000	650.000	100.000		
2005-06	212.821	163.636	220.833	228.571	220.000	182.353	280.000	1150.000	700.000	300.000
2006-07	-31.148	22.414	-11.688	95.652	-67.708	-37.500	27.193	150.000	25.000	0.000
2007-08	177.381	198.592	48.529	91.111	241.935	66.667	177.931	162.400	790.000	1825.000
2008-09	-15.880	-14.151	-38.614	-31.395	-11.321	124.000	-47.643	-44.207	-11.236	-2.597
2009-10	75.510	62.637	59.677	59.322	123.404	52.679	0.000	6.557	156.962	156.000
2010-11	290.116	353.378	201.010	202.128	170.000	228.655	286.256	315.897	173.399	181.771
2011-12	1540.536	1540.536	6104.698	6407.747	6111.288	6164.235	2647.239	2660.542	9054.414	9290.388
2012-13	-10.252	-10.311	1.033	1.060	44.662	44.337	65.663	65.669	-57.008	-57.258
2013-14	-0.248	-0.349	-13.966	-13.979	3.142	2.102	41.038	41.030	40.974	41.604

Source: Calculated from IRDA Annual Reports

The status of complaints registered in ICICI Prudential Life in 2002-03 is 10 and it reduced to 8 in 2003-04 which shows negative annual growth of 20 per cent in 2003-04 and the number of complaints resolved also reduced from 9 policies to 6 policies in 2003-04 indicating negative annual growth of 33.33 per cent. This way annual growth for coming years is calculated on the basis of previous year's data.

The maximum percentage of annual growth rate in number of complaints reported in Bajaj Life is 2647.23 per cent which indicates that there is large number of disproportion seen in the policies issued by them whereas least growth rate has been seen in HDFC Life with negative growth in complaints reported is 67.70 per cent. The disproportion is obviously noticed between the complaint reported and the complaints resolved. However, maximum percentage of complaints resolved is found in Reliance Life with 9290.38 per cent as against maximum complaints reported by Bajaj Life which is a clear indication to the private insurers to review their business operation not only to increase the business volume but in the reach of customer satisfaction also.

TABLE 10: DESCRIPTIVE STATISTICS OF COMPLAINTS REPORTED

S.NO	COMPANIES	MIN	MAX	MEAN	SD	CV (%)	CAGR
1	ICICI	-31.15	1540.54	236.9	455.44	192.2	111.44
2	SBI	-38.61	6104.7	665.6	1816.14	272.9	124.64
3	HDFC	-67.71	6111.29	678.0	1807.8	266.6	141.25
4	BAJAJ	-47.64	2647.24	375.2	779.9	207.8	133.96
5	RELIANCE	-57.01	9054.41	1208.0	2958.51	244.9	231.01
		df=(4,48)	F= 0.45 ns				

ns: non significant at 5 % level.

Further, in Table 10 the mean annual growth rate number of complaints reported ranges from 236.9 in ICICI Prudential Life to 1208.0 in Reliance Life. The least coefficient of variation 192.2 per cent in ICICI Prudential Life reveals the consistent performance of this variable. CAGR of number of complaints reported ranges from 111.44 per cent of ICICI Prudential Life to 231.01 per cent of Reliance Life. The analysis of variance shows that there is no significant difference in the mean growth rates among the insurance companies.

TABLE 11: DESCRIPTIVE STATISTICS OF COMPLAINTS RESOLVED

S.NO	COMPANIES	MIN	MAX	MEAN	SD	CV (%)	CAGR
1	ICICI	-33.33	1540.54	50.13	75.44	150.5	120.13
2	SBI	-50	6407.75	91.08	121.99	133.9	145.59
3	HDFC	-37.5	6164.24	64.28	85.47	133.0	154.01
4	BAJAJ	-44.21	2660.54	133.2	241.15	181.1	157.91
5	RELIANCE	-57.26	9290.39	283.7	607.04	213.9	251.12
		df=(4,48)	F= 0.50 ns				

ns: non significant at 5 % level.

In Table 11 the mean annual growth rate number of complaints resolved ranges from 50.13 in ICICI Prudential Life to 283.7 in Reliance Life. The least coefficient of variation 133 per cent in HDFC Life reveals the consistent performance of this variable. CAGR of number of complaints resolved ranged from 120.13 per cent of ICICI Prudential Life to 251.12 per cent of Reliance Life, which shows similar overall growth rate among the companies chosen with respect to complaints reported and complaints resolved. The analysis of variance shows that there is no significant difference in the mean growth rates among the insurance companies.

CONCLUSION

Insurance sector plays a very significant role in the economic development of a country. The new entrants in the insurance business sector should take efforts and understand demand and needs of people and transform their policies as per their choices. They should focus more on settling their death claims as it is the most striking feature, which makes them ahead of other companies. Products should be designed to provide the facilities to customers as to give the customers full reliance and satisfaction. In meeting the challenges and making the best of the opportunities lies the future of the Indian insurance companies.

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IMPACT OF INSTITUTIONAL FINANCE ON BORROWERS CONCERNED WITH PRIORITY SECTOR

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ABSTRACT

A broad based and diversified institutional structure has gradually been built up for providing substantial amount by way of short, medium and long-term loans. The institutional financing agencies stand for the institutions of different types engaged in the task of rural finance. The subject of institutional finance vis-à-vis rural development has been receiving increasing attention from the government academicians. There is no denying the fact that ongoing process of rural development call for a continues stream of financial assistance easily and timely accessible to the rural masses. To tackle the problems of rural credit in an effective manner, the government has assigned the task to three main agencies, namely, co-operative banks including land development banks, commercial banks and regional rural banks. The main objective of the study is to analyze the functional system of the Co-operative Banks, Commercial Banks and Regional Rural Banks, to assess the extent of involvement of banks in spreading credit and their efforts in reducing inter-regional and inter-institutional disparities in rural credit, to assess the impact of institutional finance on the recipients operations, to study the problems encountered by bankers as well as borrowers in connection with institutional finance and to offer healthy suggestions for removing the problems involved in rural credit operations and for improvement in the working of institutional financing agencies. It also brings out the impact of institutional finance on standard of living, examine the problems relating to rural credit faced by the banks and borrowers, highlights the preference for borrowing from each of the institutions and reasons thereof. The study also provides valuable findings and suggestions on various issues rising during the course of the investigation.

KEYWORDS

institutional finance, co-operative banks.

LIST OF ABBREVIATIONS

CBs : Commercial Banks
 NPAs : Non Performing assets
 RRBs : Regional Rural Banks
 DCCB : District Central Co-Operative Banks

INTRODUCTION

The study offers interesting result on operational and structural problems of the system, evaluation of district-credit plans, and the extent of involvement of major financial institutions in filling the rural credit gaps. The study also provides valuable findings and suggestions on various issues rising during the course of the investigation.

REVIEW OF LITERATURE

The researcher has made an attempt here to review of research studies that have come up in the shape of research papers & books and reports.

Narayan, A. (1984) in his study on impact on banking finance on farmer's concluded that the bank finance had a reasonable impact on cropping pattern, level of productivity and per acre net income in the area surveyed and a such the banks should feel encouraged to enhance further the volume of credit to agriculture and accelerate its disbursement to needy farmers so as to accomplish a sound growth in this priority sector.

Verma A.K. has conducted his research work of Haryana Kshetriya Gramin Bank under the title "**Rural Development & Regional Rural Banks**" in 2001. He concluded that the schemes of loan for crop to buy bullock and camel-carts and to establish poultry farms were successfully. But the applicant has to face various corruption practices, misbehavior and lack of proper guidance by the bank officials.

IMPORTANCE

To strengthen the system the functioning, impact, problems and experiences of this Multi-agency system of rural credit now required a fresh inquiry. But before venturing into an examination of factors, an analysis of a number of related issues are essential. Major among these issues are, whether the involvement of bank credit in rural areas has reduced the inter-institutional and interregional disparities with regard to their geographical and functional coverage; whether the district credit plans are suitably tailored to meet the requirements of rural credit; whether institutional credit has had some impact on the economic growth of its clientele; which category of borrowers (small, medium or big) has benefited more?

What problems are experienced by the banks and the borrowers? Which type of institution do the borrowers prefer; and for what reasons. Evidently, these issues require detailed investigations into credit supply (banks) and demand (borrowers) both at the macro- and macro-levels.

RESEARCH METHODOLOGY

The study has two main facts, namely the supply side related to the banks and the demand side pertaining to the borrowers. Further, the supply aspect has been studied at the macro as well as micro-level and the demand aspect at the micro-level. The macro level investigations are based on secondary data, which have been collected from the records of banks, annual reports, various statistical abstracts, journals, newspapers and such other sources.

Despite a phenomenal growth of priority sector lending by the commercial banks in recent years, certain basic issues have been left untouched in the system. Under the existing system, the classification of priority sector advances has remained broad-based, so that even big borrowers could avail of the benefits of priority treatment provided by the banks. For example, in the case of agricultural loans, in a joint-family farm, the members may claim loans on an individual basis, by distributing holding among them and posing themselves as small farmers through actually their operations may be on a big scale. It has been, therefore, suggested that economic norms like level of income, technology used etc., should be adopted as eligibility criteria for priority sector lending. It is necessary to identify appropriate sectors within the priority sectors on a rational basis.

While granting credit to artisans, cottage industries, etc., the banks should also examine the viability of the project from the marketability point of view. Such loans will not be productive if the borrowers use them to produce goods, which have no demand. This also poses a problem of recovery for the bank. There are always the problems of ensuring the effective end use of the loans given to the priority sectors.

Situation of reaching a target of 40 percent of total bank credit to the priority sector also needs probing. Though it is a laudable objective, one cannot deny the possibility of certain undesirable effects caused by it. When a larger quantum of bank credit flows into priority legitimate share. There may be a crowding out effect or undue hardships experienced by the traditional sectors, on bank financing; especially industry and wholesale trade. It is, therefore essential to examine if there is any such adverse effect of the present course of bank lending on these sectors.

Another problem is the problem of bad debt arising from indiscriminate lending by banks, keeping an eye on the fulfillment of the stipulated targets.

Quantitatively, banks have well in priority lending's but their qualitative is to be examined. For instance, overdues and bad debts have been a serious problem faced by the banks in respect of advances made to the weaker sections of the society. Thus, what is warranted is a minute and careful micro- economic credit planning by each bank to avoid such pitfalls.

PROBLEM ENCOUNTERED BY ORGANIZATION

The lending institutions are following the area approach in the sphere of rural banking. The intention is to cover a given area intensively by granting loans for an eligible and viable economic activity that can be taken up by the villagers. Branches of the CBs and MGBGB have extended their operations to large areas without reference to their resources, both man-power and otherwise, for the purpose of exercising proper supervision and ensuring end-use of funds.

Many of MGBGB branches have no field supervisor, instead only a clerk does this work. But in several other branches which do have field supervisors, they combine the work of a clerk with that of field work. For this purpose, they are mostly stationed at the branches. This has resulted in mis-utilisation of funds and in consequence impaired the repayment capacity of the borrower. The branches have adopted 10 to 30 villages at a distance ranging upto 30 Kms from their headquarters. This has undisputedly resulted in dilution of standards of appraisal, follow-up and supervision lending to problems of recovery.

There is obviously a need for the RRBs to strengthen their own organizational machinery and streamline the follow up and supervisory procedures and skills with a view to pre-empting the mis-utilisation of credit and diversion of funds for other purpose.

PAUCITY OF SUITABLE STAFF

A common handicap from which the Gramin Banks and Cooperative Banks suffer is the paucity of suitable staff. The rapid branch expansion has considerably strained the staff resources of these banks. Many a time, in experienced personals are sent to the branches.

The importance of right type of personnel with right qualification, experience and training and right aptitude to work can hardly be over-emphasized for the success of any programme and policy of rural anti poverty. In view of importance of bank credit for the betterment of the rural poor, it is obvious that the banks personnel have to functions as friend/advisor and guide to the borrower.

The researcher discovered that most of the discovered branches surveyed had inadequate staff. One branch of the Gramin Bank is manned by a four member team including the branch manager, one field-supervisor-cum-clerk, one cashier and one peon. Similarly one another branch is also manned by four members but without a field supervisor. During the course of our discussion with the bank officials it was revealed that many of branches in the districts have only two members staff. It goes without saying that the paucity of the right type of the official gives rise to the problems of supervision of loans and its recovery in addition to a lack of report between the banks and borrowers.

It is obviously to ensure proper utilization of loan assistance that this system of advancing the loan in kind to a full or partial extent is being followed. One cannot of course dispute the rationale that lies at the root of kind loans, one has to agree that in the process the borrower's freedom to choose inputs and material should not be allowed to get restricted. Moreover, it is highly essential to keep a check on the malpractices suppliers may adopt in respect of poor quality and the higher price of the inputs/machinery/material supplies by them. In no case should the borrower get the impression that he has been made to pay more compromise of the quality of the inputs etc. Keeping these aspects in view, the policy of disbursement in kind has to be followed with caution and with in-built checks against the possible malpractices of the suppliers and bank staff so that borrowers confidence in the system doesn't get lost.

LACK OF CO-ORDINATION

During the course of field study, it has been discovered that the bank staff do not know many borrowers personally. They may also not be knowing whether a particular borrower residing in that village or has since migrated to other village or for that matter, if he is still surviving. Infact, this virtually means complete absence of an effective communication system between the bank and borrowers. Obviously, it leads to mis-utilization borrowed funds.

Another problem related to staff is the complete absence of a transfer policy for their personnel. It is general phenomenon that before a branch manager gets familiarized with his area and established rapport with borrowers, he is again transferred. For solving the problem it is necessary that a proper transfer policy should be evolved in such a manner that branch staff including the manager is not transferred before a specified period of stay at a particular branch, say, three years unless his shifting becomes absolutely necessary in the interest of the bank.

ECONOMIC VIABILITY OF RURAL FINANCIAL INSTITUTIONS

Agricultural loans were considered to be unviable by rural financial institutions due to low rates of interest and high risk and transaction cost in the pre-reform period. The interest rate structure started undergoing changes after the financial sector reforms of 1991 in order to improve the economic viability of rural credit and provide more flexibility to banking institutions to decide the interest rate structure for agriculture and other sectors. The interest rates were further rationalised after the exchange rate mechanism was made more flexible and foreign capital was allowed in the Indian economy. However, sharp rise in interest rates for different sectors of economy has put a pressure for upward revision in the interest rates of agricultural loans as well. Still the economic viability of rural financial institutions is not good due to high transaction and risk cost. It was noted that the net margins (as per cent of working capital) in the case of DCCBs was negative at All-India level while the economic position of RRBs has improved. The cooperative loans have become more costly due to some margins getting added at every level of its three-tier structure.

POLITICAL INTERFERENCE

Political interference in the lending process of banking leading to the neglect of proper credit appraisal, need-based credit, follow up and supervision has been projected as one of the major reasons for increasing Non-Performing Advances. Political connections are widely perceived but, as is the case with willful defaulters, difficult to prove. Almost certainly, the public sector character of banks and their vulnerability to outside influence has been a dampener even in loan recovery.

Several studies have gone into the causes of Non-performing Advances and come to the conclusion that changes in the macro- economic environment like recession, infrastructural bottlenecks, change in Government policies, etc. result in some lending of banks becoming unproductive and borrowers turning defaulters. Changes in Economic policy, i.e. Fiscal and Monetary, affected in response to the economics and political needs from time to time in the context of domestic and international scenario, have a bearing on the performance of banks and business, as also on loans going bad. Changes in Industrial and Agriculture policies, Export Import policy, Credit policy, Exchange Rate policy, Labour policy are also started to have partially contributed to the failure of some borrowers in the

repayment of loans, as the borrowed funds could not be used fruitfully due to some of the unfavourable impact and effects of policy measures. Both banks and borrowers have been caught unaware by the fast changing policies and find themselves trapped with funds locked up in units producing nothing.

On the social side, lack of education and enlightenment among the borrowers buttressed with poor legal infrastructure generally stated to be supportive of the borrowers rather than lenders and corruption have been observed to be major stumbling blocks in the recovery of loans. Lack of integrity on the part of both bankers and borrowers has also influenced formation of NPAs. Erosion in social values, ethics and accountability has been highlighted as some of the reasons for formation of huge NPAs. Awareness that banks lend public money which is required to be returned, is unfortunately found missing, aggravating the problem of recovery of loans.

PROBLEMS ENCOUNTERED BY BORROWERS

DEFECTIVE LENDING PROCEDURE

The lending procedure of lending agencies despite efforts towards simplification continues to be cumbersome, particularly in the case of small loan.

Two issues are involved in agriculture lending in India. The banking sector has to cater a very large number of small borrowers spread over a very large area. Secondly, size of the loan is very small. The small and marginal farmers constitute more than 80 per cent of the farmers and some of the areas are remotely located. Catering to their requirements of farmers of such areas becomes very difficult and costly. From borrowers' point of view, access to institutional credit especially for small, resource poor and illiterate farmers gets inhibited as the procedural and documentation requirements are cumbersome, time consuming and increase the cost of borrowing for the farmers. On the other hand, access to non-institutional credit is regarded to be very simple where transaction cost is negligible and involve no procedural complications. Empirical studies show that transaction cost in case of non-institutional loans was negligible whereas it ranged from 3 to 5 per cent in case of CBs, 1.4 to 3 per cent in case of cooperatives and more than 8 per cent in case of RRBs.

It is widely known fact that the cost of credit to small man is very high, when incidental expenses in obtaining credit are taken into account. A number of formalities, such as, production of evidence regarding ownership/possession of land in the case of agriculture borrowers, procuring no dues certificate from other lending agencies in the area, getting non encumbrance certificate etc., are processes which are required to be complete before a loan is disbursed. A borrower has to face incalculable harassment and the time of money he has to spend to get, the formalities are considerable. Each of the formalities involves the borrower's visits to the concerned office and on each visit he spends time, energy and money besides the loss of wage-income in order to obtain his loan assistance.

These formalities are in addition to the visits that he has to make from time to time to the branch for submitting the loan application and other papers. It goes without saying a number of visits are required to complete these formalities. Needless to add, the intermittent visits to the bank and their number depend upon the type of attitude of the bank staff towards the borrowers, cannot be forecasted for a particular borrower. As regards the no dues certificate, the position is far from clear. The borrower may have to know the half a dozen doors for them and has to grease the palm for obtaining them. If we add the money cost of these items of expenditures to the loan amount, which is generally small, the actual cost of containing it would work out to be very high.

Efforts should, therefore, be made to ensure that none interest cost of credit to the small borrower is kept as low as possible. Some positive steps will have to be taken, if a sizable number of the rural poor are to be brought within the fold of institutional credit. The crux of the problem is not only simplification of procedures but in addition, to ensure that a borrower does not face any kind of harassment including unwanted time and money that he has to spend in order to obtain the loan.

The main objective of the Lead Bank Scheme is that banks should work in rural environment with rural ethos. But quite contrary to it, the researcher practically witnessed the same culture and psychology among the RRB officials as are possessed by their counterparts in commercial banks. Intact the researcher observed in them a lack of responsiveness both attitudinal and emotional to the needs and ethos of rural poor, it is characterized by apathy and coldness. Some of our respondents complained about the rude behaviour of bank officials. If this behaviour undergoes no favourable change, the task of rural development will remain unresolved.

In the area of customer services, the questions of courtesy are most crucial. Of all the factors that cause customer irritations, lack of courtesy is perhaps the most damaging. A customer may condone some delay in service, if only he gets friendly smile, sympathy and respect from across the customer. But he can't tolerate discourtesy.

UNPRODUCTIVE EXPENDITURE

The class of people whose debts are intended to be discharge totally are those that live from hand to mouth. Obviously, the consumption loan they avail themselves of are generally for expenditure on clothing and food during the lean month of the year. These loans are generally paid back, in kind and sometimes in cash, when the harvest reaped. In addition, these families take loans for social purpose like birth, funeral or marriage ceremony or to meet medical expenses. Any system which seeks to replace the money lenders will have to make readily available alternative sources of credit without too many formalities.

On the contrary, this study reveals that rural branches have not provided consumption loan to the rural poor. In fact, it is treated that their consumption expenditure is an unproductive expenditure. It is undisputed fact that the entire expenditure on farm consumption cannot be treated as completely unproductive. During the course of a farm season when the farmer and his family are engaged in the farming operations, their consumption cannot be regarded as unproductive.

MOUNTING OVERDUES

A significant feature of banks' lending is that, despite mounting over dues in each year, the agriculture and allied sectors enjoyed relatively major portion of bank credit. The agriculturists and poor people of the area could not repay the loans because they spend their loan on consumption purposes rather than productive purposes without bothering the liability of making repayment because of illiteracy.

In the perspective of economic development, there have been many disparities in the area in the distribution of resources. The flow of institutional loans has particularly benefited the richer section. In that content, the priority sector lending provides privileges to the poor people in order to lift their economic structure and condition. They are provided loans for buying buffaloes, cows, to buy auto-rickshaw, to rear hen, and different machines for small-scale industries. Indeed, they get subsidy by the government on this loan, but they do not use the loan in the proper way for productive use. So, the loanee cannot return loan. Constant failure of monsoon, natural calamities as famine, flood etc, willful default, deficiencies in lending policies are the chief reasons for non-recovery of loans. The reasons for poor recovery may also be attributed to various other factors such as lack of supervision of end use of fund owing to lack of vehicle and paucity of staffs, defective processing of loan application, political interference's, communication gap between banker and customer etc.

The loans sanctioning authority begins to take undue advantage from such people. No effort is made for recovery of such loan. The local leaders do not encourage them to pay it back. They assure them that govt. will exempt it. Consequently, the loan is never recovered in future; it becomes difficult to pay it back due to heavy amount. As a result, the mounting over-dues restricted the banks lending capacity. Therefore, an immediate action from appropriate authority to accelerate the recovery position in all sectors is necessary.

The capabilities of any lending institution are seriously eroded on account of mounting over dues. Today, all lending institutions have to bear the burden of over dues and this result in curtailing the recycling of the funds. Plainly speaking, the low level of recovery of the loans has put into jeopardy the financial viability of banks. Mounting over dues defeats the whole purpose of credit; instead of loans being recycled among several applicants, they remain frozen in the hands of a few.

Our finding provide a strong evidence to conclude that despite the improvement in the levels of income and surplus of the borrowers repayment performance of borrowers under all the segments is rather unsatisfactory.

The Mounting over dues continue to cause a serious concern not only because over dues prevent banks from recycling their funds effectively but also because continued defaults in repayment of loans to the poor section of the rural society has to late been the focus of public comments and has attracted serious attention of the concerned authorities.

PROBLEM OF POTENTIAL BAD DEBTS

During the course of field survey, while we were canvassing the questionnaire with our respondents, some socially influentially defaulters came forward with the plea to get their outstanding written off. This is not a stray and isolated development, which should be brushed aside lightly. The leading agencies, the union

government and certain committees have had similar experiences. Keeping in view the growing tendency, which is discernible among a sizeable chunk of defaulters, the problem demands serious consideration and such solution that its ramification is stalled in an effective manner.

There is a general agreement among the leaders and experts that deferment of recovery of dues or writing off the over dues also tends to produce adverse impact on the recovery performance of lending agencies. In the past, several State Government had unilaterally written off agriculture debts not because of economic consideration but for the sake of expediency. The main drawback of such measure is to make no distinction between willful default and a genuine default, unquestionably, it is unfair to borrowers who repay their loans regularly. Such a decision on the part of State Government, Vitiating as in does the climate of recovery, make an invidious between those who pay back and those who do not and is patently inequitable to the farmers.

The Shivraman committee also observes that some of the governments have banned coercive action for recovery of overdues from defaulters even there were no valid reason, such a general step had uncovered willful defaults, besides generating psychology of non-repayments. It has thus endangered the survival of the institutional credit structure itself.

CONCLUSION

The globalization of agriculture is underway with a number of changes such as changes in livelihood pattern, pattern of holdings, high-value agriculture, agribusiness development and food retailing. The rural credit institutions must shed their inhibitions to support the process of agricultural diversification and commercialization. A progressive integration of financial markets with emphasis on self-regulation, accountability and autonomy of the institutions with social responsibility will be required.

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RURAL MARKETING IN INDIA

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ABSTRACT

Recently, the growth of the Indian economy after starting of liberalization and globalization policy in 1991 has been substantial increase the purchasing power of the rural habitants. Since Green revolution in India, the rural areas are started to use a large quantity of consumable and non-consumable products. In this way, rural marketing has been used as a strategy to combat against the competition by the marketers. The rural marketing and agricultural marketing prior to globalization of Indian economy convey the same meaning, but after wards both understand by the markets in different context—the later denotes agricultural and rural production for the urban consumer or industrial consumer, whereas rural marketing involves marketing of manufactured or processed inputs to rural consumers. These have changed the entire spectrum of marketing for the Indian rural market and force the marketers to move towards rural areas. Rural marketing in India is still at infancy stages, and faces the various types of problems in respect of marketing, product designing and positioning, pricing, distribution and promotion. Today's corporation must understand the rural market on different context to widen their business horizon, to expand their market and to exploiting the opportunities available in the rural areas. The Indian rural market is bigger and vast in size with its larger consumer base, its offers the great opportunities for the marketer and stay in tune with the rural marketing offerings. Rural marketing consists of around 833 million potential consumers, and majority of the Indian middle-class, and about half the country's disposable income. The marketer must understand the growing complexities of the rural market and making strategy for the proper mixing of marketing mix. It involves high risk and attractive for those who are searching challenge and having a courage to face those challenges. The key to face the challenges is to understand the market, the consumer need and behavior.

KEYWORDS

India rural market, rural marketing, rural population, attractiveness.

INTRODUCTION

Rural marketing is now a two-way marketing process. There is inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas.

In a diverse market like India, Out of the total of 1210.2 million populations in India, the size of rural populations is 833.1 million which constituted 68.84% of total populations as census survey of 2011, the urban-rural divide is quite significant. During 2001-2011 the rural population increased by 90.4 million, and the number of villages increased by 2,279 in between 2001-2011. The majority of world's rural population lives in rural India. According to the 2011 census, 68.84 per cent of the population are scattered in 6, 41, 00 villages in India. the size of rural market itself speaks of its potential. The current marketing environment and economic scenario have brought the corporate under contemporary roofs of modern India, which is challenging the current standards of segmenting, targeting and reaching the customers. Realistically, India as a nation has come a long way from the place where only urban population which constitutes 20 per cent of customer base for companies are responsible for 80 per cent of their profits. The companies are looking for new opportunities and avenues, as they are witnessing a decline in their growth rates in urban markets due to market saturation and they do have a huge, untouched and untapped rural Indian market. The driving force for this is rural youth who are educated, have access to technology and have openness to change. Also rural markets have acquired significance, as the overall growth of economy has resulted into substantial increase in the purchasing power of the rural communities. A survey by India's premier economic research entity, National Council for Applied Economic Research (NCAER) indicates that rise in rural incomes is keeping pace with the rise in urban incomes. The rural middle class is growing at 12 per cent, close to the urban middle class which is growing at 13 per Cent. Punjab, Kerala, Haryana, Rajasthan, Gujarat, Andhra Pradesh and Maharashtra are considered highly prosperous states.

FEATURE OF RURAL MARKET

Large and scattered population: the rural population is scattered in over 6 lakhs villages. The rural population is highly scattered but holds a big promises for the marketers.

Higher purchasing power: purchasing power of the rural people is on rise. So marketers are expanding their operations in rural markets. In recent years, rural markets have acquire d significance in countries like china and India, as the overall growth of the economy has resulted into substantial increase in purchasing power of rural communities.

Market growth: rural market growing continuously w.r.t. the Demand of bicycles, car, TV, washing machine and other FMCG product over the years.

Development of infrastructure: there is development of infrastructure facilities such as construction of and transportation, communication network rural electrification and public service project in rural areas.

Low standard of living: consumer in a village area has low standard of living because of low literacy level, low per capita income, social backwardness and low saving.

Traditional outlook: rural consumer values old customs and tradition. They do not prefer change gradually the rural population is changing their demand and there is demand for branded product in village.

Marketing mix: urban product cannot be dumped on rural market a separate product be design for rural consumers to suit the rural demand. Market mix should be adjusted according to the requirement of rural consumer.

OBJECTIVES

1. To understand the rural market.
2. To unleash the potential of rural market.
3. To analyze the various parameters of potential of rural market.

4. To examine the current rural marketing scenario.
5. To identify rural marketing opportunities.
6. To examine the challenges facing the marketers.
7. To suggest effective strategies for marketing in rural area.

LITERATURE REVIEW

There are many studies carried out in India in connection with rural marketing, which have revealed a major setback of temperamental attitude of underrating a potential source like rural marketing. These studies have thrown light on the rural marketing pros and cons, and its dimensions in various manners. There are many studies carried out in India in connection with rural marketing, which have Narayan Krishnamurthy (2000)(2009) researched out that by using the regional language, it becomes much easier to increase the penetration in rural areas. Rakesh Singh and Kapil Bhagat (2004-05) explained that the corporate and rural India have entered into collaborative partnership through vertical coordination. Vivek Parikh (2001) pointed out that most of the rural marketers underestimate the verbal power magic of words to enter into the rural market, and again (2008) he added some another dimensions necessary for marketers. Pradeep Kashayap and Siddhartha (2006) elaborated that various aspects of rural marketing like the rural customers, rural marketing research, rural products, pricing, distribution strategies, and the role of media and government initiation contributed in uplifting the rural demand and market. Tarun Narayan (2005), Hansa Yonga (2004), N. Janardhan Rao (2004, and Y. Krishan Mohan Reddy (2006); focussed on challenges faced by the marketers and opportunities available to them. These studies on related problems are useful or indicate the type of difficulties and possible analytical shortcomings and suggest new line of approach to present and study the problem in new context.

METHODOLOGY OF THE STUDY

The literature review indicated that there is insufficient theory and understanding of Indian Rural Marketing within the context of particular phenomena. A general research strategy needs to be explored by finding out opportunities and challenges faced by the marketers to enter into the rural market Exploratory research gives valuable insight, generates ideas and valuable aspect in more explorative manner. Data have been obtained from the published reports, internet, libraries, journals /magazines, and reports of certain government agencies: Census of India National council of applied economic research National sample survey District statistical reports Panchayat office Central statistical organization Rural Marketing books/Journals/Magazines Reserve Bank of India Report Planning commission Annual/ Five- Year Plan Reports.

CHALLENGES OF RURAL MARKET IN INDIA

The rural market offers a vast untapped potential, it should be recognized that it is not easy to operate in the market, because of several attendant challenges. Rural market remains untapped because of mainly three challenges:-distance, diversity, and dispersion. As much as Rural India presents a great opportunity, there are still many challenges that have to be overcome. Dispersed population and trade, large number of intermediaries in the value chains leading to the higher costs, scarce bank and credit facilities for rural customers and retailers, highly credit driven market and low investment capacity of retailers are the other roadblocks. Thus, there are several roadblocks that make it difficult to progress in the rural market. Marketers encounter a number of problems like dealing with physical distribution, logistics, proper and effective deployment of sales force and effective marketing communication when they enter into the rural segments.

- 1) The large population base and number of households indicates a widely spread out market and it is a challenge for the marketer to service this dispersed market. The number of the villages is more than five lakhs and is not uniform in size. Nearly half of the population lives in middle sized villages, which have a population ranging from 1000 to 5000 persons. These types of distribution of population warrants appropriate distribution and promotion strategies to decide the extent of coverage of rural market.
- 2) The rural per capita income is low as compared to urban area. Low per capita income leads to low purchasing power. This apart, the distribution of income is highly skewed, since the landholding pattern, which is basic asset, is itself skewed. Thus, rural market presents a highly heterogeneous scene. Therefore, few challenges arise in this respect, like; off-taking of any product by rural consumer, maintaining of inventory levels, distribution system options, and frequency of distribution. This aspect should be carefully considered by the marketers.
- 3) There are lacks of proper physical communication facilities in rural areas. Nearly half of the villages in the country do not have all-weather roads. Therefore reaching these villages is very physically taxing. Hence, distribution efforts put up by the marketers prove to be expensive and ineffective.
- 4) The rural market, by and large, are characterized by underdeveloped people and consequently underdeveloped market. A vast majority of rural people is not financially stable and is tradition-bound, fatalistic, mired in age-old customs, traditions, habits, taboos, and practices. Unfortunately, the impact of agricultural technology has not been felt uniformly throughout the country. The large segments of rural population have remained untouched by technological breakthroughs.
- 5) There are vast variations in the levels of literacy amongst rural people. Around two-fifth of the rural population is illiterate and only one-fifth holds a matriculate or higher degree. Also, literacy levels vary hugely among different states. These variations pose a challenge to easy and clear comprehension of the message by all sets of rural audience. The limited reach of mass media in rural areas and its regional and state variations pose limitations on a universal approach to communication for rural consumers. Also different perceptions, traditions, and values across states and in some case within a state; are other obstacles in communication development.
- 6) The distribution of products continues to pose an immense challenge to marketers because reaching of 7.8 million retail outlets spread across 6,40,000 villages and feeding a retail network of villages shops is a distribution nightmare. The challenges for the suppliers is the small size of each villages with low throughput per outlet, coupled with the high cost of distribution since these villages are some distance away from distributors. These factors make high quality distribution unviable. The distribution of any product in the rural areas; agricultural inputs, consumables or durables, should necessarily follow a seasonable pattern. The demand pattern in the rural areas is seasonable. The distributions in the rural areas are frequent and not uniform throughout the year.

WHAT MAKES RURAL MARKETS ATTRACTIVE?

Rural market has following arrived and the following facts substantiate this.

- 742 million people
- Estimated annual size of the rural market
 - FMCG Rs. 65,000 Crores
 - Durables Rs. 5,000 Crores
 - Agri-inputs (incl. tractors) Rs. 45,000 Crores
 - 2 / 4 wheelers Rs. 8,000 Crores
- In 2001-02, LIC sold 55 % of its policies in rural India.
- Of two million BSNL mobile connections, 50% in small towns/villages.
- Of the six lakh villages, 5.22 lakh have a Village Public Telephone (VPT)
- 41 million Kisan Credit Cards issued (against 22 million credit-plus-debit cards in urban) with cumulative credit of Rs. 977 billion resulting in tremendous liquidity.
- Of 20 million Rediffmail signups, 60 % are from small towns. 50% transactions from these towns on Rediff online shopping site
- 42 million rural HHs availing banking services in comparison to 27 million urban HHs.

RURAL MARKET OPPORTUNITIES

The Indian growth story is now spreading itself to India's hinterland, not just witnessing an increase in its income but also in consumption and production. The economy is vibrant, income is rising, and the habits, tastes, preferences, and attitudes are changing rapidly. Nowhere these changes are evident in the rural areas. The rural market has grip of strong country's shops, which affect the sale of various products and services in the rural market. The companies are trying to trigger growth in rural areas. The low rate finance availability has also increased the affordability of purchasing the costly products by the rural people. Although with the substantial upgradation in purchasing power, increased brand consciousness pattern and rapid spread of communication network, rural India offers a plethora of opportunities, all waiting to be harnessed, the marketers lack of in-depth knowledge of the villages psyche, strong distribution channels and awareness that are indeed the fundamentals for making a dent into the rural markets. India's rural market offers a huge potential for the marketers and seems to be the replacement of urban market. The rural market is extremely attractive with its vast demand base and offers the following opportunities

The rural market is now acknowledge viable market that has captured the attention of marketers, it already accounts for 56% of India's total income, 64% of expenditure and 33% of savings. Infrastructure is also developing fast, leading to the better connectivity by road (67% villages are connected by all-weather roads), by phone (30% tele-density in rural areas), and access to mass media through television. Increased electrification of households (60%) has opened up the rural market for durables. All these factors have increased the purchasing power and the demand base for and access to new goods and brands, as seen over the past decade.

The future of the rural India looks brighter. Future predictions of income are very positive, suggesting that the present income will change as the proportion of the poor earning less than USD 1 per day drastically shrinks over the next decade to almost half. The majority of the rural population will be earning between USD1 to 5 per day, and the proportion with the incomes of over USD 5 per day will increase three-fold. Rural India is fastly moving from poverty to prosperity. The rural population earning more than USD 5 per day per capita income holds great promise for the marketers. Rural income constitutes around 56% shares of the total income in India. The per capita in rural India has increased from INR 4860 in 1994-95 to INR 15,173 in 2010. The middle class grew six fold in this decade and expected to grow from 32 million in 2005 to 208 million in 2025. Income growth per households is expected to accelerate from the current 2.8 percent to 3.6 percent by 2025.

Good monsoons and two-fold increase in the support price of food grains in the last decade have contributed to improving agriculture prosperity as well as to a INR 720 billion loan waiver, which benefitted 40 to 45 millions farmers. A major shift to cash crops will increase the income from agriculture.

The continuing increase in prosperity leads to increase in the demand of consumer and non-consumer goods in rural areas. An increasing labor force participation in non-farming activities has led to more income earning opportunities, and this trend is likely to grow in future, which further promote the marketers to enter into the rural market.

An increasing number of people have given up farming (declined from 63% to 50% during 2000-2010) on account of land fragmentation, declining profitability, and increasing nuclearization of families. India is no longer an agrarian economy. There is an increasing incidence of supplementary occupation-an occupation pursued either in addition of primary occupation, or on seasonal basis to augment income. Thirty percent of rural households have a supplementary occupation. Out of these, 56% have been stated as self-employment in agriculture as their supplementary occupation. Over the next decade, it is expected that the rural infrastructure will improve drastically, with approximately 100% road connectivity, electrified villages, literacy, television households, 80% pucca households and 50% mobile penetration.

The government has spent INR 480 billion in the year 2010-2011 Bharat Nirman Programmes, leading to rapid infrastructure development, and 53 percent increase from 2009-2010. The government has the target to create 10 million hectares of additional potential, to provide all-weather connectivity to all habitants with over a 1,000 population, to provide electricity to 1,25,000 villages and to construct six million houses in rural areas, and to connect telephonically all habitants.

The infrastructure development attracts the marketers in rural areas. The rural enterprises, especially non-farming has doubled 25 million between 1990-2025, absorbing an 20 million workforce largely in services like trading and transportation, and social services, which have emerged as rapidly grow in sectors in rural areas. Out of the total of 41.8 million enterprises in the country, 25.5 million (61%) are located in the rural areas. These are the driving force of demand base for the rural people.

Rural markets are also very viable targets for marketers as a young population; rising income and low penetration of many consumer durables imply that they are a strong source of demand. Moreover, the consumption pattern in rural areas is witnessing a shift from necessities to discretionary products. The survey has revealed that about one in every two rural households now has a mobile phone and around 42 per cent of rural households owned a television in 2009-10, up from 26 per cent in 2004-05. Internet and mobile revolution has given rural India a complete makeover. Rural areas offer a great potential for growth in internet usage with the number of claimed internet users in these spaces to be reached at 45 million by December 2012, according to the recent IMRB survey, conducted jointly with the Internet and Mobile.

CONCLUSION

Indian Rural markets are now dominating the urban market in terms of demand and potential. The rural population is nearly three times of the urban market. The rural society is also urbanizing gradually with the increase in literacy rates and exposure to global trends. It's showing interest in branded products and services. The consumption trend in rural areas has shown a paradigm shift from price-driven to quality-driven products. The winds of liberalization removed barriers and presently, many nationals and internationals manufacturers have made a foray into different markets. The rural market is becoming day-to-day attractive because of its size and growth of population and households despite the exodus by migration to urban areas. About 68.84% or 833 million people are living in rural areas, consisting over 40% of the Indian middle class, and about half the country's disposable income. Further, there has been a shift from an agricultural economy to manufacturing and service economy and this development has been resulted into increasing job opportunities, income and demand for goods and services in rural markets. The growing rural economy presents a wide range of opportunities to consumer and industrial markets. While rural markets offer big attractions to the marketers, it is not easy to enter into the rural market and take a sizeable share of the market within a short period. This is due to low literacy, low income, seasonable demand and problems with regard to the transportation, communication and distribution. Further, there are different groups based on religion, caste, education, income and age and there is a need to understand the rural markets in terms of buying behavior, attitudes, beliefs, and aspirations of people. The marketers have to understand these characteristics, and developing an appropriate marketing mix to meet these challenges. Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India, as also in several other countries, like China, is still in evolving shape, and the sector poses a variety of challenges, including understanding the dynamics of the rural markets and strategies to supply and satisfy the rural consumers.

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GREEN BANKING: AN APPROACH TOWARDS ENVIRONMENT CONSERVATION

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ABSTRACT

Bank play a very important role in economic development of the country. Green banking means use of technology for being environmental friendly. The internet revolution is all set to drastically change the style of human living. Technology advancement and the increasingly use of mobile, laptop, desktop, tablets and introduction of various software strikes in the marketing sector. This penetration has brought fast development for the country due to adaptation of digital resources. It is true that in the globally computerised environment, customer is getting best kind of service possible. Automation may make the work easy, simple. Green banking leads to massive increase in transaction by the customer. Green banking is overall reduction of external carbon emission and internal carbon footprint. Green banking is eradicating paper from banking system. The benefit of environment from green banking cannot be ignored. Green banking is steps taken to safeguard environment. The paper traces the benefits of going green, creating awareness regarding green banking; also, it highlights initiative taken by bank for going green. Secondary source of data is used in this paper.

KEYWORDS

environment, green banking, Indian banks, paperless work, social responsibility.

1. INTRODUCTION

 Green banking is like a normal bank, but with its own objective it also fulfils its social responsibility towards environment. It aims is to protect the environment and conserve natural resources. Green banking considers all the social and environmental/ecological factors along with its profit motive. It is also known as ethical bank or a sustainable bank. World is on a new paradigm of economic progress and technological change. Green banking is combination of both technology and environmental concern. Climate is the most important concern issue world is facing. As in one phase world is progressing but with it causing damage to the environment. So, green banking emerges as a new initiative/strategy for the protection of our natural resource. Bank in India started green banking to support environment friendly atmosphere by practices like online banking, mobile banking etc.

2. LITERATURE REVIEW

Bhardwaj and Malhotra (2014) linked the performance of bank with the green banking adoption. They found a positive relationship between adoption of green banking and bank profitability.

Chaurasia (2014) found the benefits; deal with challenges, and strategic aspects of green banking and position of Indian banks regarding green Banking adoption. He found that there has not been much proposal in this regard by the banks in India. Researcher suggested that bank should go green and participate optimistic position to find environmental aspects as part of their loan principle.

Jaggi (2014) studies the initiative by SBI and ICICI on Green Banking. SBI has introduced a Green Channel Counter, no queue banking, improved promise towards achieving carbon neutrality, online money transfer, wind farms.

Khedekar (2014) in her research entitled Banking with Technology- Green Banking studied the various technology used by the banking industries to make the environment green. According to study bank should provide basic + premium internet banking product such as opening bank account, Demat holding, standing instruction, investment etc. This Study suggests that bank should conduct seminar and conference to educate the public regarding the uses of internet banking as well as security issue. She suggests "Virtual Banking" where customer can't deal in cash to those branches which are far from the main branch.

Nath, Nayak et al. (2014) attempt to study the green rating standard given by RBI, the World Bank's environmental and social norms and the initiative taken by bank in adopting green practices.

Rajput, Arora, and Khanna (2014) found no relationship between green banking initiatives and bank's profitability.

Sudhalakshmi and Chinnadorai (2014) studied the green banking adoption status of Indian banks. Their study showed that not many initiatives have been taken by banks in India as far as green banking is concerned. They concluded that banks have to play a proactive role in order to take environmental and ecological aspect as a part of their lending process, which would force industries to go for mandated investment for environmental management.

Bahl, Sarita (2012) conducted an empirical study on "Green Banking – The new strategic imperative" found that Carbon footprint decrease by Green building had been given top main concern in green banking strategies and green banking financial products has also been particular importance.

Dharwal&Agarwal (2013) suggested some green banking strategies like carbon credit business, green financial products, green mortgages, carbon footprint reduction, energy consciousness, green buildings and social responsibility services towards the civilization.

Jha & Bhome (2013) in their paper entitled A Study of Green Banking Trends in India, studied the green banking initiatives taken by the public-sector bank in India and the way of go green by green banking. The main objective of the paper is to know green banking sector and checks the awareness of employees, associates and the public about the green banking concept. Further the study suggested that interest on loan should be less for green project then normal rate of interest and companies can increase their profitability by recycling of waste generated. They should stress upon green mortgage loan, green credit card and online banking.

Ahmed (2012) discussed the contemporary green banking initiatives taken globally and more specifically in Bangladesh. He gave policy recommendation which included giving rewards to the banks for positive green banking initiatives by developing green index rating and building awareness amongst the stakeholder such as Competitors, Corporate Consumer, and non-Corporate Consumer, employee, employee union and Government Regulatory Organization.

Goyal & Joshi (2011) studied social and ethical issues such as social Banking, ethical Banking, green Banking and rural banking which assist the accomplishment of sustainable development of banking. They concluded that banks can perform as a socially and ethically familiarized organization by payment of loan only to those businesses which have green concerns.

Weber and Remer (2011) explained Green Banking as a way of value-driven banking that has a positive social and environmental impact at its heart, as well as its possess financial viability.

Ginovsky (2009) had emphasized that in order to implement ecologically friendly practices, banks should initiate new banking products which promotes the sustainable practices and also needs to reorganize their support office operations. The author suggested some strategies which bank should follow to go for green banking such as

Hart & Ahuja (1996) is showing a positive correlation between environmental performance and financial performance. Green Banking is not only a CSR activity of an organization, but also it is about making the society liveable lacking any important damage. However, there is lack of sufficient consciousness on the above problems and hence there is urgent require supporting positive vital process for sustainable development and corporate social responsibility.

3. NEED/IMPORTANCE OF THE STUDY

The world is focussing towards economic progress but neglect the environmental issues. This disastrous impact result in huge losses in terms of climate change, biodiversity, environmental degradation, rising greenhouse gases, loss of forests and water resources, and so forth. This emergent situation of the environment led the society to take responsibility in order to safeguard the environment. Thus, every sector is working towards it. Banking sector is also adopting this approach by going green. This paper highlight the importance of environment and creating awareness for going green.

4. OBJECTIVES

1. To study the relevance of green banking.
2. To identify the various green banking product.
3. To identify challenges and opportunities in going green.

5. RESEARCH METHODOLOGY

The secondary sources of data include literature review from journals, books, magazine, websites, and online resources.

WHAT IS GREEN BANKING: Green banking means promoting environmental friendly practices and reducing carbon footprint from banking activities. The prime motive of green banking is to protect environment and natural resources. According to Indian Banks Association (IBA, 2014) "Green Bank is like a normal bank, which believes all the social and environmental issues with an aim to care for the environment and preserve natural resources". According to RBI (IDRBT, 2013), green banking is to make internal bank processes, physical infrastructure and Information Technology effective towards environment by reducing its negative impact on the environment to the minimum level. Green environment influence for protecting environment by adopting environmental friendly basis i.e online mode. It avoids paper work. In this technological advancement era, it is essential for bank to be digitalised by changing from mass banking to convenience banking.

WHY GREEN BANKING: From green banking both customer and employee of the bank benefited. Through green banking manual work of banking staff change to digital as it minimised paperwork. Due to online mode employee need not to handle long queue of customer. It reduces human error, risk and cost of operation. It also benefits customers as they don't need to visit their bank branch, as they can do their transaction online through mobile banking or online banking. It Also fasten their services. It minimised inconveniences. It also benefits them in terms of time, energy, money and fuel. Also, environmental benefits cannot be ignored green banking take care of environmental concern. Adaptation of green banking is environmental friendly. It results in increasing reputation of the bank.

6. GREEN BANKING

GREEN BANKING PRODUCTS

- (1) Green loans
- (2) Green credit cards
- (3) Green CDs
- (4) Online banking
- (5) Green saving accounts
- (6) Mobile banking
- (7) Green mortgage
- (8) Green checking account
- (9) RDC (Remote deposit)

BENEFITS FROM GREEN BANKING

1. Green bank digitalised the bank so there will be minimum paper work, it facilitates online mode of transaction.
2. Free mode of electronic bill payment
3. It facilitate online opening of account
4. Adaptation of environmental standard for lending to customer.
5. Online e statement through e mail.
6. Project related to environment concern is at very low interest rate.
7. It will benefit the future generation by environment protection.
8. It help to build competitive edge over competitor.
9. Green banking helps bank to fulfil its social responsibility.
10. It leads to process efficiency as due to electronic mode.
11. Saving of time due to automation of process.
12. It reduces human error.
13. Working process and documentation will standardised.
14. It facilitate sharing of document and information.
15. It facilitate quicker response to customer enquiry so increases market efficiency.

METHODS FOR GREEN BANKING

1. Through ONLINE mode: customer make their transaction online. It saves their time, energy, fuel, and cost. From environmental perspective it saves paper, energy and expenditure of natural resources.
2. Through mobile banking: with the help of mobile customer make their payment, check their balance, transfer fund etc.
3. Through debit/credit card: customer can make their transaction by using the facilities of debit and credit card.
4. By green credit card: with this bank donate fund to an environment friendly non-profit organization.
5. Through ATM: It include fund transfer, balance check, withdrawal of money.

OPPORTUNITIES OF GREEN BANKING

1. Green banking provides environmental friendly financial transaction.
2. It creates customer relationship management by electronic mode.
3. Adopt green footprint design.
4. It helps in creating product differentiation.
5. As it involves paperless work, so it means less cutting of trees and saving of trees.
6. It leads to digitalization of banking environment so some relaxation to employees of bank.
7. Making aware about environment protection to the people and encouraging them for adopting going green method.

CHALLENGES IN GREEN BANKING

1. Lack of awareness about green banking in customers
2. Risk of security in online mode
3. Illiteracy to operate green banking products.
4. Network problem resulting in failure of green products.
5. From employee front, technical expertise is required to handle paperless work.
6. Customer relationship with bank will suffer due to online mode.
7. It leads to high operating cost.
8. As it is a new concept customer will take time to adopt it.
9. It requires costly technology.

METHOD TO OVERCOME THE CHALLENGES

1. Promotional programmes and campaign to spread awareness about green banking.
2. Proper arrangement/counter measure in security system to safeguard the online mode.
3. Literacy programs/training programs for customer to educate them for operating green banking products.
4. Arrangement for strengthening networking system.
5. Recruitment of technical specialized person / training facilities to employee for handling computerized system.

BANK CAN INFLUENCE PEOPLE FOR GREEN BANKING BY FOLLOWING PROMOTIONAL METHODS

1. Construction of websites.
2. Advertisement through newspaper.
3. Promotion through bank intranet.
4. Promotion through public website.
5. Promotion through leaflets
6. By giving it space in annual report.
7. By discharging social responsibility.
8. By arranging conference/seminar for green banking.
9. By publication about green banking.
10. Through awareness campaign and programmes.

INITIATIVE BY INDIAN BANK IN GREEN BANKING AREA**PUBLIC SECTOR BANK**

1. **State bank of India:** State Bank of India (SBI) has become the first bank in the country to venture into generation of green power by installing windmills for captive use. As part of its green banking initiative, SBI has installed 10 windmills with an aggregate capacity of 15 MW in the states of Tamil Nadu, Maharashtra and Gujarat. Green banking adopts paperless work which means less cutting of trees and rely on online mode for processing. It offers discount on environmental friendly projects. State bank is largest deployer of solar ATMs.
2. **Bank of Baroda:** Bank has given weightage to green projects. It has environmental friendly system and technology. Bank has got banking technology excellence award among public sector bank by IDRBT in 2014
3. **Punjab National Bank:** Punjab national bank introduced green banking practices to conserve resources. It introduced e solution by paperless dealing with complaints. It installed solar UPS at selected ATM sites.
4. **Bank of India:** Bank has taken initiative to popularize rain water harvesting system and solar street light in rural areas. Bank has adopted use of mobile banking, internet banking, etc. to enhance paperless work. Distribution of tree sapling taken by bank of India.
5. **Canara Bank:** The bank has implemented various green banking initiatives such as internet banking, tele-banking & mobile banking. Solar power biometric ATMs has been implemented in a few rural areas. The banking is providing loans for implementing solar lighting system.

PRIVATE SECTOR BANK

1. **ICICI Bank:** it provides finance to eco-friendly vehicles. Bank has Mumbai and Hyderabad towers have water treatment plants for recycling sewage water in Mumbai and Hyderabad. Its rural low cost branches have been fitted with solar panels.
2. **HDFC Bank:** Bank contain environmental friendly infrastructure ie energy conservation, water management, etc. To promote environmental friendly practices among employee it started awareness programs. Renewable Energy initiatives like Project of 20 Solar ATMs set up in Bihar.
3. **Axis bank:** It also started tree sapling initiative. Bank has successfully negotiated a line of credit of US\$ 70 million from international finance corporation (IFC) to facilitate funding of eco-friendly projects. The corporate office of the bank "AXIS House" is a leadership in energy and environment design, LEED certified building with a host of initiatives to reduce the environment impact of building.
4. **Yes bank:** YES, BANK in 12 of its location achieve the ISO 14001:2004 certification, the world's leading Environment Management System. It follows a "Plan-Do-Check- Act (PDCA) process to facilitate continual improvements in terms of environmental performance. for three consecutive years – 2011, 2012 and 2013 YES BANK featured in CDP's Carbon Disclosure Leadership Index.

7. CONCLUSION AND SUGGESTION

Nowadays environment issue is on prime concern for the country. Each organisation worried about environment and making effort for its conservation. Bank is also making effort to fulfil its social responsibility towards environment by step forwarding towards green banking. Green banking is new concept. As we carelessly using natural resources neglecting future. Green banking is proactive concept with a vision for future sustainability. Green banking is environmental friendly concept discharge by banks. Green banking address problems of climate change, deforestation, air quality issue, and biodiversity loss. Green banks adopt and implement environmental standards for lending, which is really a proactive that enable eco-friendly business practices which benefit our future generations. Customer can make use of green banking by using go green product. Green banking is a global initiative taken by bank to save environment. Using online banking instead of branch visiting, paying bills online, making online transaction through ATM/electronically, using mobile banking, viewing banking statement through mail, and mobile, doing paperless work is the step to support green initiative. Green banking causes various benefits also it suffers from various challenges but can overcome the challenges and influence customer by literacy and promotional campaign, advertisement, seminar/conference etc. In Indian banks, the process is in startup process it has to go a long way for attaining greenery. Going green initiative has taken by bank for protection of environment but in India then also due to unawareness and illiteracy in terms of technology making it abortive. So, there is need by RBI and government to take a proactive role by formulating green policy and guidelines and necessary steps for sustainable green environment.

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OPPORTUNITIES AND CHALLENGES OF E-ADVERTISING: THE CONSUMERS' PERSPECTIVE**DR. SEEMA SINGH****ASST. PROFESSOR****INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH****M. D. UNIVERSITY****ROHTAK****SARIKA AHLUWALIA****RESEARCH SCHOLAR****INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH****M. D. UNIVERSITY****ROHTAK****ABSTRACT**

Virtual is the reality today. People across the caste, creed, religion, age, gender, educational background, and professions are living in the virtual world. With the increase in online traffic, the Internet has emerged as the most popular media. Advertisers were quick to see the potential of this medium, and Internet advertising began in earnest (Rao 1997). E-advertising has come out as one of the most immediate, cost effective and measurable marketing channels available. It offers access to a global marketing portal 24 hours a day, 7 days a week. All this has made e-advertising a researchable topic. The present study attempts to identify the opportunities offered and challenges posed by E-advertising from consumers' perspective. Thus, it will help the marketers and advertisers to use e-advertising more effectively and efficiently in their digital advertising efforts. Many studies in the past have focused on opportunities and challenges of e-advertising and digital marketing from marketers' point of view, while consumers' perspective is still unknown. In this study, we address opportunities and challenges of e-advertising from consumers' point of view. For the study, a survey has been conducted among a sample of 318 internet users in the NCR region. The results reveal that price effectiveness, consumer empowerment, accessibility, interactivity, transparency, and personalization are the perceived opportunities and lack of trust, issues of privacy and infrastructure are the perceived challenges of e-advertising.

KEYWORDS

challenges, consumers, e-advertising, internet, opportunities.

INTRODUCTION

It was never so easy to access information on a global basis, and so many people have never been exposed to and used a single information-sharing system. The Internet revolution has transformed the social and economic landscapes of the world. India too is in the middle of e-revolution. Internet adoption in India is mounting at an exceptionally high rate. A report from IAMAI-IMRB International, reported that by June 2017 Internet users are expected to reach 450-465 million. Marketers were quick to identify the business opportunities of the internet and inhabited the online world along with their customers. Advertising is the most prominent marketing strategy can be traced abundantly everywhere on the internet. Marketers can develop and publish advertisements on the internet, which can be effortlessly accessed by anyone with an internet connection. This is the convenience and efficiency of e-advertising for the advertiser as well as the potential customer resulting in popularity of e-advertising worldwide (Kiani, 1998).

REVIEW OF LITERATURE

With the advent of the Internet, the advertising industry has evolved radically, particularly in terms of its proficiency to sway potential customers on one to one basis (Jiménez et. al., 2016). Peppers and Rogers (1993) recommended that to be competitive and successful, marketers should concentrate on one customer at a time and foster their relationships with each customer by using internet. Traditional media usage happens in the fixed blocks of time while the internet has overcome this barrier and can be accessed anytime. The Internet because of its inherent characteristic of instant communication and accessibility 24x7 can provide on time information to customers. It results in more communication, improved customer services and prompt responses (Kiang & Chi, 2001). The traditional advertising passively exposes the consumer to the advertising message, while the interactive e-advertising lets the consumers to actively participate in the communication process (Calder and Lacobucci, 1998). The customers today are active participants and partners in the production process. Today, consumer not marketer decides with whom to interact, about what to interact, and how to interact (Blattberg et al., 1994). Consumers today have an access to in-depth information about products along with wide ranging choice due to the global dimensions of the internet (Morrissey, 2005). As knowledge is empowering thus, consumers equipped with more knowledge bear more power (Foucault, 1972). With traditional media advertising customers make purchase decisions with incomplete information they have about products and brands. Obtaining this information was very costly in terms of time and money (Stigler 1961). But with the internet, customers can easily evaluate the brand's reputation before buying a product (Leppaniemi, & Karjaluo, 2005). The Internet has brought in transparency as anyone with internet connection can access everything published online unless it is explicitly secured (Gurău, 2008). Customers are seeking more brand engagement. Authentic brands which "walk their talks" and offer real value will succeed and brands with unfair customer dealings will be headed towards doom (Newman, 2015).

The technological advancements responsible for making the Internet an important advertisements tool have also multiplied the challenges for the consumers. Every time a consumer goes online (s)he leaves behind his/her data footprint that can disclose a lot about him/her to the marketer. Consumer digital data is thus considered as an asset used for efficient and effective targeted e-advertising. Though it is an opportunity for marketers, it also raises issues of privacy and security for consumers. As most of the e-advertising platforms for advanced customer targeting frequently ignore the consumer privacy and may sometime encourage the leakage of user data. Thus e-advertising causes the challenges of invasiveness and intrusiveness to the consumer privacy. Moreover, internet users can't do much, to evade the risks accompanying e-advertising (Jiménez, 2016). As internet users are not proficient enough to protect their electronic data, so they rely upon marketer's policies and government regulations to secure their civil rights (Rust, Kannan, & Peng, 2002). Some corporate privacy policies do not follow the government regulations, and may aggravate consumers privacy concerns (Culnan, 2000). All this has led to grave privacy threats (Lwin, Wirtz, & Williams, 2007). Underdeveloped internet infrastructure in India continues to be a big roadblock in unleashing the real potential of the Internet. Presently, in India the broadband growth is at a nascent stage, with just 150 million subscribers and penetration rate of only 12%. For the success of e-advertising high speed and high-reliability network is required. But internet speed is too slow in India (India Telecom, 2016). Telecom Regulatory Authority in India has redefined the minimum broadband speed in India from 256kbps to 512kbps (Anwer, 2016). The Internet access cost in India too remains high at above 8 to 9% of average monthly income while in developed countries it is just 1. On Affordability Drivers Index of 51 developing nations, India ranked at 31. The costly broadband connection and 15% service tax, it is very costly to the end-user (Joshi, Lahoti, 2017).

From the above discussed literature, the opportunities of e-advertising are boiled down to personalisation, accessibility, relevant information, control, price effectiveness, and interactivity. So, lack of trust, privacy issues, and lack of proper infrastructure are some of the identified challenges posed by e-advertising to the customers.

IMPORTANCE OF THE STUDY

As the advertising is marching forward and is substantially transformed, if not absolutely revolutionized by the internet, it is very apt to explore the consumers' perception of opportunities and challenges of e-advertising. Moreover, this is an unexplored area. As many studies in the past have explored opportunities and challenges of the internet in general and very few had addressed opportunities and challenges of e-advertising but from marketers' perspective but none has emphasized on consumers' perspective.

OBJECTIVES OF THE STUDY

1. To explore the opportunities of e-advertising from consumers' perspective.
2. To explore the challenges of e-advertising from consumers' perspective.
3. To offer suggestions to e-advertisers for enhancing the opportunities and eliminating challenges of e-advertising.

RESEARCH METHODOLOGY

The present study is descriptive cum exploratory in nature. Both primary and secondary data were used in the study. Primary data was collected with the help of a structured questionnaire while secondary data was collected from various journals, websites, and books.

SAMPLE SIZE

The study includes a survey of internet users in Delhi NCR. Simple random sampling was used to collect the data. To achieve the specific objective a structured questionnaire was distributed among 500 respondents and 357 filled questionnaires were received. After data cleaning, only 318 questionnaires were found suitable to be included in the study. The data for the study has been collected from January 2016 to August 2016.

MEASURES

The study aims at finding the opportunities and challenges of e-advertising from consumers' perspective. All the measures for opportunities and challenges of e-advertising under study were measured on a five-point scale ranging from "strongly disagree" to "strongly agree". For opportunities sixteen statements and for challenges nine items were identified. For the better presentation of the results the items for opportunities are coded O1 to O16 and challenges as CH1 to CH9. While the rotated component matrix for both the opportunities and challenges display actual items.

STATISTICAL TOOL

To analyze the underlying factor structure for opportunities and challenges of e-advertising from consumers' perspective Principal Component Analysis of Exploratory Factor Analysis (EFA) was used. SPSS 16.0 was used for this purpose. The items of the questionnaire have been validated by using Cronbach Alpha.

RESULTS AND DISCUSSION

This section of the paper describes the findings of the study along with its analysis.

OPPORTUNITIES OF E-ADVERTISING

TABLE 1: CORRELATION MATRIX

		O1	O2	O3	O4	O5	O6	O7	O8	O9	O10	O11	O12	O13	O14	O15	O16
Correlation	O1	1.000	-.071	.003	.321	.206	.267	.364	.176	.121	-.013	-.051	.019	.052	-.085	.040	-.105
	O2	-.071	1.000	-.029	-.088	.004	-.025	-.015	-.017	.024	-.003	.268	.036	-.088	-.023	.118	.318
	O3	.003	-.029	1.000	-.013	.043	.046	.031	.020	.028	.000	.052	.010	.057	.454	.022	.065
	O4	.321	-.088	-.013	1.000	.373	.148	.375	.183	.052	.039	-.103	-.036	.159	-.132	-.077	-.147
	O5	.206	.004	.043	.373	1.000	.096	.198	.169	.001	.059	-.079	-.028	.119	-.059	-.145	-.101
	O6	.267	-.025	.046	.148	.096	1.000	.305	.543	.214	-.053	-.071	-.044	.072	-.026	-.045	-.051
	O7	.364	-.015	.031	.375	.198	.305	1.000	.160	.060	-.031	-.015	.001	.125	-.042	.007	-.050
	O8	.176	-.017	.020	.183	.169	.543	.160	1.000	.330	-.012	-.071	-.050	.066	-.067	-.111	-.025
	O9	.121	.024	.028	.052	.001	.214	.060	.330	1.000	-.036	.013	.018	.055	-.002	-.083	.069
	O10	-.013	-.003	.000	.039	.059	-.053	-.031	-.012	-.036	1.000	.010	-.052	.452	.031	.003	.075
	O11	-.051	.268	.052	-.103	-.079	-.071	-.015	-.071	.013	.010	1.000	.111	.033	.081	.036	.453
	O12	.019	.036	.010	-.036	-.028	-.044	.001	-.050	.018	-.052	.111	1.000	.027	.120	.442	.066
	O13	.052	-.088	.057	.159	.119	.072	.125	.066	.055	.452	.033	.027	1.000	-.019	-.035	.029
	O14	-.085	-.023	.454	-.132	-.059	-.026	-.042	-.067	-.002	.031	.081	.120	-.019	1.000	.145	.031
	O15	.040	.118	.022	-.077	-.145	-.045	.007	-.111	-.083	.003	.036	.442	-.035	.145	1.000	.013
	O16	-.105	.318	.065	-.147	-.101	-.051	-.050	-.025	.069	.075	.453	.066	.029	.031	.013	1.000
Sig. (1-tailed)	O1		.103	.478	.000	.000	.000	.001	.016	.406	.181	.368	.180	.064	.238	.031	
	O2	.103		.306	.060	.470	.329	.395	.379	.333	.482	.000	.261	.059	.340	.018	.000
	O3	.478	.306		.411	.225	.205	.288	.362	.309	.496	.179	.432	.155	.000	.350	.124
	O4	.000	.060	.411		.000	.004	.000	.001	.180	.242	.034	.261	.002	.009	.085	.004
	O5	.000	.470	.225	.000		.043	.000	.001	.490	.146	.080	.307	.017	.148	.005	.036
	O6	.000	.329	.205	.004	.043		.000	.000	.000	.171	.102	.219	.101	.322	.214	.184
	O7	.000	.395	.288	.000	.000	.000		.002	.142	.292	.396	.496	.013	.228	.448	.188
	O8	.001	.379	.362	.001	.001	.000	.002		.000	.414	.104	.187	.121	.116	.024	.327
	O9	.016	.333	.309	.180	.490	.000	.142	.000		.261	.408	.374	.163	.483	.069	.111
	O10	.406	.482	.496	.242	.146	.171	.292	.414	.261		.428	.178	.000	.291	.478	.091
	O11	.181	.000	.179	.034	.080	.102	.396	.104	.408	.428		.024	.279	.076	.260	.000
	O12	.368	.261	.432	.261	.307	.219	.496	.187	.374	.178	.024		.317	.016	.000	.122
	O13	.180	.059	.155	.002	.017	.101	.013	.121	.163	.000	.279	.317		.366	.265	.304
	O14	.064	.340	.000	.009	.148	.322	.228	.116	.483	.291	.076	.016	.366		.005	.290
	O15	.238	.018	.350	.085	.005	.214	.448	.024	.069	.478	.260	.000	.265	.005		.412
	O16	.031	.000	.124	.004	.036	.184	.188	.327	.111	.091	.000	.122	.304	.290	.412	

a. Determinant =.084

The value of determinant in the above table is .084 (i.e. 0.000084), which is greater than the necessary value of 0.00001. This value reflects that there is no problem of multicollinearity.

TABLE 2: KMO AND BARTLETT'S TEST^a

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.610
Bartlett's Test of Sphericity	Approx. Chi-Square	770.776
	Df	120
	Sig.	.000
a. Based on correlations		

In the above table, the value of KMO is .610 indicates adequacy of sample. Bartlett's Test of Sphericity is also significant at .000 stating that correlation matrix is not an identity matrix. Thus, there are some relationships between the variables under study.

TABLE 3: ANTI-IMAGE MATRICES

Anti-image Correlation	O1	.761 ^a	.060	-.017	-.162	-.095	-.140	-.224	.009	-.087	-.017	-.027	-.005	.041	.067	-.088	.049	
	O2	.060	.618 ^a	.031	.041	-.094	-.010	-.025	-.001	-.032	-.022	-.159	.051	.104	.049	-.143	-.228	
	O3	-.017	.031	.489 ^a	-.008	-.058	-.026	-.012	-.009	-.006	.058	.000	.049	-.074	-.460	.008	-.073	
	O4	-.162	.041	-.008	.728 ^a	-.272	.055	-.258	-.081	-.001	-.002	.022	.006	-.085	.086	.018	.072	
	O5	-.095	-.094	-.058	-.272	.682 ^a	.043	-.044	-.107	.074	-.034	.039	-.059	-.044	.008	.149	.058	
	O6	-.140	-.010	-.026	.055	.043	.636 ^a	-.213	-.489	-.029	.062	.035	.034	-.051	-.016	-.010	.015	
	O7	-.224	-.025	-.012	-.258	-.044	-.213	.714 ^a	.050	.019	.073	-.025	.011	-.089	-.010	-.030	-.011	
	O8	.009	-.001	-.009	-.081	-.107	-.489	.050	.624 ^a	-.259	-.017	.030	.000	.008	.040	.049	-.015	
	O9	-.087	-.032	-.006	-.001	.074	-.029	.019	-.259	.648 ^a	.053	.013	-.058	-.057	-.026	.089	-.067	
	O10	-.017	-.022	.058	-.002	-.034	.062	.073	-.017	.053	.464 ^a	.043	.098	-.465	-.071	-.051	-.081	
	O11	-.027	-.159	.000	.022	.039	.035	-.025	.030	.013	.043	.626 ^a	-.083	-.060	-.065	.045	-.385	
	O12	-.005	.051	.049	.006	-.059	.034	.011	.000	-.058	.098	-.083	.504 ^a	-.076	-.073	-.439	-.041	
	O13	.041	.104	-.074	-.085	-.044	-.051	-.089	.008	-.057	-.465	-.060	-.076	.516 ^a	.063	.034	-.008	
	O14	.067	.049	-.460	.086	.008	-.016	-.010	.040	-.026	-.071	-.065	-.073	.063	.525 ^a	-.097	.044	
	O15	-.088	-.143	.008	.018	.149	-.010	-.030	.049	.089	-.051	.045	-.439	.034	-.097	.510 ^a	.045	
	O16	.049	-.228	-.073	.072	.058	.015	-.011	-.015	-.067	-.081	-.385	-.041	-.008	.044	.045	.616 ^a	
a. Measures of Sampling Adequacy(MSA)																		

In the above table, the diagonal of anti-image correlation matrix represent the KMO value for individual variables. All these values for all the variables are above 0.5 as required.

TABLE 4: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.555	15.967	15.967	2.555	15.967	15.967	2.006	12.537	12.537
2	1.766	11.037	27.003	1.766	11.037	27.003	1.761	11.009	23.546
3	1.517	9.481	36.484	1.517	9.481	36.484	1.717	10.733	34.279
4	1.505	9.408	45.892	1.505	9.408	45.892	1.493	9.333	43.612
5	1.392	8.697	54.589	1.392	8.697	54.589	1.474	9.214	52.826
6	1.190	7.438	62.027	1.190	7.438	62.027	1.472	9.201	62.027
7	.880	5.503	67.530						
8	.835	5.217	72.747						
9	.742	4.640	77.386						
10	.658	4.112	81.498						
11	.565	3.529	85.027						
12	.558	3.487	88.515						
13	.536	3.349	91.863						
14	.470	2.938	94.801						
15	.440	2.747	97.548						
16	.392	2.452	100.000						
Extraction Method: Principal Component Analysis.									

The initial eigenvalues column in above table lists the eigenvalues along with the variance associated with each factor under total. As per the Kaiser's criterion for retaining factors, (factors with the eigenvalues greater than 1 are retained) six factors with eigenvalues 2.555, 1.766, 1.517, 1.505, 1.392, 1.190, are retained. The percentage of variance of the extracted factors is 15.967, 11.037, 9.481, 9.408, 8.697, and 7.438 respectively. The cumulative percentage table lists the cumulative percentage of variance. The extraction sum of squared loadings column lists the same values as before extraction except that the values for the discarded factors are ignored. In the rotation, sums of squared loadings display the eigenvalues of extracted factors after rotation. The eigenvalues of the extracted factors after rotation are 2.006, 1.761, 1.717, 1.493, 1.474, and 1.472 respectively. The respective percentage of variance of the six extracted factors is 12.537, 11.009, 10.733, 9.333, 9.214, and 9.201.

TABLE 5: COMMUNALITIES

	Initial	Extraction
O1	1.000	.473
O2	1.000	.488
O3	1.000	.751
O4	1.000	.599
O5	1.000	.463
O6	1.000	.629
O7	1.000	.524
O8	1.000	.680
O9	1.000	.472
O10	1.000	.725
O11	1.000	.605
O12	1.000	.663
O13	1.000	.732
O14	1.000	.730
O15	1.000	.728
O16	1.000	.662

Extraction Method: Principal Component Analysis.

The above table lists the proportion of common or shared variance within a variable. This also supports the Kaiser’s criterion of retaining factors as the sample size is more than 250 and the average communality is 0.62025, which is above 0.6.

TABLE 6: REPRODUCED CORRELATIONS

		O1	O2	O3	O4	O5	O6	O7	O8	O9	O10	O11	O12	O13	O14	O15	O16
Reproduced Correlation	O1	.473 ^a	-.025	-.008	.471	.350	.329	.484	.266	.094	-.082	-.080	.114	.067	-.099	.083	-.139
	O2	-.025	.488 ^a	-.071	-.076	-.036	-.051	.032	-.047	.038	-.082	.511	.098	-.107	-.078	.069	.518
	O3	-.008	-.071	.751 ^a	-.017	.086	.066	.067	.022	.027	.005	.101	-.009	.043	.699	-.012	.067
	O4	.471	-.076	-.017	.599 ^a	.501	.206	.513	.155	-.043	.063	-.111	-.063	.196	-.163	-.095	-.178
	O5	.350	-.036	.086	.501	.463 ^a	.116	.415	.080	-.078	.071	-.031	-.162	.166	-.069	-.192	-.088
	O6	.329	-.051	.066	.206	.116	.629 ^a	.305	.639	.481	-.089	-.091	.000	.066	-.025	-.063	-.051
	O7	.484	.032	.067	.513	.415	.305	.524 ^a	.240	.067	-.049	.006	.075	.101	-.053	.036	-.060
	O8	.266	-.047	.022	.155	.080	.639	.240	.680 ^a	.530	-.032	-.084	-.084	.108	-.078	-.155	-.014
	O9	.094	.038	.027	-.043	-.078	.481	.067	.530	.472 ^a	-.008	.030	-.012	.072	-.013	-.068	.111
	O10	-.082	-.082	.005	.063	.071	-.089	-.049	-.032	-.008	.725 ^a	.051	-.003	.701	-.002	-.030	.104
	O11	-.080	.511	.101	-.111	-.031	-.091	.006	-.084	.030	.051	.605 ^a	.103	.016	.088	.069	.617
	O12	.114	.098	-.009	-.063	-.162	.000	.075	-.084	-.012	-.003	.103	.663 ^a	.031	.156	.689	.048
	O13	.067	-.107	.043	.196	.166	.066	.101	.108	.072	.701	.016	.031	.732 ^a	.005	-.009	.058
	O14	-.099	-.078	.699	-.163	-.069	-.025	-.053	-.078	-.013	-.002	.088	.156	.005	.730 ^a	.175	.052
	O15	.083	.069	-.012	-.095	-.192	-.063	.036	-.155	-.068	-.030	.069	.689	-.009	.175	.728 ^a	.004
	O16	-.139	.518	.067	-.178	-.088	-.051	-.060	-.014	.111	.104	.617	.048	.058	.052	.004	.662 ^a
Residual ^b	O1		-.046	.011	-.150	-.144	-.061	-.120	-.090	.027	.068	.029	-.095	-.016	.014	-.043	.034
	O2	-.046		.042	-.011	.040	.026	-.047	.029	-.014	.080	-.242	-.062	.019	.055	.049	-.200
	O3	.011	.042		.005	-.044	-.020	-.035	-.002	.001	-.006	-.049	.018	.014	-.245	.034	-.002
	O4	-.150	-.011	.005		-.128	-.058	-.139	.028	.095	-.024	.008	.027	-.036	.031	.018	.031
	O5	-.144	.040	-.044	-.128		-.020	-.217	.089	.079	-.012	-.048	.133	-.047	.010	.047	-.013
	O6	-.061	.026	-.020	-.058	-.020		3.083E-5	-.097	-.267	.035	.020	-.043	.005	-.001	.018	-7.762E-5
	O7	-.120	-.047	-.035	-.139	-.217	3.083E-5		-.080	-.007	.019	-.021	-.074	.024	.011	-.029	.010
	O8	-.090	.029	-.002	.028	.089	-.097	-.080		-.200	.019	.013	.034	-.042	.011	.044	-.012
	O9	.027	-.014	.001	.095	.079	-.267	-.007	-.200		-.028	-.017	.031	-.017	.010	-.015	-.042
	O10	.068	.080	-.006	-.024	-.012	.035	.019	.019	-.028		-.041	-.049	-.249	.033	.033	-.029
	O11	.029	-.242	-.049	.008	-.048	.020	-.021	.013	-.017	-.041		.008	.017	-.007	-.033	-.164
	O12	-.095	-.062	.018	.027	.133	-.043	-.074	.034	.031	-.049	.008		-.005	-.036	-.247	.018
	O13	-.016	.019	.014	-.036	-.047	.005	.024	-.042	-.017	-.249	.017	-.005		-.024	-.026	-.029
	O14	.014	.055	-.245	.031	.010	-.001	.011	.011	.010	.033	-.007	-.036	-.024		-.030	-.021
	O15	-.043	.049	.034	.018	.047	.018	-.029	.044	-.015	.033	-.033	-.247	-.026	-.030		.009
	O16	.034	-.200	-.002	.031	-.013	-7.762E-5	.010	-.012	-.042	-.029	-.164	.018	-.029	-.021	.009	

Extraction Method: Principal Component Analysis.

a. Reproduced communalities

b. Residuals are computed between observed and reproduced correlations. There are 29 (24.0%) no redundant residuals with absolute values greater than 0.05.

In the above table of reproduced correlations, only 24.0 % of the residuals have an absolute value greater than 0.05, the percentage is within the prescribed limit.

TABLE 7: ROTATED COMPONENT MATRIX^A

	Component					
	1	2	3	4	5	6
E-advertising improves bargaining power of the customers over traditional advertising	.751					
E-advertising has made it possible for consumers to buy a significant number of products and services at lower prices.	.697					
Internet has become the essential tool for me to find the best deal.	.637					
E-advertising offers more special offers than traditional advertising.	.627					
E-advertising allows me to communicate my dissatisfaction when I don't get what i want.		.801				
I can filter out the irrelevant e-advertisements.		.746				
E-advertising introduces me to the world class products and services.		.678				
E- Advertising provides me an access to information any time and any place i want it.			.793			
E-advertising allows me to take immediate action.			.768			
Location based e-advertising help me to discover local deals based on my location.			.678			
Customer is now an active participant, and a partner in the production.				.847		
E- Advertising being interactive allows opportunities to the customers to help evolve and grow my favorite brands.				.810		
E-advertising brings price transparency.					.848	
Brand health and reputation can be evaluated through E- Advertising.					.838	
E- Advertising provides personalized and relevant ads instead of random ads.						.861
E- Advertising helps in developing a meaningful, one-to-one relationship with me by understanding and addressing my needs.						.832

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

The rotated component matrix display extracted factors along with their respective loadings after rotation.

TABLE 8: FACTOR ANALYSIS OF OPPORTUNITIES OF E-ADVERTISING

S. No.	Factor	No.	Al-pha	Factor Loading
1	Price-Effectiveness	4	.635	.751
	E-advertising improves bargaining power of the customers over traditional advertising			.697
	E-advertising has made it possible for consumers to buy a significant number of products and services at lower prices.			.637
	Internet has become the essential tool for me to find the best deal.			.627
2.	Consumer Empowerment	3	.614	.801
	E-advertising allows me to communicate my dissatisfaction when I don't get what i want.			
	I can filter out the irrelevant e-advertisements.			.746
3.	Accessibility	3	.612	.793
	E- Advertising provides me an access to information any time and any place i want it.			.768
	E-advertising allows me to take immediate action.			.678
4.	Interactivity	2	.611	.847
	Customer is now an active participant, and a partner in the production.			
	E- Advertising being interactive allows opportunities to the customers to help evolve and grow my favorite brands.			.810
5.	Transparency	2	.622	.848
	E-advertising brings price transparency.			.838
	Brand health and reputation can be evaluated through E- Advertising.			
6.	Personalisation	2	.622	
	E- Advertising provides personalized and relevant ads instead of random ads.			.861
	E- Advertising helps in developing a meaningful, one-to-one relationship with me by understanding and addressing my needs.			.832

For data reduction, sixteen items representing opportunities of e-advertising to consumers were factor analysed using Principal Component Analysis, with Varimax rotation. Six opportunities of e-advertising namely price effectiveness, consumer empowerment, accessibility, interactivity, transparency, and personalisation have been extracted. Four items represent Price effectiveness with factor loading for price effectiveness range from .751 to .627 and Cronbach alpha score of .635. Factor loadings for three items representing consumer empowerment range from .801 to .678 with Cronbach alpha of .614. Accessibility was represented by three items with factor loadings ranging from .793 to .678 and Cronbach alpha of .612. Two items with factor loading .847 and .810 with Cronbach alpha of .611 represented interactivity. Two items representing transparency has factor loadings of .848 and .838 with Cronbach alpha score of .622. Finally, two items with factor loadings of .861 and .832 represented personalisation with a Cronbach alpha score of .832.

TABLE 9. CORRELATION MATRIX^a

		CH1	CH2	CH3	CH4	CH5	CH6	CH7	CH8	CH9
Correlation	CH1	1.000	.164	.217	.071	.461	.116	.064	.000	.030
	CH2	.164	1.000	.147	.045	.076	.094	.114	.058	.094
	CH3	.217	.147	1.000	.123	.176	.045	.209	.075	.139
	CH4	.071	.045	.123	1.000	.123	.059	.148	.101	.164
	CH5	.461	.076	.176	.123	1.000	.070	.071	.037	.027
	CH6	.116	.094	.045	.059	.070	1.000	.049	.709	.078
	CH7	.064	.114	.209	.148	.071	.049	1.000	.004	.878
	CH8	.000	.058	.075	.101	.037	.709	.004	1.000	.019
	CH9	.030	.094	.139	.164	.027	.078	.878	.019	1.000
Sig. (1-tailed)	CH1		.002	.000	.105	.000	.019	.128	.500	.299
	CH2	.002		.004	.214	.087	.047	.022	.152	.048
	CH3	.000	.004		.014	.001	.213	.000	.091	.007
	CH4	.105	.214	.014		.014	.147	.004	.037	.002
	CH5	.000	.087	.001	.014		.105	.102	.258	.318
	CH6	.019	.047	.213	.147	.105		.192	.000	.082
	CH7	.128	.022	.000	.004	.102	.192		.472	.000
	CH8	.500	.152	.091	.037	.258	.000	.472		.368
	CH9	.299	.048	.007	.002	.318	.082	.000	.368	
a. Determinant = .068										

In the above table, the Determinant is .068 (i.e. 0.000068). As it is greater than the required value of 0.00001 so, there is no problem of multicollinearity.

TABLE 10: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.531	
Bartlett's Test of Sphericity	Approx. Chi-Square	840.788
	Df	36
	Sig.	.000

In the table above KMO measure of sampling adequacy is .531, it reflects the sampling adequacy. Bartlett's test of Sphericity is also significant.

TABLE 11: ANTI-IMAGE MATRICES

		CH1	CH2	CH3	CH4	CH5	CH6	CH7	CH8	CH9
Anti-image Correlation	CH1	.541 ^a	-.120	-.144	-.008	-.431	-.153	-.011	.135	.022
	CH2	-.120	.763 ^a	-.096	-.009	.014	-.050	-.041	.000	.003
	CH3	-.144	-.096	.689 ^a	-.074	-.066	.056	-.162	-.085	.085
	CH4	-.008	-.009	-.074	.757 ^a	-.092	.040	.016	-.091	-.088
	CH5	-.431	.014	-.066	-.092	.573 ^a	.004	-.061	-.024	.058
	CH6	-.153	-.050	.056	.040	.004	.498 ^a	.037	-.715	-.080
	CH7	-.011	-.041	-.162	.016	-.061	.037	.519 ^a	.003	-.874
	CH8	.135	.000	-.085	-.091	-.024	-.715	.003	.490 ^a	.034
	CH9	.022	.003	.085	-.088	.058	-.080	-.874	.034	.513 ^a
a. Measures of Sampling Adequacy(MSA)										

The diagonal items in anti-image matrices represent the KMO value for individual variables. All these values for all the variables except for CH6 and CH8 are below 0.5 but as these values are .498 and .490, as these values are very close to the required value of 0.5 so these can be considered as acceptable.

TABLE 12: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.194	24.380	24.380	2.194	24.380	24.380	1.960	21.782	21.782
2	1.701	18.900	43.279	1.701	18.900	43.279	1.715	19.052	40.834
3	1.487	16.518	59.798	1.487	16.518	59.798	1.707	18.964	59.798
4	.968	10.752	70.550						
5	.912	10.132	80.681						
6	.817	9.075	89.757						
7	.531	5.905	95.661						
8	.273	3.030	98.692						
9	.118	1.308	100.000						
Extraction Method: Principal Component Analysis.									

The initial eigenvalues column in above table showcase the eigenvalues along with the variance associated with each factor under total. As per the Kaiser's criterion for retaining factors, (factors with the eigenvalues greater than 1 are retained) three factors with eigenvalues 2.194, 1.701, and 1.487 are retained. The percentage of variance of the extracted factors is 24.380, 18.900, and 16.518 respectively. The cumulative percentage table lists the cumulative percentage of variance. The extraction sum of squared loadings column lists the same values as before extraction except that the values for the discarded factors are ignored. In the rotation, sums of squared loadings display the eigenvalues of extracted factors after rotation. The eigenvalues of the extracted factors after rotation are 1.960, 1.715, and 1.707 respectively. It is evident from the values that rotation has optimized the factor structure i.e. the relative importance of the six factors is equalised. The respective percentage of variance of the three extracted factors is 21.782, 19.052, and 18.964.

TABLE 13: COMMUNALITIES

	Initial	Extraction
CH1	1.000	.662
CH2	1.000	.151
CH3	1.000	.307
CH4	1.000	.138
CH5	1.000	.605
CH6	1.000	.843
CH7	1.000	.911
CH8	1.000	.858
CH9	1.000	.907

Extraction Method: Principal Component Analysis.

The above table lists the proportion of common or shared variance within a variable. This also supports the Kaiser’s criterion of retaining factors as the sample size is more than 250 and the average communality is 0.598, which is very close to the threshold level of 0.6.

TABLE 14: REPRODUCED CORRELATIONS

		CH1	CH2	CH3	CH4	CH5	CH6	CH7	CH8	CH9
Reproduced Correlation	CH1	.662 ^a	.274	.392	.175	.633	.072	.025	.012	-.028
	CH2	.274	.151 ^a	.210	.130	.262	.133	.163	.103	.143
	CH3	.392	.210	.307 ^a	.184	.375	.090	.273	.044	.242
	CH4	.175	.130	.184	.138 ^a	.167	.145	.269	.120	.258
	CH5	.633	.262	.375	.167	.605 ^a	.063	.025	.006	-.027
	CH6	.072	.133	.090	.145	.063	.843 ^a	.034	.847	.056
	CH7	.025	.163	.273	.269	.025	.034	.911 ^a	-.007	.906
	CH8	.012	.103	.044	.120	.006	.847	-.007	.858 ^a	.020
	CH9	-.028	.143	.242	.258	-.027	.056	.906	.020	.907 ^a
Residual ^b	CH1		-.110	-.176	-.104	-.172	.045	.039	-.012	.058
	CH2	-.110		-.063	-.085	-.186	-.039	-.049	-.045	-.050
	CH3	-.176	-.063		-.060	-.199	-.045	-.064	.031	-.103
	CH4	-.104	-.085	-.060		-.044	-.086	-.121	-.019	-.094
	CH5	-.172	-.186	-.199	-.044		.007	.047	.030	.053
	CH6	.045	-.039	-.045	-.086	.007		.015	-.137	.022
	CH7	.039	-.049	-.064	-.121	.047	.015		.011	-.029
	CH8	-.012	-.045	.031	-.019	.030	-.137	.011		-.001
	CH9	.058	-.050	-.103	-.094	.053	.022	-.029	-.001	

Extraction Method: Principal Component Analysis.

a. Reproduced communalities

b. Residuals are computed between observed and reproduced correlations. There are 17 (47.0%) non-redundant residuals with absolute values greater than 0.05.

In the above table of reproduced correlations only 47.0 % of the residuals have an absolute value greater than 0.05, the percentage is within the prescribed limit.

TABLE 15: ROTATED COMPONENT MATRIX^A

	Component		
	1	2	3
E- Advertising is not well regulated in India.	.952		
Consumers cannot protect themselves from online risks as they do not understand them well.	.949		
E-advertising collects my behavioural data without my awareness or my consent.			
E- Advertisements are too intrusive.		.926	
E-advertising often neglect consumer privacy and may even support the leak of their personal data.		.912	
Internet access cost is very high in India.			.812
Internet speed in India is very slow.			.776
There is lack of regional content over internet.			
E-advertising is inherently risky			
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

The above table displays extracted factors along with their respective factor loadings after rotation.

TABLE 16: FACTOR ANALYSIS OF CHALLENGES OF E-ADVERTISING

S. No.	Factor	No.	Alpha	Factor Loading
1	Security	2	.935	.952
	E- Advertising is not well regulated in India.			
	Consumers cannot protect themselves from online risks, as they do not understand them well.			.949
2.	Privacy	2	.830	.926
	E- Advertisements are too intrusive.			
	E-advertising often neglect consumer privacy and may even support the leak of their personal data.			.912
3.	Internet Infrastructure	2	.631	.812
	Internet access cost is very high in India.			
	Internet speed in India is very slow.			.776

For data reduction, nine items representing challenges of e-advertising to consumers were factor analysed using Principal Component Analysis, with Varimax rotation. Three challenges of e-advertising namely security, privacy, and internet infrastructure have been extracted. Two items represent the challenge of security

with factor loadings .952 and .949 and Cronbach alpha score of .935. Factor loadings for two items representing privacy are .926 and .912 with Cronbach alpha of .830. Internet infrastructure was represented by two items with factor loadings .812 and .776 and Cronbach alpha of .631.

FINDINGS

Major findings of the study are discussed below:

- Price effectiveness is perceived as an opportunity of e-advertising. Consumers' think that e-advertising improves their bargaining power and they can find the best deals with lower prices online. They also perceive there are more special offers in e-advertising than traditional advertising.
- Consumer empowerment is another identified opportunity of e-advertising. When customers are not satisfied they can communicate their dissatisfaction to the marketers. E-advertising empower consumers as they can avoid irrelevant ads. E-advertising also introduces customers to the best quality products and services across the globe.
- E-advertising provides an access to information about products irrespective of time and place. It also enables customers to take instantaneous actions about the products. Thus accessibility is another identified opportunity of the internet.
- With e-advertising customers can interact with the marketers, thus inactively participate in the production process by communicating what they expect from the product.
- E-advertising also brings in price transparency. Customers today can compare price, features and other benefits before buying a product consumers and the brand reputation can also be judged in the form of consumers' ratings and reviews contained in e-advertising.
- E-Advertising has crafted a personalized marketplace for consumers where they are exposed to only relevant ads about the products they are interested in. It enables marketers in understanding each individual customer's needs, and helps in developing an enduring relationship with each individual consumer.
- Like every coin has two sides, e-advertising too poses challenges to the customers along with the opportunities. Security is among one such challenge customers have to deal with. As e-advertising is not regulated well in India and inexperienced consumers are unable to understand the risks of e-advertising.
- Consumer privacy is another perceived challenge of e-advertising. E-advertising is too intrusive and many a times overlook consumer privacy.
- High internet access cost, slow internet speed and underdeveloped internet infrastructure in India are perceived as challenges in actualising the real potential of e-advertising by consumers.

RECOMMENDATIONS

- E-Advertisers should responsibly handle consumer privacy without invading it. They should clearly explain why they are requesting consumer information, how it will benefit them and the consumer.
- The government should also strengthen the regulatory framework governing consumers' security and privacy online.
- For e-advertising to be effective consumers should not be bombarded with unwanted messages as they may get annoyed. There should be a limit to that as it may result in e-advertising clutter.
- E-advertisers should use the brand-building capacity of internet in their favour through interactivity, consumer engagement and promptness.
- Keeping in mind the slow internet speed and high access cost lighter e-advertisements should be developed that will utilise small amount of data and can be accessed over slow internet connections.
- E-advertisers should use up-to-date encryption methods to safeguard consumers' security online.

CONCLUSION

As the present study for exploring opportunities and challenges of e-advertising highlights, the e-advertising is rapidly evolving in both positive and negative ways. On the positive side, there is more interactivity, price effectiveness, consumer empowerment, transparency, accessibility, and personalisation than ever before. On the other hand, several thresholds related to consumer security and privacy online along with underdeveloped internet infrastructure that needs to be taken care of in order to make a success out of e-advertising. Some challenges are easier to tackle than others but from the study, it is evident that opportunities of e-advertising outweigh its challenges.

LIMITATIONS

The study is not free from limitations. First, the sample size is relatively small. The results cannot be generalised because the sample consisted of respondents from a limited area of Delhi NCR instead of national or international sample. Secondly, we have included certain key opportunities and challenges of e-advertising from consumers' perspective, yet we did not consider others. Third, this research represents an initial effort to explore the opportunities and challenges of e-advertising from consumers' perspective, as no previous sound theoretical base to refer to for the study was available. Most of the literature review comes from opportunities and challenges of the internet in general and that too from the marketers' point of view and the questionnaire for the study has been adapted from these studies.

SCOPE FOR FUTURE RESEARCH

The present study offers important contributions and implications for e-advertising scholars and practitioners. Theoretically, the research advances knowledge by identifying the key opportunities and challenges of e-advertising to consumers. The authors extend the research context from opportunities and challenges of Internet in general to e-advertising, specifically. We hope that this study will encourage advance research along these dimensions.

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A STUDY ON EMPLOYEES SATISFACTION TOWARDS E-HRM IN PRIVATE SECTOR BANKS**DR. P. KANNAN****ASST. PROFESSOR****PG & RESEARCH DEPARTMENT OF COMMERCE
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K.K CHAVADI****ABSTRACT**

In the early of 1960, HRM was named as personnel management and used for automation in the office in preparing payroll, maintaining employee data and to administrate employee benefits. The world has become global village after globalization. Day by day advancement in technology, new concept and trends are taking place in all the fields. Likewise, HRM also has gone under tremendous technological change over. Internet has a major influence in all the departments of an organization and no exemption to Human resource management also. The overall functions of HR have been facilitated by using technology in HRM and it is termed as "E-HRM". The employees of bank have taken as respondents for the study to analyses how E-HRM is satisfying in their HR needs. After analyzing, it is found that employees are highly satisfied with E-HRM in their banks.

KEYWORDS

global village, globalization, human resource management, electronic human resource management.

INTRODUCTION

The Dramatic advancement of information and communication technology has a considerable impact on HRM processes and practices which paved the way for E-HRM. It is an HRM tool, which facilitates the HR professionals and the stakeholders (Eg. Applicants, employees and managers) by providing better service by serving as self-service for employees, sharing data and management functions.

"A study on employee satisfaction towards electronic human resource management in private sector banks "analysis the satisfaction of employees after implementing E-HRM in traditional HRM functions, it depicts the effects and importance of using E-HRM in core functions of HRM and find the gap between current level in Private sector Banks.

REVIEW OF LITERATURE

Yusliza M Yusoff, T. Ramayah and Nur-Zahiyah Othman has utilized a quantitative approach. Data was collected from 201 E-HRM users. They concluded that perceived ease of use, perceived usefulness-HRM trust, strategic partner and change agent have a significant effect on attitude towards using E-HRM, they found that E-HRM has a positive relationship with perceived usefulness. [1]

Tn the study conducted by Dr. Ankita Jain and Ankita Goyal, they aimed to determine what all the e recruitment strategies used by organizations after globalization, for the study data has been collected from some reputed banks of India. They concluded that E recruitment has made the job easier for both company and job seekers and the entire credit goes to software, IT professionals, internet, computer and many people who are working at back end. They also stated that E-HRM helps in entire functions of HR. [2]

NEED/IMPORTANCE OF THE STUDY

The Banking industry place a major role in the economic development of any nation. As a service industry its services is inevitable. It place an important role in employment. It always has an attraction in the minds of job seekers. In this highly competitive world, updating technology helps in survival and growth. IT has influenced in all the function of organization from A to Z. In order to be competitive updating of IT is essential, only when employees are satisfied it is possible. This study gains importance as HRM place the vital role in banking industry, as they are directly linked with customers. So HRM facilitated with electronic medium i.e. E-HRM is gaining importance. In this study the employee satisfaction and their opinion is analyzed to provide some suggestion for improvement in E-HRM.

STATEMENT OF THE PROBLEM

As advancement of technology has stepped in all the functional areas of Organizations, It is deeply noticed and updated in order to be competitive in Business. E-HRM it may be a new term but it has entirely reduced the tiresome work of HR managers and has a ultimate benefit for its users by saving their time. A study on employee satisfaction towards E-HRM in private sector Banks seeks to analyze the satisfaction in E-HRM users.

OBJECTIVES

1. To study the employee satisfaction towards E-HRM in Private sector banks
2. To suggest some measures for better E-HRM practice.

HYPOTHESIS

- There is no significant association between occupation and Opinion on level of expertise in using HR among the Bank employees.
- There is no significant association between gender and E-HRM provides security of your personal data among the Bank employees.

RESEARCH METHODOLOGY**THE POPULATION OF THE STUDY**

The population included all private sector bank employees of Coimbatore district. The Coimbatore is the second largest city in the state after Chennai and 16th largest urban agglomeration in India.

SAMPLE

In this study, a multistage sampling is used for getting sample results. A sample size of 357 respondents was selected.

TABLE 1

S.No	Name of the Private sector banks	Number of Branches in Coimbatore	75 % on Number of Branches in Coimbatore	Respondents from the sample Bank branches	Number of Respondents
1.	HDFC	15	11	3	33
2.	ICICI	18	14	3	42
3.	AXIS	8	6	3	18
4.	LVB	16	12	3	36
5.	Federal bank	12	9	3	27
6.	KVB	25	19	3	57
7.	CUB	24	18	3	54
8.	TMB	15	11	3	33
9.	SIB	17	13	3	39
10.	Catholic bank	8	6	3	18
Total		158	119		357

DATA COLLECTION AND DATA SOURCES

The validity of any research depends on the systematic method of collecting the data and analysis them as perfectly as to the extent of its best results. In this study both Primary and secondary data are extensively used.

PRIMARY DATA

Primary data on various aspects of E-HRM were collected from the employees of selected Private sector banks with the help of well-framed questionnaire that was duly filled by the E-HRM users. The employees for the study chosen accordingly with varied background in terms of their age, education, years of experience etc. The questionnaire was handed over to the employees to furnish the required data by themselves and sometimes by interview base, some questionnaires were filled. The questionnaire was framed with simple words so that it can be easily answered by the respondents.

SECONDARY DATA

The primary data were supplemented by check of secondary sources of data. The updated information in this area is gathered from published net resources and annual reports of Private sector banks.

Apart from the above resource data were collected from various textbooks, journals and internet have been referred extensively to collect the information.

A great deal of informal interview was held with knowledgeable persons in this field to understand and gain insight about the general strategies followed by the Private sector banks.

TOOLS USED FOR ANALYSIS

The following statistical tools were applied to analysis and interpretation of survey data:

1. Bank employee's Profile
2. Chi-Square analysis
3. F and Z test.

RESULTS & DISCUSSION

TABLE 2: THE E-HR TECHNOLOGY PROVIDES FOR HIGH STANDARDS OF SAFETY, COUNSELING AND WELFARE SUPPORT TO EMPLOYEES

S.NO	Level of agreeability	No of Bank employees	Percentage
1	Strongly agree	183	51.3
2	Agree	98	27.5
3	Neither agree nor disagree	54	15.1
4	Disagree	22	6.2
5	Strongly disagree	—	—
	Total	357	100.0

It is seen from the above Table that among the total Bank employees, 6.2 % of them disagree, followed by 15.1 % neither agree nor disagree, 27.5%, agree and the rest 51.3 % strongly agree on e-HR technology provides high standards of safety, counseling and welfare support to employees. Thus, the study revealed that majority of the Bank employees strongly agree on e-HR technology provides high standards of safety, counseling and welfare support to employees

TABLE 3: ARE YOU SATISFIED WITH THE E HRM SYSTEM IN YOUR BANK

S.NO	Level of satisfaction	No of Bank employees	Percentage
1	Highly satisfied	156	43.7
2	Satisfied	195	54.6
3	Not satisfied	6	1.7
	Total	357	100.0

It is seen from the above Table that among the total Bank employees, 17 % of them highly satisfied, followed by 54.6 % satisfied and the rest 43.7 % not satisfied with e-HRM system in their bank. Thus, the study revealed that majority of the Bank employees are satisfied with e-HRM system in the bank.

TABLE 4: GENDER AND AIMS OF BANK'S E-HRM APPLICATIONS AIMS AT ENABLING HR PRACTICES

Gender	Bank employee		Agreeability score on Serves as self-service for employees, HR staff and managers			
	No	%	Mean	Range		SD
				Min	Max	
Male	122	34.2	2.60	1.00	5.00	1.11
Female	235	65.8	2.70	1.00	5.00	1.37
Total	357	100.0	2.66	1.00	5.00	1.28
Z val= -0.369 < 1.96 ns						

ns- non significant at 5 % level

It is seen from the above table that among the Bank employees, 34.2 % of them are males, whereas the rest 65.8 % are female employees. Z test showed that there is no significant difference in the overall mean score among gender groups of the Bank employees. The overall mean agreeability score ranged from 2.60 to 2.70 and it is on par among gender groups of Bank employees.

TABLE 5: AGE AND AIMS OF BANK'S E-HRM APPLICATIONS AIMS AT ENABLING HR PRACTICES

Age	Bank employee		Agreeability score on Serves as self service for employees, HR staff and managers			
	No	%	Mean	Range		SD
				Min	Max	
20-30 years	98	27.5	2.71	1.00	5.00	1.24
30-40 years	178	49.9	2.72	1.00	5.00	1.31
40-50 years	71	19.9	2.56	1.00	5.00	1.31
Above 50 years	10	2.8	1.80	1.00	3.00	0.79
Total	357	100.0	2.66	1.00	5.00	1.28
F val. (df:3,353)= 1.85 ns						

ns- non significant at 5 % level

It is seen from the above table that among the Bank employees, 49.9 % of them belong to 20-30 years of age group, followed by 27.5 % belong to 20.30 years of age group of Bank employees. The analysis of variance showed that there is no significant difference in the overall mean agreeability score among age groups of the Bank employees. The overall mean agreeability score ranged from 1.80 to 2.72 and it is on par among age groups of Bank employees.

TABLE 6: MONTHLY SALARY AND AIMS OF BANK'S E-HRM APPLICATIONS AIMS AT ENABLING HR PRACTICES

Monthly salary	Bank employee		Agreeability score on Serves as self service for employees, HR staff and managers			
	No	%	Mean	Range		SD
				Min	Max	
Less than 15000	9	2.5	2.11	1.00	3.00	0.93
16000-20000	76	21.3	2.78	1.00	5.00	1.31
21000-25000	149	41.7	2.60	1.00	5.00	1.30
Above 25000	123	34.5	2.72	1.00	5.00	1.26
F val.(df:3,353)= 0.95 ns						

ns- non significant at 5 % level

It is seen from the above table that among the Bank employees, 41.7 % of them belong to less than Rs. 15,000 monthly salary group, followed by 21.3 % of them belong to Rs. 16000-20000 monthly salary group. The analysis of variance showed that there is no significant difference in the mean agreeability score among salary groups of the Bank employees. The overall mean agreeability score ranged from 2.11 to 2.78 and it is on par among monthly salary group of Bank employees.

TABLE 7: EXPERIENCE AND AIMS OF BANK'S E-HRM APPLICATIONS AIMS AT ENABLING HR PRACTICES

Experience	Bank employee		Agreeability score on Serves as self service for employees, HR staff and managers			
	No	%	Mean	Range		SD
				Min	Max	
Less than 5 years	91	27.8	4.23	0.63	2.00	5.00
6-10 years	142	43.4	4.34	0.53	3.00	5.00
11-15 years	94	28.7	4.18	0.57	3.00	5.00
Above 15 years	30	9.2	4.23	0.77	1.00	5.00
Total	357	109.2	4.26	0.59	1.00	5.00
F(3,353) val= 1.48 ns						

ns- non significant at 5 % level

It is seen from the above table that among the Bank employees, 43.4 % of the Bank employees have 6-10 years of experience, followed by 27.8 % of the Bank employees have less than 5 years of experience. The analysis of variance showed that there is no significant difference in the overall mean agreeability score among years of experience groups of the Bank employees. The overall mean agreeability score ranged from 4.18 to 4.34 and it is on par among experience group of Bank employees.

TABLE 8: MONTHLY SALARY AND OPINION ON LEVEL OF EXPERTISE IN USING HR

Monthly salary	Level of expertise in using HR			Total
	Excellent	Good	Average	
Less than Rs. 15,000		7	2	9
Rs.15,000-20,000		48	28	76
Rs.20,000-25,000	7	97	45	149
Above Rs.25,000	16	72	35	123
Total	23	224	110	357

X² calculated: 16.57*; X² table:12.6; (df=6); sig at 5% level

The significant chi-square indicates that there is association between monthly salary and Opinion on level of expertise in using HR among bank employees and it is concluded from the study that Opinion on level of expertise in using HR depends on the monthly salary of the Bank employees.

NULL HYPOTHESIS

There is no significant association between occupation and Opinion on level of expertise in using HR among the Bank employees.

TABLE 9: EXPERIENCE AND OPINION ON LEVEL OF EXPERTISE IN USING HR

Experience	Level of expertise in using HR			Total
	Excellent	Good	Average	
Less than 5 years	3	51	37	91
5-10 years	12	92	38	142
10-15 years	8	67	19	94
Above 15 years		14	16	30
Total	23	224	110	357

X² calculated: 19.90*; X² table: 18.3; (df=10) sig at 5 % level

The significant chi-square indicates that there is association between experience and Opinion on level of expertise in using HR among bank employees and it is concluded from the study that Opinion on level of expertise in using HR depends on the occupation of the Bank employees.

NULL HYPOTHESIS

There is no significant association between gender and E-HRM provides security of your personal data among the Bank employees.

FINDINGS

- The study revealed that majority of the Bank employees strongly agree on e-HR technology provides high standards of safety, counseling and welfare support to employees
- The study revealed that majority of the Bank employees are satisfied with e-HRM system in the bank.
- The overall mean agreeability score ranged from 2.60 to 2.70 and it is on par among gender groups of Bank employees.
- The overall mean agreeability score ranged from 1.80 to 2.72 and it is on par among age groups of Bank employees
- The overall mean agreeability score ranged from 2.11 to 2.78 and it is on par among monthly salary group of Bank employees.
- The overall mean agreeability score ranged from 4.18 to 4.34 and it is on par among experience group of Bank employees.
- The significant chi-square indicates that there is association between monthly salary and Opinion on level of expertise in using HR among bank employees.
- The significant chi-square indicates that there is association between experience and Opinion on level of expertise in using HR among bank employees.

RECOMMENDATIONS/SUGGESTIONS

1. At present the Employees can use E-HRM only by using Local area networks, it is suggested that they may provide with the facility of using it by internet at any place and anywhere. Many companies are doing so.
2. As smart phones are dominating, E-HRM application can be introduced.

CONCLUSIONS

Today's banking sector has been updated with information technology benefiting its customer and also providing a sophisticated environment to work. The employees are highly satisfied with the E-HRM in their banks.

LIMITATIONS

As the limitations are common to almost all the studies in social survey, the present study also has no exemption. Some of the important limitations of the study are:

1. The study was restricted to the selected Private sector banks of Coimbatore District.
2. In view of the time and monetary constraints involved, it was not quite possible to contact more than the selected number of respondents.
3. The next limitations relates to the behavior and attitude pattern of the employees and management because Human behavior is highly complex, dynamic and unpredictable nature.

SCOPE FOR FURTHER RESEARCH

The scope of the research wide, day by day the importance and role of HRM going to be highly dynamic in order to retain the human resource from competition. This study is useful to the employees, HR managers and to the IT professionals who are involved in developing E-HRM software it also helps to know the opinion of employees towards E-HRM implemented in their banks. As the scope of E-HRM is wide, the questionnaire can be altered and further studies can be under taken.

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PERFORMANCE ESCALATION THROUGH SUPPLIER RELATIONSHIP PRACTICES (SRP)

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ABSTRACT

In supply chain management strategies, supplier relationship management activities play an important role. A successful strategic alliance and integrated relationship with supplier is very much needed. It should be revolved around trust, loyalty, positive sum game (a win-win relationship), cross-functional team, achieving common goals and collaboration. Supplier Relationship Practices (SRP) entails creating closer and more collaborative relationship with key suppliers in order to uncover and realize new value and reduce risk. Relationship quality can represent a competitive advantage for dairy supply chains and should therefore be improved using tools of supplier relationship management. The research paper attempts to find out the relationship between the supplier relationship management (SRP) practices and organizational performance of Indian dairy industry. Various practices of SRP through extensive literature review are taken into account for establishing the relationship with organizational performance. Multiple regression analysis was performed on dairy plant (DP), milk cooperative (MC) and milk retailer (MR) questionnaire in order to find out the impact or role of adopted SRP practices on organizational performance matrix.

KEYWORDS

Supplier Relationship Management (SRP), Supply Chain Management (SCM), Organizational Performance, Indian Dairy Industry.

SUPPLY CHAIN MANAGEMENT PRACTICES WITH REFERENCE TO DAIRY INDUSTRY OF INDIA

Milk supply chains are more concerned with controlling of milk quality and supply fluctuations, which are unique to this sector. Perishable goods like milk require a time efficient supply chain. This perishable factor can affect the milk supply chain. Supply chain management has seen as a source of gaining competitive advantage in the business world. Due to pressures from increased competition resulting from globalization of supply, processing and distribution networks, high levels of service expectations and competitive pricing, the supply chain management has become more important in recent years. For the success of a dairy industry, efficient supply chain management is a pre-requisite. Thus, the supply chain performance of the processing units is a deciding factor for the success of the unit. The Indian supply chain for milk products is affected by abnormal wastage and poor handling. The wastage occurs because of multiple points of handling. Shortage of cold storage facilities and refrigerated transport equipment lead to inefficiencies in handling milk products. There is a compelling requirement for appropriate infrastructure for storage and transportation such as temperature controlled warehouses and vans. By practicing improved supply chain management practices, there will be a significant reduction in the wastages of milk and milk products which in turn will benefit both the farmers as well as the consumers by means of increased returns and decrease in price respectively. Supply chain management (SCM) over past two decades had played an important role on emphasizing the interdependence of buyer and supplier firms working collaboratively to improve the performance of the entire supply, which has generated huge significance in both academic and industry. In particular, with the increasing trend of business globalization, how a firm gains and retains its competitive advantage while facing domestic and international challenges has drawn a lot of attention (Huo et al., 2008; Kannan and Tan, 2005). SCM provides benefits to suppliers and customers by enhancing upstream and downstream linkages. Additionally, firms have begun to integrate their external customer-firm-supplier relationships and internal contextual factors as a mean to improve customer satisfaction, firm performance, and firm competitiveness (Ou et al., 2010). SCM has been recognized as an important issue and has generated a substantial amount of interest among managers and researchers. Since the 1980s, SCM has been regarded as one of the most effective ways for firms to improve their competitive advantage. SCM has been documented to be positively associated with enhanced competitiveness and improved firm performance (Li et al., 2006). In addition, SCM has been widely considered to be an effective management tool for firms to maintain business stability, growth, and prosperity. Supporting this claim, Harrison and New (2002) in his report show 70 percent of the respondents thought that their supply chain strategy was currently important in achieving competitive advantage and in the future 91 percent thought that this would be the case and in the same context Indian dairy industry has been dramatically increasing towards supply chain management because of recent years certain significant changes that are affecting the industry. The rapid development of globalization, shifting consumer demand, dismantling state support schemes and technological progress has so caused a declaration of industrialization of the dairy industry. Various literature shows that there are various SCM practices which have a significant role in the dairy industry in recent years because of noteworthy changes which are taking place in the market environment. Effective supply chain management (SCM) has become a potentially valuable way of securing competitive advantage and improving organizational performance since competition is no longer between organizations, but among supply chains. In fact, firms no longer competitively can survive in isolation of their suppliers, customers and other entities of the supply chain. Additionally, SCM also improves market responsiveness, reduction in logistic cost, added economic value and optimum utilization of capital cost. Substantially, SCM has been considered one of the critical areas in the development of dairy industry to meet the global market demand.

ROLE OF SUPPLIER RELATIONSHIP PRACTICES (SRP) ON INDIAN DAIRY INDUSTRY

Supplier Relationship Practices (SRP) entails creating closer and more collaborative relationship with key suppliers in order to uncover and realize the new value and reduce risk. Relationship quality can represent a competitive advantage for agri-food supply chains and should, therefore, be improved using tools of supplier relationship management. Milk buyers can build a loyal base with their suppliers as a mean to secure uninterrupted milk-supplies. One of the major efforts, which should be made, is that milk buyers are encouraged to use collaborative communication with their suppliers by having frequent communication, proper feedback and adequate information sharing with their supplier, which encourages problem-solving and avoids misunderstandings in their relationships. In supply chain management strategies, supplier relationship management activities play an important role (Wisner, 2003). Long-term relationship refers to intension that the arrangement is not going to be temporary (Chen and Paulraj, 2008). A successful strategic alliance and integrated relationship with a supplier are very much needed. It should be revolved around trust, loyalty, positive sum game (a win-win relationship), cross-functional team, achieving common goals and collaboration (Chandra and Kumar, 2000). A firm success is linked to the strength of its relationship with supply chain partners and it could reduce and increase revenue (Spekman, Kamauff, and Myhr, 1998). In today competitive business environment, companies are relying on their supply chain as a source of competitive advantage. Purchasing and supply chain management has achieved a higher level of importance. So for this purpose, there is greater dependence on the supplier. Supplier relationship management (SRP) have played a strategic role in the organization, and have significantly engaged in creating a competitive advantage and their action has a positive impact on organizational performance (Jabbour and Jabbour, 2009). Closer long-term relationships with suppliers imply the use of joint quality planning (e.g. forming of quality requirements and product specifications, use of quality control, etc.) and joint production planning (e.g. use of JIT system) between buyer and supplier (Maloni and Benton, 1997; Monczka et al., 1995). Suppliers are increasingly viewed as partners. They become more deeply involved in co-operative problem solving, in new product development and in workgroups with buyer's representatives in order to identify areas of improvement (Harland et al., 1999; Stuart and McCutcheon, 2000; Shin et al., 2000; Ragatz et al., 1997; Wynstra and Pierick, 2000; Stanley and Wisner, 2001). The main purpose of close, long-term relationships with suppliers is the achievement of high-quality products and services that satisfy customer needs. Often, suppliers lack the abilities and competencies required to deal with the high-quality standards required by their buyers. Therefore, supplier development is necessary. Supplier development

activities vary widely and they may include raising performance expectations, education and training on quality requirements and know-how for supplier personnel, recognition of supplier's achievements and performance in the form of rewards, placement of engineering and other buyer personnel at the supplier's premises and direct capital investment by the buying firm in the supplier (Krause and Ellram, 1997; Monczka et al., 1998). The relationship with the supplier is considered to be a partnership and is valuable to the firm (buyer) as it can be a source of competitive advantage. Various previous researches show that the ultimate success or failure of a supply chain alliance is determined by the level of commitment, trust, and cooperation of its members (Monczka et al., 1998; Handfield et al, 2002; Walter et al., 2003). Thus, each part must be aware of other part's needs and should align its expectations and goals with its partners' expectations and goals (Stuart and McCutcheon, 2000; Spekman et al., 1998).

RESEARCH PROBLEM

Indian dairy industry has played a prominent role in strengthening India's rural economy. It has been recognized as an instrument to bring about socio-economic transformation. The white revolution has transformed India's dairy industry. It has increased the availability of milk as well as provided a reliable source of income and employment to millions of rural families. India has the distinction of being the largest producer of milk in the world for which the credit goes to operation flood program that has linked rural farmers to urban cities. Keeping pace with the country's increasing demand for milk and milk products, the industry has been growing rapidly. It has been seen that Indian dairy industry comes a long way over the years from a milk production of 55.7 MT in 1991-92 to 135 million tons by 2015 and it is estimated to reach 180 million tons by 2021-22. Presently, the Indian dairy market is growing at an annual rate of 7 percent. Despite the increase in production, a demand-supply gap has become imminent in the dairy industry due to the changing consumption habits, dynamic demographic patterns, and the rapid urbanization of rural India. It means that there is an urgent need for the higher growth rate of the dairy sector to match the rapidly growing Indian economy. Despite being one of the largest milk producing countries in the world, India accounts for a negligible share in the worldwide dairy trade. So, in order to retain and sustain in a highly competitive business environment of global dairy industry, companies are now trying to improve their organizational performance and achieve competitive advantage. The entire competition in dairy industry revolves around two prominent factors i.e., quality and availability. Quality and availability of dairy products become crucial due to the high degree of product perishability, which requires altogether a different kind of supply chain commonly known as Cold Chain. So the research problem of the research is basically revolved around the supplier relationship practices of the dairy industry. In nutshell, the problem of research lies in the optimization of dairy industries supply chain so as to meet the future domestic requirements and remain competitive in global markets. The present research study tried to find the actual happenings and accordingly analyze the mechanism for betterment in those processes so as to create a win-win situation for all the stakeholders of the dairy supply chain.

RESEARCH QUESTION

How to manage and strategize the supplier relationship practices (SRP) in a way that the Indian dairy industry improves its performance and achieves competitive advantage?

OBJECTIVES OF THE STUDY

The objectives of the study are derived from the research problem. The objectives of the study are listed as:

1. To critically analyze the impact of adopted supplier relationship practices (SRP) on the organization's performance.
2. To suggest a roadmap for improving the performance of the Indian dairy industry through supplier relationship practices (SRP).

RESEARCH METHODOLOGY

RESEARCH HYPOTHESES

The study has been carried out with following alternate hypotheses:

H1: Supplier relationship practices would serve as an enabler to improve organizational performance.

RESEARCH DESIGN

The proposed research is a kind of exploratory study aimed at finding out the nitty-gritty of the Indian dairy supply chain management, followed by a descriptive research design which helps in evaluating the impact of supplier relationship practices (SRP) on the dairy industry.

SAMPLING OF THE INDIAN DAIRY INDUSTRY

Supply chain in the Indian dairy industry start from milk production, which is brought about by large scale, medium scale and small or marginal farmers and executed by various milk cooperative societies; from there, milk moves to the dairy processing plants where storing, chilling, processing, packaging, and transportation are done under the supervision of the plant manager and after that processed milk and milk products are distributed and marketed to various milk retail outlets, supermarkets etc. from where they reach to the end consumers. So, keeping that in mind the research is being carried out with three identified group of respondents, who are basically the supply chain members of the dairy industry.

- A. Milk Processing Unit (Chilling, Processing, Packaging and Transportation)
- B. Milk collection center (Milk Cooperative Societies, Contractors of Private Dairies)
- C. Retailers (Marketing and Distribution)

POPULATION

Population means the aggregate of all the elements sharing some common set of characteristics that comprises the universe for the purpose of the research problem. The proposed research covers three groups of respondent, which are given below:

- A. First group of respondents (Milk Processing Unit) – All milk processing units operating in UP and New Delhi-NCR.
- B. Second group of respondents (Milk Collection Centre) -- All milk collecting centers situated in UP and New Delhi-NCR.
- C. Third group of respondents (Retailers) -- All the retailers selling milk and milk products in UP and New Delhi-NCR.

SAMPLE FRAME

It is the representation of the elements of the target population and consists of a list or set of directions for identifying the target population. The sample frame of the research is identified as:

- A. First group of respondents (Milk Processing Unit) -- All registered milk processing units situated in UP and New Delhi-NCR i.e. 59.
- B. Second group of respondents (Milk Collection Centre) -- All associated milk collection centers with registered milk processing units in UP and New Delhi-NCR.
- C. Third group of respondents (Retailers) -- All associated retailers with registered milk processing units in UP and New Delhi-NCR.

SAMPLE UNITS

The sample units of the research are as follows:

- A. First group of respondents (Milk Processing Unit) – Individual registered milk processing unit.
- B. Second group of respondents (Milk Collection Centre) -- Individual milk collection center associated with a registered milk processing unit.
- C. Third group of respondents (Retailers) -- Individual milk retail store owner.

SAMPLING TECHNIQUES & SIZE OF SAMPLE

- First group of respondents (Milk Processing Unit) – Judgmental sampling based on the market position of the organization and plant production capacity (i.e. one lakh liter per day), has been being opted for to select the various milk processing units. Ten dairy plants have been taken and from each dairy plant, three respondents i.e., head of the dairy company, operations head, and marketing head were targeted for the study, which renders the sample size to be thirty respondent.

- Second group of respondents (Milk Collection Centre) -- Simple Random Sampling has been used on the provided list of milk collection centers associated with the selected milk processing unit. Randomly, five milk cooperative units have been selected from each milk processing unit, which turned out to be fifty milk cooperatives.
- Third group of respondents (Retailers) – Simple random sampling has been used to select retail outlets from each selected milk processing unit. Ten milk retail outlets have been selected from each milk processing unit, which turned out to be a hundred milk retail outlets.

PRIMARY DATA SOURCES

Primary data is collected through survey method using structured questionnaire for all four respondents i.e. 10 dairy companies operating in UP and New Delhi-NCR region, and from each dairy plant 3 respondents were taken i.e. head of the dairy plant, marketing head of dairy plant and operation head of the dairy plant, so total sample size is 30. 50 milk cooperative societies which are associated with dairy companies, 100 milk retailers associated with dairy companies and 1000 customers who are consuming milk and milk products.

STRUCTURE OF QUESTIONNAIRE

The study used various variables. A variable is something that changes. It changes according to different factors. Some variables change easily while other variables are almost constant. A study often seeks to measure variables. The variable can be a number, a name, or anything where the value can change. The study defines variables according to objectives. As per my research sample plan, there are four respondents for which four structured questionnaires have been developed which needed to be different for a different group of respondents. The three categories of respondents are given below.

- Milk Processing Units
- Milk Collection Centers
- Retailers

PRE-TESTING AND ADMINISTERING THE QUESTIONNAIRE

The researcher pre-tested the questionnaire by administering it to experts in academics and dairy industry. The academicians were senior professors of the Institute of Agricultural Sciences, BHU (especially the dairy department), Institute of Management Studies-BHU and managers who work in dairies companies such as Parag Dairy etc. The questionnaire was ‘self-administered’ to the respondents.

MEASUREMENT AND SCALING DESIGN

‘Measurement’ means assigning numbers or other symbols to characteristics of objects, according to certain pre-specified rules. The most important aspect of measurement is the specification of rules for assigning numbers to characteristics (Malhotra, 2007).

FOR DAIRY PLANT, MILK COOPERATIVE AND MILK RETAILER

Primarily, two types of scale were used as agreement continuum and adoption continuum (on five point Likert type scale) for the three respondents’ i.e. dairy plant, milk cooperative and milk retailer, which help in assessing the response of the respondents such as:

- Agreement continuum for measuring agreement level of these three respondents for the concerned practices
- Adoption continuum for measuring adoption level of these three respondents for the concerned practices

These meaning of the two continuums is stated below:

Agreement continuum

1= Strongly Disagree, 2= Disagree, 3= Indifferent, 4= Agree, 5= Strongly Agree

Adoption continuum

1= Will not adopt at all, 2= Not adopted, 3= Indecisive for adoption, 4= partly adopted, 5= Fully adopted.

Besides that, a few questions were on the dichotomous scale.

VALIDITY AND RELIABILITY

The reliability of this study was checked by the internal consistency method. Internal consistency estimates reliability by grouping the questions in a questionnaire that measure the same concept. One common way of computing correlation values among the questions on the instruments is by using Cronbach’s Alpha.

The content validity of the instrument is the extent to which it provides adequate coverage of the investigative questions guiding the study. A good way to check content validity is to use a panel of persons to judge how well the instrument meets the standards (Cooper & Schindler, 2006). The validity of the instrument was checked by administering it to various experts in the academia and industry during pre-testing.

DATA ANALYSIS DESIGN

Multiple regression analysis was performed on dairy plant (DP), milk cooperative (MC) and milk retailer (MR) questionnaire in order to find out the impact or role of adopted SRP practices on organizational performance matrix.

Cronbach’s alpha for dairy plant (DP), milk cooperative (MC) and milk retailer (MR) Questionnaire was calculated as .827, 0.831 and 0.826 respectively. The values were more than 0.6 showing a high correlation, indication scale is having high reliability.

MULTIPLE REGRESSION ANALYSIS

[On Dairy Plant Employee’s Opinion on Performance Metrics]

Multiple regression analysis, in stepwise selection mode, was carried out to identify key predictors for dependent variables, using SPSS 16.0 software. Predictor variables for the analysis were as per the questions of the questionnaire for respondents. Dependent variables were the question statements in the performance metrics of the questionnaire. Based on multiple regression model summaries, inferences about predictors were deduced for each of the dependent variables.

Summary of Multiple Regression Analysis of the dependent variable, “Level of Supplier’s Defect Free Deliveries” is given in Table 1.

TABLE 1: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	(SRP)	.667	4.732	.000	.444	.424	22.391	.000

For dependent variable ‘Level of supplier’s defect-free deliveries’, one significant predictor variables was found i.e. supplier relationship practices (SRP), (F=22.391, p=0.000). The variable has a positive significant correlation with the dependent variable.

At step I, supplier relationship practices (SRP), entered into the regression analysis. The value of adjusted R² (= .424) indicated that the maximum amount of various in response to queries was attributable to supplier relationship practices (SRP).

Standardized Beta coefficients, .667 (p=.000) for the one predictor variable, of multiple regression analysis indicated that one unit increase in the supplier relationship practices (SRP) was likely to significantly increase the mean value of dependent variable, distribution cost, by .667 unit.

Summary of Multiple Regression Analysis of the dependent variable, “On Time Delivery” is given in Table 2.

TABLE 2: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	SRP	.802	7.094	.000	.643	.630	18.958	.000

For dependent variable ‘on time delivery’, one significant predictor variable was found i.e. supplier relationship practices (SRP), (F=18.958, p=0.000). The variable has a positive significant correlation with the dependent variable.

At step I, supplier relationship practices (SRP), entered into the regression analysis. The value of adjusted R² (= .630) indicated that the maximum amount of various in response to queries was attributable to supplier relationship practices (SRP).

Standardized Beta coefficients, .802 (p=.000), for the one predictor variables, of multiple regression analysis indicated that one unit increase in the Supplier relationship practices (SRP) was likely to significantly increase the mean value of dependent variable, on time delivery, by .802 unit.

Summary of Multiple Regression Analysis of the dependent variable, "Backorder Rate" is given in Table 3.

TABLE 3: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	(SRP)	.761	6.212	.000	.580	.568	10.597	.000

For dependent variable 'backorder rate', one significant predictor variables was found; SRP, and (F=10.597, p=0.000). These variables had a positive significant correlation with the dependent variable.

At step I, supplier relationship practices, entered into the regression analysis. The value of adjusted R² (= .568) indicated that the maximum amount of various in response to queries was attributable to information and communication technology practices.

Standardized Beta coefficients, .761 (p=.000), for the one predictor variables, of multiple regression analysis indicated that one unit increase in the Supplier relationship practices was likely to significantly increase the mean value of dependent variable, backorder rate, by .761 unit.

Summary of Multiple Regression Analysis of the dependent variable, "Cash to Cash Cycle" is given in Table 4.

TABLE 4: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	SRP	.628	4.276	.000	.395	.373	14.837	.000

For dependent variable 'on cash to cash cycle', one significant predictor variables was found i.e. supplier relationship practices (SRP), (F=14.837, p=0.000). The variable has a positive significant correlation with the dependent variable.

At step I, supplier relationship practices, entered into the regression analysis. The value of adjusted R² (= .373) indicated that the maximum amount of various in response to queries was attributable to supplier relationship practices.

Standardized Beta coefficients, .628 (p=.000) for the one predictor variable, of multiple regression analysis indicated that one unit increase in the supplier relationship practices was likely to significantly increase the mean value of dependent variable, cash to cash cycle, by .628 unit.

MULTIPLE REGRESSION ANALYSIS

[Milk Cooperative Employee's Opinion on Performance Metrics]

Summary of Multiple Regression Analysis of the dependent variable, "Procurement Cost" is given in Table 5.

TABLE 5: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	SRP	.286	2.066	.044	.082	.063	4.268	.044

For dependent variable 'procurement cost', one significant predictor variables was found i.e. supplier relationship practices (SRP) (F=4.268 p=0.044). The variables had a positive significant correlation with the dependent variable.

At step I, supplier relationship practices (SRP), entered into the regression analysis. The value of adjusted R² (= .063) indicated that the maximum amount of various in response to queries was attributable to supplier relationship practices (SRP).

Standardized Beta coefficients, .286 (p=.044), for the one predictor variables, of multiple regression analysis indicated that one unit increase in the supplier relationship practices (SRP) was likely to significant increase the mean value of the dependent variable, procurement cost, by .286 unit.

Summary of Multiple Regression Analysis of the dependent variable, "Level of Supplier Defect Free" is given in the Table 6.

TABLE 6: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	SRP	.284	2.049	.046	.080	.061	4.200	.046

For dependent variable 'level of supplier defect free', one significant predictor variables was found i.e. supplier relationship practices (SRP) (F=4.964, p=0.031). The variable has a positive significant correlation with the dependent variable.

At step I, supplier relationship practices (SRP), entered into the regression analysis. The value of adjusted R² (= .061) indicated that the maximum amount of various in response to queries was attributable supplier relationship practices (SRP).

Standardized Beta coefficients, .284 (p=.046), for the one predictor variable, of multiple regression analysis indicated that one unit increase in the Supplier relationship practices (SRP) was likely to significantly increase the mean value of dependent variable, sales growth, by .284 unit.

MULTIPLE REGRESSION ANALYSIS

[Milk Retailer Employee's Opinion on Performance Metrics]

Summary of Multiple Regression Analysis of the dependent variable, "Order Fulfillment Cycle Time" is given in Table 7.

TABLE 7: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	SRP	.298	3.085	.003	.089	.079	5.887	.017

For dependent variable 'order fulfillment cycle time', one significant predictor variable was found i.e. supplier relationship practices (SRP) (F=5.887, p=0.017). These variables had a positive significant correlation with the dependent variable.

At step I, supplier relationship practices, entered into the regression analysis. The value of adjusted R² (= .079) indicated that the maximum amount of various in response to queries was attributable to supplier relationship practices.

Standardized Beta coefficients, .298 (p=.003), for the one predictor variable, of multiple regression analysis indicated that one unit increase in the supplier relationship practices was likely to significantly increase the mean value of dependent variable, order fulfillment cycle time by .298 unit.

Summary of Multiple Regression Analysis of the dependent variable, "Cash to Cash Cycle" is given in Table 8.

TABLE 8: MULTIPLE REGRESSION ANALYSIS SUMMARY TABLE

Step No.	Predictor Variables Entered	Standardized Beta Coefficients	T	Sig. (p)	R	Adjusted R ²	F	Sig. (p)
I	SRP	.302	3.095	.002	.089	.080	4.709	.000

For dependent variable 'cash to cash cycle', one significant predictor variables was found i.e. supplier relationship practices (SRP) (F=4.709, p=0.000). The variable has a positive significant correlation with the dependent variable.

At step I, supplier relationship practices, entered into the regression analysis. The value of adjusted R² (= .080) indicated that the maximum amount of various in response to queries was attributable to supplier relationship practices.

Standardized Beta coefficients, .302 (p=.002), for the one predictor variables, of multiple regression analysis indicated that one unit increase in the supplier relationship practices was likely to significantly increase the mean value of dependent variable, cash to cash cycle by .302 unit.

HYPOTHESIS TESTING**SUPPLIER RELATIONSHIP PRACTICES WOULD SERVE AS AN ENABLER TO IMPROVE ORGANIZATIONAL PERFORMANCE (H1).**

Multiple regression analysis was performed to check the proposed hypothesis on DP, MC, and MR. As per analysis discussed earlier, supplier relationship practices (SRP) emerged as organization performance predictor variables such as level of supplier's defect-free deliveries, on time delivery, backorder rate, on time delivery, cash to cash cycle time in the case of the dairy plant (DP). Similarly, supplier relationship practices (SRP) linked with procurement cost and level of supplier's defect-free deliveries performance predictor of the milk cooperative (MC). For milk retailer (MR), supplier relationship practices (SRP) is associated with order fulfillment cycle time and cash to cash cycle time.

In conclusion, the alternate hypothesis (H1) is accepted for all the dairy supply chain members i.e., DP, MC & MR.

CONCLUSION BASED ON MULTIPLE REGRESSION ANALYSIS ON PERFORMANCE METRICS [APPEARING ONLY IN DAIRY PLANT (DP), MILK COOPERATIVE (MC) AND MILK RETAILER (MR) QUESTIONNAIRE]

Multiple regression analysis was performed on dairy plant (DP), milk cooperative (MC) and milk retailer (MR) questionnaire in order to find out the impact or role of adopted SRP practices on organizational performance matrix.

From the above analysis for dairy plant, it was found out that there are various organizational performance parameter i.e. level of supplier's defect-free deliveries", "on time delivery", "backorder rate" and cash to cash cycle time" which were dependent on adopted SRP practices.

Similarly, multiple regression analysis was performed on milk cooperative (MC) and milk retailer (MR) questionnaire and was found that there are various organizational performance parameter i.e. "procurement cost", and "level of supplier's defect-free deliveries", for milk cooperative and "cash to cash cycle time", for milk retailer were dependent on adopted SRP practices.

So, it can be concluded from the above mentioned result that there is significant impact or role of adopted SRP practices on organizational performance matrix.

RECOMMENDATIONS BASED ON MULTIPLE REGRESSION ANALYSIS ON PERFORMANCE METRICS [FOR DAIRY PLANT (DP), MILK COOPERATIVE (MC) AND MILK RETAILER (MR) QUESTIONNAIRE]

For the dairy plant, four performance parameters were found dependent supplier relationship practices (SRP). Firstly, level of supplier's defect-free deliveries is dependent on SRP practices. SRP entails creating closer and more collaborative relationship with key suppliers in order to uncover and realize the new value and reduce risk. Relationship quality can represent a competitive advantage for dairy supply chains and should, therefore, be improved using tools of supplier relationship management. Milk buyers can build a loyal base with their suppliers as a mean to secure uninterrupted and defect free milk-supplies. One of the major efforts, which should be made, is that milk buyers are encouraged to use collaborative communication with their suppliers by having frequent communication, proper feedback and adequate information sharing with their supplier, which encourages problem solving and avoids misunderstandings in their relationships. Secondly, on time delivery is dependent on supplier relationship practices. Supplier selection processes comprise of criteria of selection, supply base optimization and commitment of buyer-supplier dyads in continuous improvement etc. Dairy companies should develop the criteria of selection and make the supplier selection process objective and transparent. The interaction between dairy companies and their suppliers will become systematized leading to a system based quick response to suppliers queries. Supplier relationship processes need to be developed and strengthened. Long-term relationships between buyer and supplier will result in greater mutual understanding and enhance people to people contact. A mutual relationship leads to courteous behavior between the persons and organizations. Relationship maintenance mechanisms such as supplier meets, handling of suppliers complaints, continuous improvement program involvement of key suppliers in product development process, risk and reward sharing, supplier involvement in planning & goal setting build the strong supplier relationship, which further ensures the movement of material en time from supplier end to customer end. Thirdly, backorder and cash to cash cycle time are dependent on supplier relationship practices. Dairy companies should rely on few dependable key suppliers. They should consider quality as a preferred criterion in selecting suppliers. Dairy companies need to regularly solve the problems jointly with suppliers and follow continuous improvement programs with key suppliers. Dairy companies should actively involve key suppliers and key customers in new product development processes and also develop an efficient procurement system for finding long-term supply chain partners which will finally help in minimizing the backorder rate. Dairy companies should use electronic mode of transaction and e-procurement for minimizing cash to cash cycle time. An online payment facility reduces the cash to cash cycle time.

Similarly, for the milk cooperative, two performance parameters were found dependent supplier relationship practices (SRP). Firstly, Procurement cost is dependent on 'supplier relationship management' (SRM) of the milk cooperative. Milk cooperative should ensure that the activities related with minimizing procurement cost get momentum from 'supplier relationship management' (SRM) practices. Procurement cost is the cost involved in obtaining all goods, services, capacity which is necessary for running, maintaining, and managing the firm's primary and support activities at the most favorable condition. Milk cooperative should adopt good supplier relationship practices (SRP) which entails creating closer and more collaborative relationship with key suppliers in order to uncover and realize new value and reduce risk. Relationship quality can represent a competitive advantage for dairy supply chains and should therefore be improved using tools of supplier relationship management. Milk buyers can build a loyal base with their suppliers as a mean to secure uninterrupted milk-supplies. One of the major efforts which should be made is that milk buyers are encouraged to use collaborative communication with their suppliers by having frequent communication, proper feedback and adequate information sharing with their supplier which encourages problem solving and avoids misunderstandings in their relationships. Secondly, level of supplier's defect-free deliveries is dependent on SRP practices which are defined in dairy plant.

Likewise, for the milk retailer, one performance parameters was found dependent supplier relationship practices (SRP). Cash to cash cycle time are dependent on supplier relationship practices. Milk retailers should use electronic mode of transaction and e-procurement for minimizing cash to cash cycle time. An online payment facility reduces the cash to cash cycle time. Milk retailers need to develop a communication system for smoothen the continuous information exchange with their supply chain partners which is also required for demand & supply forecasting, production planning, inventory management and sharing knowledge of core business processes with supply chain partners.

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WORKING OF NEURONS IN ARTIFICIAL NEURAL NETWORKS

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ABSTRACT

The biologically inspired methods of computing are thought to be the next major advancement in the computing industry. Even simple animal brains are capable of functions that are currently impossible for computers. Computers do rote things well, like keeping ledgers or performing complex math. But computers have trouble recognizing even simple patterns much less generalizing those patterns of the past into actions of the future. This paper includes brain modeling also promises a less technical way to develop machine solutions.

KEYWORDS

artificial neural networks, computing industry.

1. INTRODUCTION

Artificial Neural Networks are relatively crude electronic models based on the neural structure of the brain. The brain basically learns from experience. It is a natural proof that some problems that are beyond the scope of current computers are indeed solvable by small energy efficient packages. This brain modeling also promises a less technical way to develop machine solutions. This new approach to computing also provides a more graceful degradation during system overload than its more traditional counterparts.

Now, advances in biological research promise an initial understanding of the natural thinking mechanism. This paper shows that brains store information as patterns. Some of these patterns are very complicated and allow us the ability to recognize individual faces from many different angles. This process of storing information as patterns, utilizing those patterns, and then solving problems encompasses a new field in computing. This field, as mentioned before, does not utilize traditional programming but involves the creation of massively parallel networks and the training of those networks to solve specific problems. This field also utilizes words very different from traditional computing, words like behave, react, self-organize, learn, generalize, and forget.

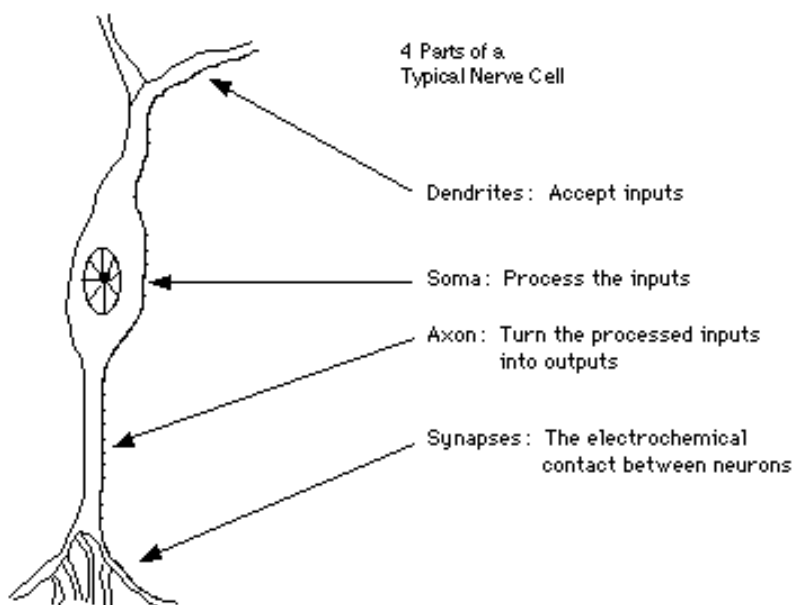
2. ANALOGY TO THE BRAIN

The exact workings of the human brain are still a mystery. Yet, some aspects of this amazing processor are known. In particular, the most basic element of the human brain is a specific type of cell, which, unlike the rest of the body, does not appear to regenerate. Because this type of cell is the only part of the body that isn't slowly replaced, it is assumed that these cells are what provide us with our abilities to remember, think, and apply previous experiences to our every action. These cells, all 100 billion of them, are known as neurons. Each of these neurons can connect with up to 200,000 other neurons, although 1,000 to 10,000 is typical. The power of the human mind comes from the sheer numbers of these basic components and the multiple connections between them. It also comes from genetic programming and learning.

The individual neurons are complicated. They have a myriad of parts, sub-systems, and control mechanisms. They convey information via a host of electrochemical pathways. There are over one hundred different classes of neurons, depending on the classification method used. Together these neurons and their connections form a process, which is not binary, not stable, and not synchronous. In short, it is nothing like the currently available electronic computers, or even artificial neural networks.

3. ARTIFICIAL NEURONS AND HOW THEY WORK

The fundamental processing element of a neural network is a neuron. This building block of human awareness encompasses a few general capabilities. Basically, a biological neuron receives inputs from other sources, combines them in some way, performs a generally nonlinear operation on the result, and then outputs the final result. Figure below shows the relationship of these four parts.

FIGURE 1: A SIMPLE BIOLOGICAL NEURON

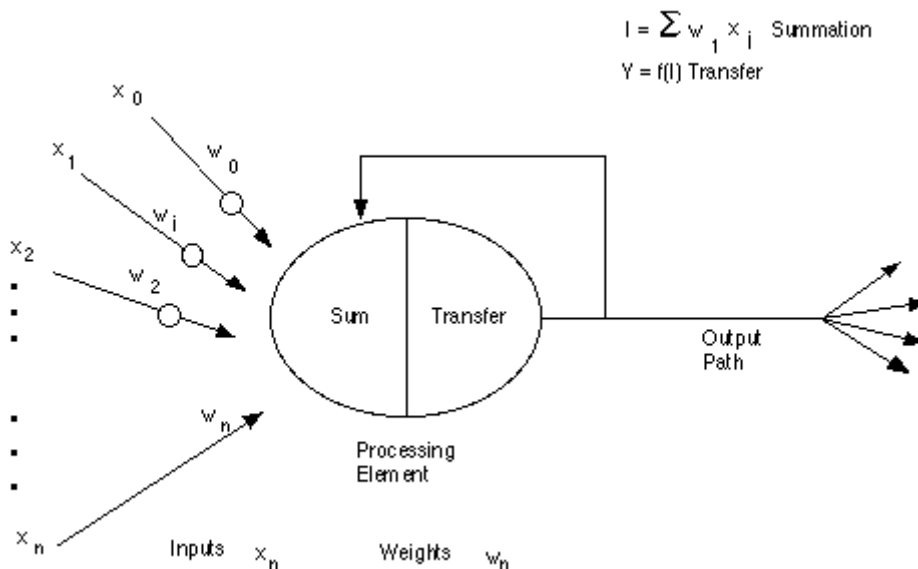
Within humans there are many variations on this basic type of neuron, further complicating man's attempts at electrically replicating the process of thinking. Yet, all natural neurons have the same four basic components. These components are known by their biological names - dendrites, soma, axon, and synapses. Dendrites are hair-like extensions of the soma, which act like input channels. These input channels receive their input through the synapses of other neurons. The soma then processes these incoming signals over time. The soma then turns that processed value into an output, which is sent out to other neurons through the axon and the synapses.

Recent experimental data has provided further evidence that biological neurons are structurally more complex than the simplistic explanation above. They are significantly more complex than the existing artificial neurons that are built into today's artificial neural networks. As biology provides a better understanding of neurons, and as technology advances, network designers can continue to improve their systems by building upon man's understanding of the biological brain.

But currently, the goal of artificial neural networks is not the grandiose recreation of the brain. On the contrary, neural network researchers are seeking an understanding of nature's capabilities for which people can engineer solutions to problems that have not been solved by traditional computing.

To do this, the basic unit of neural networks, the artificial neurons, simulates the four basic functions of natural neurons. Figure below shows a fundamental representation of an artificial neuron.

FIGURE 2: A BASIC ARTIFICIAL NEURON



In above Figure, various inputs to the network are represented by the mathematical symbol, $x(n)$. Each of these inputs are multiplied by a connection weight. These weights are represented by $w(n)$. In the simplest case, these products are simply summed, fed through a transfer function to generate a result, and then output. This process lends itself to physical implementation on a large scale in a small package. This electronic implementation is still possible with other network structures, which utilize different summing functions as well as different transfer functions.

Some applications require "black and white," or binary, answers. These applications include the recognition of text, the identification of speech, and the image deciphering of scenes. These applications are required to turn real-world inputs into discrete values. These potential values are limited to some known set, like the ASCII characters or the most common 50,000 English words. Because of this limitation of output options, these applications don't always utilize networks composed of neurons that simply sum up, and thereby smooth, inputs. These networks may utilize the binary properties of ORing and ANDing of inputs. These functions, and many others, can be built into the summation and transfer functions of a network.

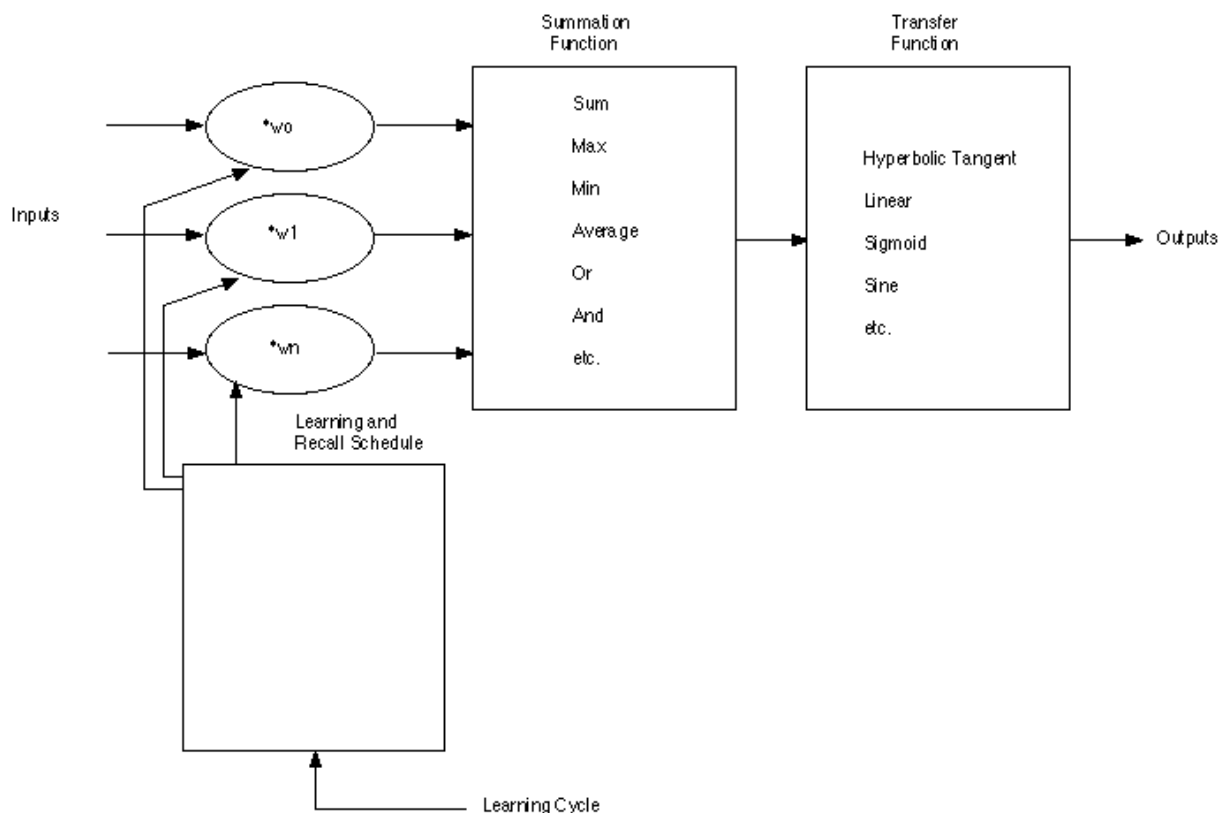
Other networks work on problems where the resolutions are not just one of several known values. These networks need to be capable of an infinite number of responses. Applications of this type include the "intelligence" behind robotic movements. This "intelligence" processes inputs and then creates outputs, which actually cause some device to move. That movement can span an infinite number of very precise motions. These networks do indeed want to smooth their inputs, which, due to limitations of sensors, come in non-continuous bursts, say thirty times a second. To do that, they might accept these inputs, sum that data, and then produce an output by, for example, applying a hyperbolic tangent as a transfer functions. In this manner, output values from the network are continuous and satisfy more real world interfaces.

Other applications might simply sum and compare to a threshold, thereby producing one of two possible outputs, a zero or a one. Other functions scale the outputs to match the application, such as the values minus one and one. Some functions even integrate the input data over time, creating time-dependent networks.

4. ELECTRONIC IMPLEMENTATION OF ARTIFICIAL NEURONS

In currently available software packages these artificial neurons are called "processing elements" and have many more capabilities than the simple artificial neuron described above. Those capabilities will be discussed later in this report. Figure 2.2.3 is a more detailed schematic of this still simplistic artificial neuron.

FIGURE 3: A MODEL OF A "PROCESSING ELEMENT"

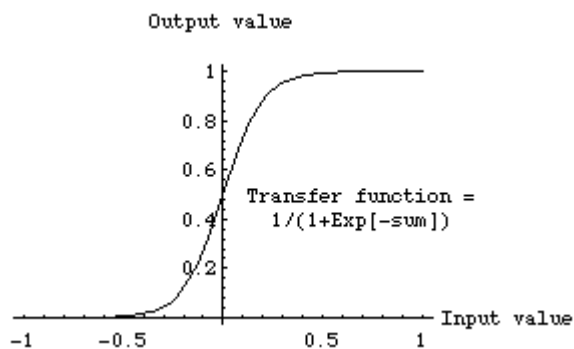


In Above Figure, inputs enter into the processing element from the upper left. The first step is for each of these inputs to be multiplied by their respective weighting factor (w(n)). Then these modified inputs are fed into the summing function, which usually just sums these products. Yet, many different types of operations can be selected. These operations could produce a number of different values, which are then propagated forward; values such as the average, the largest, the smallest, the ORed values, the ANDed values, etc. Furthermore, most commercial development products allow software engineers to create their own summing functions via routines coded in a higher-level language (C is commonly supported). Sometimes the summing function is further complicated by the addition of an activation function which enables the summing function to operate in a time sensitive way.

Either way, the output of the summing function is then sent into a transfer function. This function then turns this number into a real output via some algorithm. It is this algorithm that takes the input and turns it into a zero or a one, a minus one or a one, or some other number. The transfer functions that are commonly supported are sigmoid, sine, hyperbolic tangent, etc. This transfer function also can scale the output or control its value via thresholds. The result of the transfer function is usually the direct output of the processing element. An example of how a transfer function works is shown in Figure below.

This sigmoid transfer function takes the value from the summation function, called sum in the Figure below, and turns it into a value between zero and one.

FIGURE 4: SIGMOID TRANSFER FUNCTION



Finally, the processing element is ready to output the result of its transfer function. This output is then input into other processing elements, or to an outside connection, as dictated by the structure of the network.

All artificial neural networks are constructed from this basic building block - the processing element or the artificial neuron. It is variety and the fundamental differences in these building blocks, which partially cause the implementing of neural networks to be an "art."

5. CONCLUSION

The artificial neural networks try to replicate only the most basic elements of this complicated, versatile, and powerful organism. They do it in a primitive way. But for the software engineer who is trying to solve problems, neural computing was never about replicating human brains. It is about machines and a new way to solve problems.

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STUDY ON INDIAN BANKS USING GREEN BANKING

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ABSTRACT

Change is the need of hour for survival in all spheres. The world has been focused on economic progress and mankind has made giant steps in its journey through time. The side effects of the development process have, however, also been equally enormous loss of biodiversity, climatic change, environmental damage, etc. Bank is also not the exception for this. The present era of industrialization and globalization has added a lot of comfort and luxury to human life but has also lead to an alarming situation of huge environmental degradation incorporated with all the involved activities. Today, the entire sector in the world economy is facing huge challenge to deal with the environmental problems and their related impacts in their day to day businesses. Not only the business firms have realized the importance of the environment but also more than that an immense awareness is seen among the consumers and general public for the same. Due to all these reasons, the business organizations have started modifying their activities and Techniques so as to protect our natural resources and environment. In this context, the financial sector and especially the banks can play an important role in promoting environmental sustainability. In This research paper, we will discuss initiatives taken by Indian Banks in Green Marketing

KEYWORDS

Indian banks, green banking.

INTRODUCTION TO GREEN BANKING

 Green Banking is like a normal bank, which considers all the social and environmental factors; it is also called as an ethical bank. Ethical banks have started with the aim of protecting the environment. These banks are like a normal bank, which aims to protect the environment, and it is controlled by same authorities as what a traditional bank do. Green banking is like a normal bank, which considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an ethical bank or a sustainable bank. They are controlled by the same authorities but with an additional agenda toward taking care of the Earth's environment / habitats / resources. For banking professionals green banking involves the tenets of sustainability, ethical lending, conservation and energy efficiency. There are many differences compared with normal banking, Green Banks give more weight to environmental factors, their aim is to provide good environmental and social business practice, they check all the factors before lending a loan, whether the project is environmental friendly and has any implications in the future.

The problem related to environment, maintaining the ecological balance and environmental sustainability has become issues for debate around the globe. The organizations as well as consumer have understood the importance of the environment for the survival of human beings. The green movement has got an attention and expanding rapidly in developed countries but with the time there is increasing receptiveness among consumers about going green in Indian subcontinent also. Green approach is not benefiting only the environment but it is beneficial for organizations in many ways. Various studies have shown the positive relation between the environmental performance and financial performance. Along with environmental benefits, the ecological activities of the organizations have also resulted in operating profit, cost savings and increased competitiveness

Considering the benefit of going green, the Indian banks have also adopted the 'Green Banking' approach in the past few years and taking various green initiatives on all possible scales to be more environmentally responsible.

In 2005, HSBC became the first major bank to address climate change by becoming carbon neutral. By instigating an industry-leading carbon-management plan, HSBC gained the credibility to launch its Effie Award-winning "There's No Small Change" U.S. retail marketing program in spring 2007.

GREEN BANKING INITIATIVES TAKEN BY INDIAN PUBLIC AND PRIVATE SECTOR BANKS

THE GREEN BANKING INITIATIVES TAKEN BY SBI

- (a) Launched Green channel counter facilities in the year 2010 in some of its branches and planning to extend it in more branches. An environmental friendly approach that helps to make paperless banking up to some extent
- (b) Collaboration with Suzlon Energy Ltd. to use wind power at the place of thermal power in its business operations and currently using wind power in its most of offices located in Gujarat, Tamil Nadu and Maharashtra
- (c) Initiated the carbon disclosure projected in the financial sector in India, for the sake of environmental concern and safety
- (d) SBI and Export- Import Bank of India (EXIM Bank) both jointly provide a long term loan (up to 14 years) to a Spain based companies Grupo T- Solar Global SA and Astonfield Renewable Resources for building solar plant in India. Most of the financial institutions avoid giving long term loans to such projects because of their uncertainty and technological changes.

THE GREEN BANKING INITIATIVES TAKEN BY PUNJAB NATIONAL BANK

- (a) Bank has started using energy efficient appliances & conducting the electricity auditing of their offices. On the other side the bank is also accenting on green infrastructure.
- (b) A separate green audit sheet is being employed by the bank to access the impact of various green banking initiatives implemented in the bank.
- (c) The bank has conjointly placed guidelines for supply the term loan to the business units and commercial projects that are producing renewable energy and special guidelines has been issued to curb the units that use environmental depleting substances.
- (d) In the year 2010-11 the bank has sanctioned nine commercial projects of wind energy comes with total sum of Rs. 1850.81 million to push and develop the renewable supply of energy. Source: Punjab National Bank, Corporate Social Responsibility Report 2010- 2011.

GREEN BANKING INITIATIVES OF ICICI BANK

- (a) Providing green banking facilities such as mobile banking, net banking which reduces the use of paper as well as save the consumer time helping the bank in earning its carbon footprint.
- (b) The bank is working with Green Business Centre in collaboration with other business organization having focus on promoting green building, energy efficiency, recycling etc.
- (c) The bank has aided varied activities that helped in widespread of the ISO: 14000, which is associated in providing Environment Management System Certification. Within the past they worked with industries like textiles, pulp, cement, and paper and to encourage them for this method of certification
- (d) Providing 50% relinquishment on the processing fee of selective car models that uses alternate mode of energy like LPG (Liquefied petroleum Gas) & CNG (Compressed Natural Gas).
- (e) Recently the bank has given the loan fund of rs. One billion to the companies venturing into energy economical and environment friendly process. Alongside that bank has additionally served and promoting the use of unpolluted technology in STBSS coal washery & Reva electric Car Company.

GREEN BANKING INITIATIVES OF HDFC BANK

- (a) Reduction in paper usage by issuing e-transaction advices to corporate customers & encouraging e-statements among retail customers.
- (b) Energy conservation by conventional light options by CFLs, and establishing green data centres.
- (c) Tying up with vendors for paper and plastic recycling & IT policy is strictly followed for disposing the IT assets due for retirement.
- (d) For exploring the renewable energy, 20 solar ATMs have been set up in the Bihar as the pilot test and furthermore will be set up after it.
- (e) Focusing on green procurement by purchasing energy star rated electronic products & purchasing diesel generator set and air conditioner that are compliant with the norms of central pollution control Board (PCCB). Source: HDFC Bank, Business Responsibility Report 2012-2013

GREEN BANKING INITIATIVES OF AXIS BANK

- (a) Under the Green Banking Initiatives the bank uses the theme of Reduce, Recycle, and Reuse. The recycling activities have helped the bank to use around 22000 kilograms of dry waste during the year 2012.
- (b) The banking is also providing facilities like internet banking, mobile banking to reduce the use of paper and earn carbon credit for the bank.
- (c) Providing the facility of e-statement registration to the customers and on each registration bank donates a notebook to the poor.
- (d) Various green initiatives such as distribution of tree saplings and creating awareness among society have been taken by the bank

CONCLUSION

Green banking refers to the initiatives taken by the banks to encourage environment friendly investment. Green banking is a concept proactive and smart way of thinking towards future sustainability. In the emerging economies, it is very important for the banks to be pro-active and accelerate the rate of the growth of the economy. As there is a continuous change in the environmental factors leading, the banks face intense competition. Adoption of green approach is more than just becoming environment-friendly as it is associated with lots of benefits like reduction in the risk as well as the cost of the bank, enhancement of banks reputations and contribution to the common good of environmental besides enhancing the reputation of the bank. In a broad sense, green banking serves the commercial objective of the bank as well as the corporate social responsibility. Thus, it is important that Indian Banks should realize their responsibilities towards the environment as well as the society in order to compete and survive in the global market.

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