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## A STUDY ON INVESTMENT PATTERN ON GOLD WITH SPECIAL REFERENCE TO LATEST OF GOVERNMENT NORMS

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### ABSTRACT

*Saving form an important part of any economy of any nation with saving invested various option available to people. An investment refers to the commitment of funds at present, in anticipation of some positive rate of return in future today .Individuals are more aware about the different investment avenues. Among all investments avenues in gold, individuals consider saving from long period of time and it is a prestigious sign to have gold in Indian culture as a safer and low risk investments avenues compare share market, bonds, FOREX, chit funds as high risk investment avenues. Individuals are not aware about virtual real state, hedge funds. So they majorly spend or saving their income in gold avenues. India imports in excess of 1000 tons annually (including unofficially smuggled gold) with negligible local production The annual gold imports are around 50 billion US\$ next only to crude oil imports widening the trade deficit. In the years since 2001 to 2015, the official net gold imports are 269 billion US\$ whereas the FII invested only 157 billion US\$ in Indian equities. Gold imports cost is nearly 3% of the GDP. The government's clarification on whether new tax proposals for undeclared wealth will apply to gold and other jewellery dragged into the spotlight a 26-year-old rule that says married women are entitled to more gold than unmarried women .Jewellery that is inherited or that bought with declared wealth will not be taxed, the Finance Ministry said in a statement. "Legitimate holding of jewellery up to any extent is fully protected," it clarified. "There is no limit on holding of gold jewellery or ornaments by anybody provided it is acquired from explained sources of income, including inheritance." Only under this circumstances as below. The main reason behind the study are the factors Government norms to hold only least amount of gold in the hands of individuals like awareness level and factors consider individuals before and after investments pattern changes likely safe and low investment avenues, moderate risk avenues, high risk investment avenues, traditional investment avenues, emerging investment avenues which relates to mainly on gold investments with special reference to government norms on december (01/12/2016). the findings relates to the awareness among individuals and individuals risk taking ability while investing in different investment avenues on gold and weather they continuous their investment or reduced their investment or stop on their investment in different gold avenues .*

**Key words:** *gold avenues, investment pattern, government announcement, awareness, risk of investment, risk on returns*

## **INTRODUCTION**

An investment is the employment of funds with aim of achieving income and growth in value the main characteristics of investment are waiting for a reward. Investment is the allocation of monetary resources to assets that are expected to yield some gain or positive return over a given period of time. Investment aims at multiplication of money at higher or lower rates depending upon whether it is long term or short term investment and whether it is risky or risk-free investment. Investment activity involves creation of assets or exchange of assets with profit motive. "An investment in knowledge pays the best interest".

From the people point of view, the investment is a commitment of a person's funds to derive future income in the form of interest, dividends, rent, premium, pension benefits or appreciation of the value of their principle capital. Most of the investments are considered to transfers of financial assets from one person to another. Various investment options are available with differing risk-reward trade-offs. An understanding of the core concepts and a thorough analysis of the options can help investor create a portfolio that maximizes returns while minimizing risk exposure.

It is quite noteworthy that India is the world's second-biggest gold buyer, where most people keep the metal in the form of jewellery. According to a rough estimate one-third of gold demand in India – which is upto 1,000 tonnes – is paid in black money or untaxed funds held in secret by citizens in cash which do not appear in any official accounts.

The government made a huge announcement saying that the recently Amended Income Tax Act will not apply to tax jewellery/gold purchased out of disclosed income or exempted income or reasonable household savings. The Amended I-T Act will also not apply tax on ancestral jewellery and gold, the ministry said. The statement further said that there will be tax exemption on domestic jewellery kept in house and there will be no seizure of gold jewellery up to 500 gm per married lady, 250 gm per unmarried lady and 100 gm per male in I-T searches. The government's clarification on whether new tax proposals for undeclared wealth will apply to gold and other jewellery dragged into the spotlight a 26-year-old rule that says married women are entitled to more gold than unmarried women. Jewellery that is inherited or that bought with declared wealth will not be taxed, the Finance Ministry said in a statement. "Legitimate holding of jewellery up to any extent is fully protected," it clarified. "There is no limit on holding of gold jewellery or ornaments by anybody provided it is acquired from explained sources of income, including inheritance." Only under this circumstances as below.

Even if the gold does not match one's known income, "jewellery and ornaments to the extent of 500 gm for married lady, 250 gm for unmarried lady and 100 gm for male member will not be seized," the government said, producing portions of the 1995 law.

Among all investments avenues in gold, individuals consider saving from long period of time and it is a prestigious

sign to have gold in Indian culture as a safer and low risk investments avenues compare share market, bonds, forex, chit funds as high risk investment avenues. Individuals are not aware about virtual real state, hedge funds.

India imports in excess of 1000 tons annually (including unofficially smuggled gold) with negligible local production. The annual gold imports are around 50 billion US\$ next only to crude oil imports widening the trade deficit. In the years since 2001 to 2015, the official net gold imports are 269 billion US\$ whereas the Foreign Institutional Investors (FII) invested only 157 billion US\$ in Indian equities. Gold imports cost is nearly 3% of the GDP. Alarmed by the huge trade deficit in the year 2012, GoI introduced moderate customs duty (below 10%) on gold imports. Though the policy is fetching good customs income, the imports demand is not drastically coming down. It is due to the reason that world gold demand is mainly driven by Indians and its price is fixed by Indians in Indian rupees.

The main reason behind the study are the factors Government norms to hold only least amount of gold in the hands of individuals like awareness level and factors consider individuals before and after investments pattern changes likely safe and low investment avenues, moderate risk avenues, high risk investment avenues, traditional investment avenues, emerging investment avenues which relates to mainly on gold investments with special reference to government norms on December (01/12/2016). The findings relates to the

awareness among individuals and individuals risk taking ability while investing in different investment avenues on gold and weather they continuous their investment or reduced their investment or stop on their investment in different gold avenues.

## **REVIEW OF LITERATURE**

### **1. The impact of gold price on the value of gold mining stock**

The value of a gold mine is shown to be a function of the return on gold, production costs, the level of gold reserves, and the proportion of assets unrelated to gold price risk. Assuming that forward gold prices are the market's unbiased expectations of future spot prices, a model is derived that estimates the theoretical gold price elasticity of gold mining stock. The model shows that if a company's primary business is gold mining, the gold price elasticity of the company's stock is greater than one. Using monthly data over the ten year period 1981 through 1990, the model is tested for a sample of 23 publicly traded gold mining companies.

### **2. Should gold be included in institutional investment portfolios?**

After many years in the investment wilderness, gold investing has come back into fashion. We explore whether including gold does indeed improve institutional investment portfolios and which form of gold performs best. We do this by updating and extending Jaffe (1989), who found clear evidence in favour of including a small allocation to gold. We show that data from the 1980s

and 1990s would have suggested avoiding gold investing completely. However, data from the 2000s once again provides evidence for including some gold in investment portfolios. Our analysis shows that the case for gold investing has become especially strong since the financial crisis in 2007. We attribute this shift primarily to changes in inflation expectations. We find that gold bullion almost always produces better portfolio risk-adjusted returns than alternative forms of gold investment.

### **3. Gold price risk and the returns on gold mutual funds**

A model is presented for estimating the theoretical gold price elasticity of the value of mutual funds investing in gold mining companies. The theoretical elasticity shows that if the funds invest in companies whose assets are comprised primarily of operating gold mines, then the return of an investment in the fund will be at least as great as an investment in gold (i.e., the gold price elasticity of the gold fund is greater than 1). Empirical tests of the above propositions are presented. Empirical tests also show, however, that the gold mutual funds contain a substantial amount of risk which is not explained either by market risk or gold price risk. Accordingly, gold mutual funds and gold bullion do not bring identical risks to an investor's portfolio.

### **4. Spinning gold: The financial returns to stakeholder engagement**

We provide direct empirical evidence in support of instrumental

stakeholder theory's argument that increasing stakeholder support enhances the financial valuation of a firm, holding constant the objective valuation of the physical assets under its control. We undertake this analysis using panel data on 26 gold mines owned by 19 publicly traded firms over the period 1993–2008. We code over 50,000 stakeholder events from media reports to develop an index of the degree of stakeholder conflict/cooperation for these mines. By incorporating this index in a market capitalization analysis, we reduce the discount placed by financial markets on the net present value of the physical assets controlled by these firms from 72 percent to between 37 and 13 percent. Copyright © 2013 John Wiley & Sons, Ltd.

### **5. Saving, Investment, and Gold: A Reassessment of Historical Current Account Data**

This paper revises pre-World War II current account data for thirteen countries by treating gold flows on a consistent basis. The standard historical data sources often fail to distinguish between monetary gold exports, which are capital-account credits, and non-monetary gold exports, which are current-account credits. The paper also adjusts historical investment data to account for changes in inventories. The revised data are used to construct estimates of saving and investment over the period from 1850 to 1945. Our methodology for removing monetary gold flows from the current account leads naturally to a gold-standard

version of the Feldstein-Horioka hypothesis on capital mobility. The regression results are in broad agreement with those of Eichengreen, who found a significantly positive cross-sectional correlation between saving and investment even during some periods when the gold standard prevailed. Despite reaching broadly similar conclusions, we estimate correlations between saving and investment that are somewhat lower and less significant than those Eichengreen found. In particular, we find that in comparison to other interwar subsamples, the saving-investment correlation is markedly low during the fleeting years of a revived world gold standard, 1925-1930.

#### **OBJECTIVE OF THE STUDY**

1. To know whether the people aware about government norms on investing in Gold avenues.
2. After the announcement of government about the investment on gold avenues, still they are willing to invest on it or not.
3. If the people are refuse to invest on gold avenues or not.
4. If they are reduce the frequency of purchase of gold avenues after the announcement.
5. Research was carried in Thanjavur district.
6. Investment pattern has been analysis and limited to only 500 individuals.

#### **NEED OF THE STUDY**

This analysis on individual investor's behaviour is an attempt to know the profiles of the investor and also know the characteristic of the

investors so as to know their preference with respect to their investments on "gold avenues after the announcement of government norms. The study also tries to unravel the influence of demographic factors like age, prestige, risk tolerance level of the investor.

#### **STATEMENT OF THE PROBLEM**

The investment of the people, whether they are aware of latest announcement of government on it and they secure themselves to not to buy or reduce the purchase or investment on gold avenues. In India gold avenues are more prestigious one and mingle with the culture from olden days .More difficult to reduce the purchase / investment on gold avenues, the government facing many problem of lack of investment in various sectors. Because major funds are saving as gold avenues only so there is no circular flow of fund and lock of funds in that. After analysing long period of time government come to restrict the investment on gold avenues in many ways but not controlled the investment on it.

#### **SOURCE OF DATA COLLECTION**

##### **PRIMARY SOURCE**

Data collect from the general public through a questionnaire in Thanjavur district.

##### **SECONDARY SOURCE**

1. Government announcement on amendment and laws.
2. News papers views
3. Media views
4. Through internet source



### **SAMPLING DESIGN AND METHOD**

Sample size = 500 numbers / people,

Sample area = Thanjavur district

Sample design = simple random samplings adopted in this study.

The entire population in Thanjavur allotted random numbers and through lottery method 500 samples were drawn from the entire population to whomever the random numbers are allocated they were selected for this study.

### **ANALYTICAL TOOLS USED**

The data has been mainly analyzed by using the following methods and tests. The Statistical tools like MEAN and STANDARD DEVIATION tables are used to find the significant of the given data.

### **RESEARCH DETERMINANTS**

The determinants are gold saving scheme, gold purchasing / investment restriction, central government new scheme gold investment norms, risk of investment ,diversified the risk, etc...,

### **FINDINGS**

- The level of satisfaction towards the investment pattern on gold reference to government norms is highly dissatisfied to invested on gold
- The respondents are not accepting the government norms. The investment on gold is the prestigious one for a long period of time. So that they may reduce the purchase/investment on gold.
- The government play an important rules and restriction on the investment pattern on gold.

- Since the overall factors, of the investment pattern is the highest which indicates that it has a larger impact on the variable government restrict on the investment on gold avenues.

### **LIMITATIONS**

1. Research was carried in Thanjavur district only.
2. Investment pattern has been analysis and limited to only 500 sampling is taken in it.
3. Respondents may give biased answer to the questions.
4. The study was conducted in short span of time.
5. The some of the respondents are illiterate.

### **FUTHER SCOPE OF THE STUDY**

This analysis is based upon investor's pattern for investment preference, awareness, during before announcement time and after announcement still now. This analysis would be focusing on the information from the government side and reaction of the people on the investment pattern of gold avenues about their knowledge, perception, and behaviour on this and Investment pattern has been analysis and limited to only 500 individuals in that taking from Thanjavur district. They may go for preparing large sampling, large area to be covered like only corporation or Tamilnadu fully, etc.

### **SUGGESTION**

More difficult to reduce the purchase/investment on gold avenues,

the government facing many problem of lack of investment in various sectors. Because major funds are saving as gold avenues only so there is no circular flow of fund and lock of funds in that. After analysing long period of time government come to restrict the investment on gold avenues in many ways but not controlled the investment on it.

Before that every people who had more than 160 grms of gold they must pay wealth tax on it But most of them are not pay the wealth tax on it. So that government give latest announcement on December 1<sup>st</sup> "There is no limit on holding of gold jewellery or ornaments by anybody provided it is acquired from explained sources of income, including inheritance." Only under this circumstances as below, Ancestral jewellery or that bought with declared wealth won't be taxed, Married women can have up to 500 gm gold without fear of it being seized and Single women allowed 250 gram, men allowed to keep up to 100 gram.

Secure them to avoid gold purchase or reduced their frequency of purchase. Preference to change the investment mode from gold avenue to some other sectors like share market, real estate, bank deposit, mutual-fund, insurance, post-office savings, etc...

The people must to diversify their investment in various sector. So their risk of returns is to be diversified and avoid over burdens on only one sector with huge risk.

## CONCLUSION

- The main reason behind the study are the factors Government norms to hold only least amount of gold in the hands of individuals like awareness level and factors consider individuals before.
- As same like after investments pattern changes likely safe and low investment avenues, moderate risk avenues, high risk investment avenues, traditional investment avenues, emerging investment avenues which relates to mainly on gold investments with special reference to government norms on December (01/12/2016).
- The findings relates to the awareness among individuals and individuals risk taking ability while investing in different investment avenues on gold and weather they continuous their investment or reduced their investment or stop on their investment in different gold avenues.
- More difficult to reduce the purchase / investment on gold avenues, the government facing many problem of lack of investment in various sectors.
- Because major funds are saving as gold avenues only so there is no circular flow of fund and lock of funds in that.
- After analysing long period of time government come to restrict the investment on gold avenues in many ways but not controlled the investment on it.
- The people must to diversify their investment in various sector.

- So their risk of returns is to be diversified and avoid over burdens on only one sector with huge risk.

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**DATA ANALYSIS****TABLE NO. 1: MEAN VALUE OF INVESTMENT PATTERN IN GOLD**

Statement	N	Mean	Std. Deviation	P value
Have U Invest in Gold So For	500	1.15	.357	-3.121
Percentage of Income Invest in Gold	500	1.85	.911	-1.223
Saving Objective	500	1.85	.357	-3.116
Government Norms Restricted Your Purchase	500	3.95	1.024	-1.083
Formal Budget for Gold Investment	500	1.95	1.072	-1.039
Consult Ur Friends / Relatives Before Making An Investment In Gold	500	2.70	.843	-1.318
Know About Different Option Of Investment In Golds	500	1.20	.400	-2.786
Aware Of The Following Investment Avenues	500	1.15	.357	-3.121
Prefer About Which Option of Investment in Gold	500	2.80	.510	-2.178
Important Criterion Selecting Particular Investment Option	500	2.80	1.167	-9.524
Answer About Additional Tax 1% For More Than 2 lakhs Cash Payment	500	1.60	.490	-2.273
Before Announcement	500	2.10	1.045	-1.065
After Announcement	500	2.70	.901	-1.234
Valid N (Listwise)	500			

**Source:** Primary data collection

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The level of satisfaction towards the investment pattern on gold reference to government norms is high, since the overall mean value is above 2.5. From the seven factors, the mean value of the investment pattern is the highest which indicates that it has a larger impact on the variable government restrict on the investment on gold avenues. It is inferred that the descriptive analysis for investment pattern on gold reference to government norms is having least mean value 1.15 (.357) go gold reference to government norms aware of the following investment avenues is highly acceptable by the respondents and the highest mean value 3.95 (1.024) gold reference to government norms restricted their purchases. The distribution of mean value of gold investment avenues is highly inferred that 3.95 mean value of government norms restricted the general public to purchasing gold avenues, followed by 2.8 mean value of consult their friends / relatives before making an investment in gold, followed by 2.8 mean value of prefer about which option of investment in gold. followed by 2.7 mean value of important criterion selecting particular investment option, followed 2.7 mean value of after announcement purchases are reduce and response to that and finally before announcement their purchase/investment are frequent.

## BUSINESS PRACTICES IN MARKETING

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### ABSTRACT

*Marketing is the study and management of exchange relationships. The American Marketing Association has defined marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." Marketing is used to create, keep and satisfy the customer. With the customer as the focus of its activities, it can be concluded that Marketing is one of the premier components of Business Management - the other being Innovation. Other services and management activities such as Operations (or Production), Human Resources, Accounting, Law and Legal aspects can be "bought in" or "contracted out". Marketing practice tended to be seen as a creative industry in the past, which included advertising, distribution and selling. However, because the academic study of marketing makes extensive use of social sciences, psychology, sociology, mathematics, economics, anthropology and neuroscience, the profession is now widely recognized as a science, allowing numerous universities to offer Master-of-Science programmers'. The overall process starts with marketing research and goes through market segmentation, business planning and execution, ending with pre and post-sales promotional activities. It is also related to many of the creative arts. The marketing literature is also adept at re-inventing itself and its vocabulary according to the times and the culture. It pertains to the fundamental premise of modern marketing. This concept proposes that in order to satisfy the organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors. Marketing and marketing concepts are directly related.*

**Keywords:** *Innovation, Execution, Segmentation, Targeting, Positioning.*

### MARKETING ORIENTATION AND PROCESS

An orientation, in the marketing context, relates to a perception or attitude a firm holds towards its product or service, essentially concerning consumers and end-users. There exist several common orientations:

### Product orientation

A firm employing a product orientation is mainly concerned with the quality of its own product. A firm would also assume that as long as its product was of a high standard, people would buy and consume the product. This works most effectively when the firm

has good insights about customers and their needs and desires, as for example in the case of Sony Walkman or Apple iPod, whether these derive from intuitions or research.

### **Sales orientation**

A firm using a sales orientation focuses primarily on the selling / promotion of a particular product, and not determining new consumer desires as such. Consequently, this entails simply selling an already existing product, and using promotion techniques to attain the highest sales possible. Such an orientation may suit scenarios in which a firm holds dead stock, or otherwise sells a product that is in high demand, with little likelihood of changes in consumer tastes diminishing demand.

### **Production orientation**

A firm focusing on a production orientation specializes in producing as much as possible of a given product or service. Thus, this signifies a firm exploiting economies of scale, until the minimum efficient scale is reached. A production orientation may be deployed when a high demand for a product or service exists, coupled with a good certainty that consumer tastes do not rapidly alter (similar to the sales orientation).

### **Marketing orientation**

The marketing orientation is perhaps the most common orientation used in contemporary marketing. It involves a firm essentially basing its marketing plans around the marketing

concept, and thus supplying products to suit new consumer tastes.

As an example, a firm would employ market research to gauge consumer desires, use R&D to develop a product attuned to the revealed information, and then utilize promotion techniques to ensure persons know the product exists. The marketing orientation often has three prime facets, which are:

### **Customer orientation**

A firm in the market economy can survive by producing goods that persons are willing and able to buy. Consequently, ascertaining consumer demand is vital for a firm's future viability and even existence as a going concern.

### **Organizational orientation**

In this sense, a firm's marketing department is often seen as of prime importance within the functional level of an organization. Information from an organization's marketing department would be used to guide the actions of other departments within the firm. As an example, a marketing department could ascertain (via marketing research) that consumers desired a new type of product, or a new usage for an existing product. With this in mind, the marketing department would inform the R&D department to create a prototype of a product / service based on consumers' new desires.

### **The Four Ps**

#### **PRODUCT**

The product aspects of marketing deal with the specifications of the actual

goods or services, and how it relates to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.

### **Pricing**

This refers to the process of setting a price for a product, including discounts. The price need not be monetary; it can simply be what is exchanged for the product or services, e.g. time, energy, or attention. The price is the cost that a consumer pays for a product--monetary or not. Methods of setting prices optimally are in the domain of pricing science.

### **Placement (or distribution)**

This refers to how the product gets to the customer; for example, point-of-sale placement or retailing. This third P has also sometimes been called *Place*, referring to the channel by which a product or service is sold (e.g. online vs. retail), which geographic region or industry, to which segment (young adults, families, business people), etc. also referring to how the environment in which the product is sold in can affect sales.

### **Promotion**

This includes advertising, sales promotion, including promotional education, publicity, and personal selling. Branding refers to the various methods of promoting the product, brand, or company.

These four elements are often referred to as the marketing mix, which

a marketer can use to craft a marketing plan.

### **Product Life Cycle**

The *Product Life Cycle* (or PLC, for short) is a tool used by marketing managers to gauge the progress of a product, especially relating to sales / revenue accrued over time. The PLC is based on a few key assumptions, including: A given product would possess an Introduction, Growth, Maturity and Decline stage. - No product lasts perpetually on the market. - A firm must employ differing strategies, according to where a product is on the PLC.

#### **Introduction**

In this stage, a product is launched onto the market. To stimulate growth of sales / revenue, use of advertising may be high, in order to heighten awareness of the product in question.

#### **Growth**

The product's sales/revenue is increasing, which may stimulate more marketing communications to sustain sales. More entrants enter into the market, to reap the apparent high profits that the industry is producing.

#### **Maturity**

A product's sales start to level off, and an increasing number of entrants to a market produce price falls for the product. Firms may utilize sales promotions to raise sales.

### **Decline**

Demand for a good begins to taper off, and the firm may opt to discontinue manufacture of the product. This is so, if revenue for the product comes from efficiency savings in production, over actual sales of a good/service.

However, if a product services a niche market, or is complementary to another product, it may continue manufacture of the product, despite a low level of sales/revenue being accrued.

These are the Business Practices in Marketing – thus concluded.



## COMPARATIVE STUDY ON E-BANKING SERVICES BETWEEN NATIONALIZED AND PRIVATE BANKS IN DINDIGUL DISTRICT

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### ABSTRACT

*E-banking is conducting ones banking or bank account online through a computer and an internet connection. Electronic banking is the use of a computer to retrieve and process banking data and to initiative transactions directly with a bank or other financial services provider remotely via a telecommunications network. Electronic banking is a new industry this allows people to interact with their banking accounts via the internet from virtually anywhere in the world. The electronic banking systems allows consumers to access their banking accounts, review most recent transactions, request a current statement, transfer funds, view current bank rates and product information and recorder checks. The electronic banking system can be as an “extension of existing banks”. The delivery of banking products/services by electronic channels may be defined electronic banking. It started with the introduction of computers and ATM in 1970s. The next step was telephone banking in 1980s and now internet banking. The introduction of credit cards, ATM, retail Electronic funds Transfer (EFT) and Electronic Clearing Services (ECS) have all helped in developing an effective, efficient and speedy payment and settlement systems. All these constitute electronic banking.*

**Keywords:** ATM, Credit cards, Debit cards, Mobile banking, Computerization, Electronic Fund Transfer (EFT), Online banking.

### INTRODUCTION

E-banking refers to electronic banking. It is like e-business industry. E-banking is also called as “Virtual banking” or “Online banking”. E-banking is a result of the growing expectations of banks customers. E-banking involves information technology based banking. Under this IT system the banking services are delivered by way of computer controlled system. This system does involve direct interface with the customers.

The customers do not have to visit the bank’s premises.

Internet has helped customers in doing their banking transactions in a cost effective manner, which is convenient and time saving also. The e-banking service is available 24\*7 and it also allows customers to access the same from remote areas. But there is some risk involved in it as well, that is of data security and privacy. This is the biggest challenge for e-banks.

The Automated Teller Machines (ATM) imparted flexibility to bank customers. ATM is popularly known as any time money machine. Each bank installs ATMs in important places, markets, railway stations and at different points in cities and towns. Whenever the customer wants get fast cash, withdrawal or cash deposit he can go to an ATM spot and transact his business. The ATMs located at different spots are linked to the host computer in the bank. The transaction are in real time; i.e. Instantaneously booked to customers account.

Customers are provided to banks via internet. Coupled with computerization of the branch network of each bank, the Reserve Bank of India suggested to all banks to network their branch offices for intra bank connectivity for addressing the twin issues of intra bank funds transfer and transmission of critical MIS information between branches and controlling offices.

Mobile banking is a Technology that allows customers to conduct a number of financial transactions through a mobile device such as a mobile phone or personal digital assistant (pda). Mobile banking services are being offered on various access channels viz. Short Messaging Services (SMS), Interactive Voice Response (IVR), Mobile Application, Wireless Application Protocol (WAP) etc. Mobile Banking, we can check account balance, transfer funds, pay bills.

Book bus and flight tickets, recharge prepaid mobile or DTH connection and do a lot more effortlessly and securely. Most of the banks provide

different types of services like mobile banking, online banking etc.

## OBJECTIVES

1. To study public sector banks v/s private sector banks from the e-banking perspective.
2. To assess the customers' and bank employees' satisfaction level with the current banking facilities.
3. To find the most important factor that is inducing people towards e-banking.
4. To understand the benefits e-banking as compared to traditional banking, in terms of cost, efficiency, time, secrecy, quality of service and complaint resolution, from both the customers' and the employees' perspective.
5. To investigate whether e-banking is cost effective for both the banks and the customers or not.

## REVIEW OF LITERATURE

- Effect of IT based services on customer satisfaction in banking industry:
- A study of Demographics and customers satisfaction in internet banking
- Internet Banking, Consumer adoption and Customer satisfaction
- Acceptance of E-Banking:
- A study on electronic banking and customer satisfaction:

## RESEARCH METHODOLOGY

The word "research" is used to describe a number of similar and often overlapping activities involving a search for fact. A search concerned with information rather than knowledge or

analysis and answers can normally be found in a single source. This is a comparative study on the e-banking service of both public and private sector banks and the banks selected for this study are State Bank of India, representing the Public Sector and HDFC Bank, representing the Private Sector, mainly on two criteria, the first being the convenience during the research, mainly from the same city i.e., Haridwar and second being the diversity of the banks and their prominence in their respective sectors. Problem Identification, Need and Relevance of the Research. It is evident from the literature reviewed, that E-banking has emerged to be beneficial for both the financial institutes and the customers. Also, for a bank to survive in this cut-throat competition it is important to offer the best products, with quick service, with complete security features and to be up-to-date with the RBI guidelines, therefore a comparison between public and private sector banks was also necessary to understand the market situation of e-banking better from both customers' and the bank employees' perspective.

This forced the researcher to select this as a topic of her research. This research would help both the e-banking customers and the banks, not only selected for the study, but also for the other banks. To the best of knowledge and belief no research work from this angle has been undertaken by anybody till now.

## **SAMPLE DESIGN**

The sample size of this study is 50 and questionnaire method is used for data collection. We personally met the respondents inside and outside the banks. For secondary data we take into consideration the journals and publication issued at different sites on internet. For latest information we also visited HDFC and SBI personally. The information was collected and analysis according to respondent socio economic background, included the factor of education, age, income, marital status etc.

## **DATA COLLECTION AND DATA ANALYSIS**

Dynamic changes took place in the Indian financial system during the eighties and nineties consequent upon deregulation and liberalization of economic policies of the government.

Different policies shaping up in Indian economy and earmarked ambitious plan for economic growth. As well as, change in money and capital markets took place. Application of marketing concept in the banking sector was introduced to enhance the customer satisfaction the policy of Privatization of banking services aims at encouraging the competition in banking sector and introduction of financial services and services such as Internet banking, Portfolio Management, Venture capital, etc. came into existence to cater to the needs of public. An important agenda for every banker today is greater operational efficiency and customer satisfaction.

**Age**

Particulars	No. of respondents	% of the respondents
Below 25	10	10%
26-30 years	20	20%
31-40 years	30	30%
41-50 years	20	20%
51-60 years	15	15%
Above 60	5	5%
Total	100	100%

**Analysis & Interpretation**

From the above study we find that 10% respondents are between below 25 age group, 20% respondents are between 26-30 age group, 30% respondents are between 31-40 age group, 20% respondents are between 41-50 age group, 15% respondents are between 51-60 age group, 5% respondents are between above 60 age group.

**Gender**

Particulars	No. of respondents	% of the respondents
Male	60	60%
Female	40	40%
Total	100	100%

**Analysis & Interpretation**

From the above result we come to know that out of 100, 60 respondents are male and 40 are female which is 60% and 40% are respectively. From the above data we conclude that most of our respondents are male.

**Education**

Particulars	No. of respondents	% of the respondents
High school	15	15%
Higher secondary	25	25%
Graduate & professional	40	40%
Master degree	20	20%
Total	100	100%

**Analysis & Interpretation**

From this analysis shows that out of 100 respondents, 15% respondents are high school, 25% respondents are higher secondary, 40% respondents are graduate & professional, 20% respondents are master degree. All the respondents our surveys are qualified. From the above data we conclude that most of our respondents are Graduate & professional degree holders.

**Marital status**

Particulars	No. of respondents	% of the respondents
Married	40	40%
Unmarried	25	25%
Widowed	20	20%
Divorced	15	15%
Total	100	100%

**Analysis & Interpretation**

From the above study we find that out of 100%, 40% respondents are married, 25% respondents are unmarried, 20% respondents are widowed, 15% respondents are divorced. Most of the respondents of our survey are married.

**Profession**

Particulars	No. of respondents	% of the respondents
Govt. employee	40	40%
Private employee	30	30%
Business man	20	20%
Student	5	5%
Homemaker	5	5%
Total	100	100%

**Analysis & Interpretation**

From the above study we find that out of 100%, 40% respondents are govt. employee, 30% respondents are private employee, 20% respondents are businessman, 5% respondents are students, and 5% respondents are homemaker. Most of the respondents of our survey are govt. employee.

**Monthly income**

Particulars	No. of respondents	% of the respondents
Below 20000	25	25%
20000-40000	20	40%
40000-50000	20	20%
Above 50000	20	15%
Total	100	100%

**Analysis & Interpretation**

From the above study we find that out of 100%, 25% respondents are below 20,000 salary, 40% respondents are 20,000-40,000 salary, 20% respondents are 40,000-50,000 salary, and 15% respondents are above 50,000 salary. Most of the respondents of our survey are 20,000-40,000 monthly income.

**ANALYSIS OF DATA COLLECTED**

- The respondents were asked about which category of the banks do their consider as most technologically advanced.

Banks sectors	No. of respondents	% of age
Public banks	22	44%
Private banks	28	56%

**INTERPRETATION**

It was found that most of the respondents were availing the most technologically advances of private banks while those of the public sector banks were less as compared.

- The respondents were asked about which attributes of the bank do their value the most.

Reasons	No. of respondents	% of age
Quality services	6	12%
Technology used	12	24%
Trust	12	24%
Location	10	20%
Type of the bank	10	20%

**INTERPRETATION**

By analyzing this graph, we can conclude that most of the people is influenced by the technology used and trust provided by the bank and quality of service is given less preference than others.

- The respondents were asked about how familiar they are with computer usage level of their bank.

Reasons	No. of respondents	% of age
No knowledge of computer	15	30%
Beginner	13	26%
Average knowledge	11	22%
Advance computer knowledge	9	18%
Expert	2	4%

## INTERPRETATION

By analyzing this graph, we can conclude that most of the people influenced by the expert provided by the bank and no knowledge of computer is given less preference than others.

4. The respondents were asked about customer level of usage of technology.

Reasons	No. of respondents	% of age
Connected to the internet at home or work to do their financial transaction	5	10%
Uses e-mail	18	36%
ATM/Debit card services	15	30%
Credit card services	8	16%
Online banking services	4	8%
E-payments	0	0%
EFT/NEFT/RTGS	0	0%

## INTERPRETATION

From the above graph, it was found that was availed most of the people at uses e-mail which hold 36% of respondents. It is clearly observed that E-payments and NEFT/RTGS are 0% respondents each.

5. The respondents were asked about how frequently do they use the following banking services per month.

Reasons	No. of respondents	% of age
Branch banking	4	8%
ATM	12	24%
Internet banking	17	34%
Telephone banking	10	20%
Mobile banking	7	14%

## INTERPRETATION

From the above graph, it was found that availed most of the people at use internet banking which hold 34% of

respondents. It is clearly observed that branch banking is 4% respondents each. Because of ATM services, Telephone banking, Mobile banking was satisfactory and Internet banking was extremely satisfactory but Branch banking was natural.

6. The respondents were asked about how many people visit their bank web site per day.

No. of people	No. of respondents	% of age
Less than 1000	20	40%
1000-5000	25	50%
Above 5000	5	10%

## INTERPRETATION

54% respondents were go with 1000-5000 people visited their bank websites per day.

7. The respondents provide the information that bank been providing Internet banking mostly for 1-5 years and they update their website weekly.

8. The respondents were asked that about what was the reason behind introduction of internet banking.

Reasons	No. of respondents	% of age
Because of completion from foreign bank	15	30%
Manpower shortage	25	50%
Qualitative customer service	10	20%
Faster transaction & time saving	5	10%
Any other	0	0%

## INTERPRETATION

50% respondents were with manpower shortage and 10% with faster transaction & time saving while 30% said that it because of competition from foreign banks and 20% were with qualitative customer service.

9. The respondents provide the information that news media is very much helpful to aware customers for location on the net.
10. The respondents provide the information that importance of factors determining provision of electronic banking for production of customer acceptance.
11. The respondents were asked about comparative aspects between banks.

Banks	No. of respondents	% of age
Public bank	20	40%
Private bank	23	46%
Both	7	14%

### INTERPRETATION

It was found that most of the respondents were availing services of private sector banks while those of the public sector banks. In respect of More facilities to employees, Employees of which type of banks are more satisfied from job 433, Salary package in comparatively better in, Top management involvement branch level is comparatively more in, Working hours are comparatively more in, yearly customers growth is comparatively more in.

12. The respondents were asked about differentiating strategies between public and private bank.

Reasons	No. of respondents	% of age
More information technology	8	16%
Providing better quality of service	20	40%
Innovating products and services	15	30%
More labor intensive techniques	6	12%
Recruiting young employees	1	2%
Expanding branch network	0	0%
Pitching into mergers and acquisitions	0	0%

### INTERPRETATION

By analyzing this graph, we can conclude that most of the respondents is Influenced by the providing better qualities of service provided by the bank and expanding branch network is given less preference than others.

13. The respondents were asked about Knowledge Management Factor in e-banks.

Reasons	No. of respondents	% of age
Empowered with better access to information	3	6%
Empowered with more control over work	20	40%
Enhanced creativity	16	32%
Empowered to solve problem	6	12%
Enhanced capacity to contribute in research & development activities	5	10%
Increased involvement in decision making	0	0%

### INTERPRETATION

By analyzing this graph, we can conclude that most of the respondents is Influenced by the providing better empowered with more control over work provided by the bank and expanding increased involvement in decision-making is given less preference than others.

14. The respondents were asked about the number of complaints (per month) from private bank customers as compared to customer of public bank.

Reasons	No. of respondents	% of age
Delay in banking function from customers view point	6	12%
High cost of services charges	13	36%
Higher amount of minimum balanced maintained in their accounts	16	32%
Problem recording use of ATMs or online banking technologies	10	20%
Lack of attention or improving behavior of bank employees	5	10
Wrong entries in their accounts	0	0%

## INTERPRETATION

By analyzing this graph, we can conclude that most of the respondents is influenced by the providing higher amount of minimum balance maintained in their accounts provided by the bank and expanding increased wrong entries in their accounts is given less preference than others.

## FINDINGS & CONCLUSION OF THE STUDY

- More number of people has account with private banks.
- Number of problem faced by the people is more in public sector banks.
- People want a change in the behavior of the staff of the public sector banks.
- People are more satisfied from the private sector banks due to their better services provided by them.
- The facility that was availed by most of the people at private sector banks was that of Internet / Phone banking by ATM/Debit card.
- Majority of respondents do not want to shift from their present bank.
- From the above study it is clear that private banks are providing better services than nationalized banks. 90% respondents favored that private banks are providing better services than nationalized banks while 10% respondents are not agree with it.
- 40% respondents said that the bank employees never pay any attention to them and 10% respondents said that their problems are not solved by bank executives. The remaining 50% respondents give a positive reaction in the favors of bank. 30% respondents favored that their problems are solved by bank executives and 20% respondents said they are received with smile by bank executives. So there is a mix response.
- From the above study it is clear that the banks do not organize any customer meets. All the 100% respondents said that their bank does not organize any customer's meets to resolve their problems. Customer satisfaction is the demand of time, so the bank should organize customer meets to resolve the problems of their customers.
- The above study depicts that 60% respondents said that their bank updates them time to time about the latest facilities and remaining 40% said that their bank does not update them.

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## CORPORATE GOVERNANCE – ETHICS & VALUES FOR SUSTAINABILITY

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### ABSTRACT

*Some specific change aspects have profoundly affected the business environment the so called Corporate Governance and their business ethical standards. In this paper some prominent factors of ethical & unethical standards are highlighted and put forth from a business ethical perspective. Some tentative details from these trends are clarified in this paper. The various factors and the unethical activities are discussed with the corporate companies as very much noted examples. The paper critically examines some core proponents of classical standards. This paper discusses corporate governance issues from a compliance viewpoint. It makes a distinction between unethical and ethical compliance and shows that the former has clearly proven to be inadequate as it lacks the moral firepower to restore confidence and the ability to build trust. The concepts of freedom of indifference and freedom for excellence provide a theoretical basis for explaining why legal compliance mechanisms are insufficient in dealing with fraudulent practices and may not be addressing the real and fundamental issues that inspire ethical behavior. Ethical compliance mechanisms are addressed from a virtue ethics perspective, in particular, the role of the cardinal virtues in governance is discussed. The tendency to overemphasize legal compliance mechanisms may result in an attempt to substitute “accountability” for “responsibility” and may also result in an attempt to legislate morality. The focus of the virtues in governance is to establish a series of practical responses which depend on the consistent application of core values and principles as well as commitment to ethical business practice*

**Key words:** *Corporate governance, Corporate companies, Ethical, Sustainability, Unethical standards*

### INTRODUCTION

It is widely accentuated that globally business is adopting and following the Classic Concept of Corporate Governance. It has come to be recognized that to be a successful Business entity, every company needs to attract and protect all stakeholders, be

it shareholders, Creditors, society, employees, internal customers, external customers, suppliers and the environment in and around the company. Global capital investors feel comfortable in an environment where the fundamentals of Corporate Governance are best protected and practiced. Business stands to benefit

by adopting systems that bolster Stake holder's trust through transparency, accountability and fairness. With increasing interdependence and free trade among countries and citizens across the globe, good Corporate Governance is of inevitable for companies seeking to distinguish and position themselves differently in the global environment. Practicing ethical business practices simply refers to adopting and practicing good Corporate Governance. The attitude to practice good business practices could be well evidenced basically by the mission and vision of an organization. Knowing the importance of adhering to the best business practices to reap the fruit of success, some of the ethical practices need to be practiced and being followed by the well-known Business and some of the unethical business practices necessarily to be avoided to become successful are discussed in this paper.

### **CORPORATE GOVERNANCE**

From the academic viewpoint, Corporate Governance is seen as one that addresses “the agency problems that result from the separation of ownership and control”. As per this view, Corporate Governance would focus on: The internal structure and rules of the board of Directors; the creation of independent audit committees; rules for disclosure of information to shareholders and creditors; and, control of the management. For example, Infosys Technologies which was conferred the National Award for Excellence in Corporate Governance by the government

of India in 2000 has got a value based mission and vision. Its mission is “to achieve our objectives in an environment of fairness, honesty and courtesy towards our clients, employees, vendors and society at large”. Its vision is “to be a globally respected corporation that provides best-of-breed business solutions, leveraging technology, delivered by best in-class people”. Moreover Infosys has set standards in every business activity best campus, best working environment, best employer, most transparent dealings, highest quality standards as well as the highest ethical standards, never seeking any deviant benefits from the government. It would be interesting but to know the message that Infosys gives out to any discerning observer is its motto: Powered by intellect and Driven by Values.

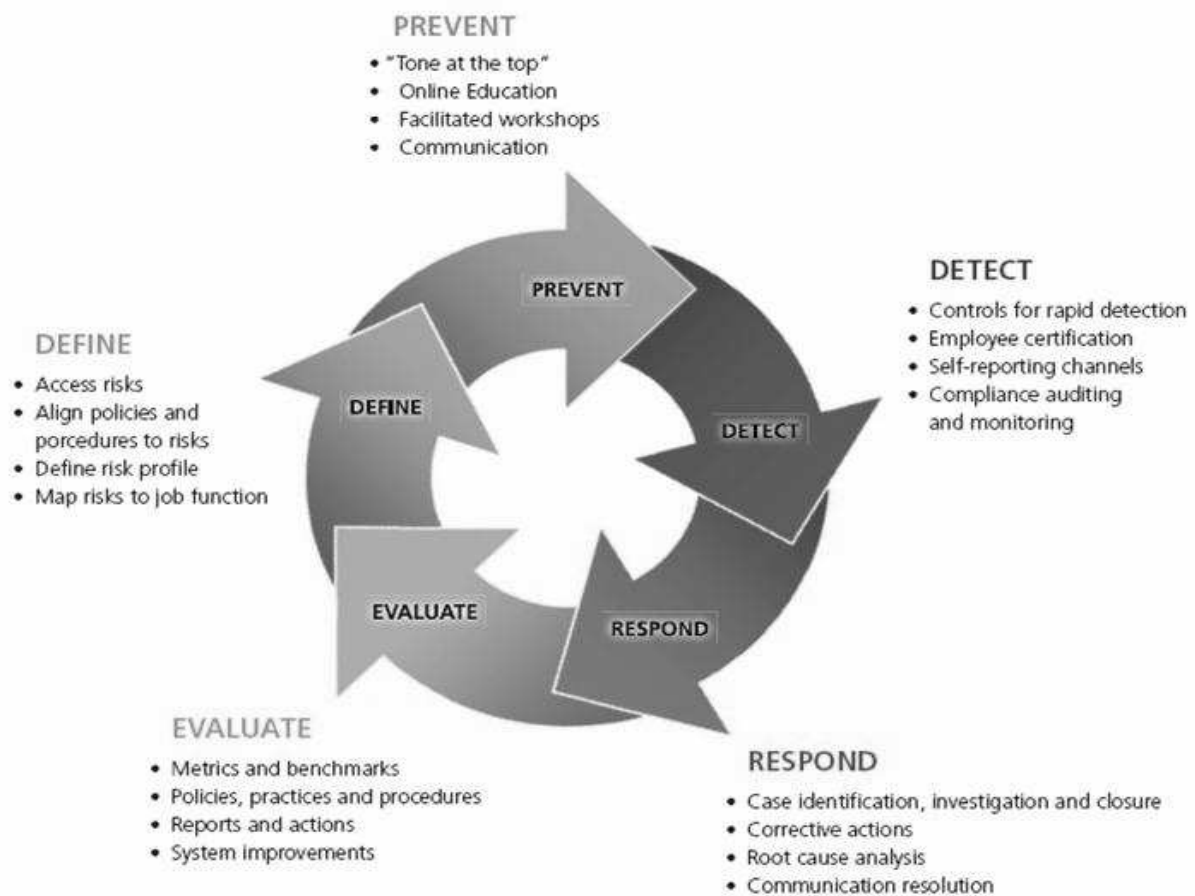
A recent academic survey of Corporate Governance defined it as; “Corporate Governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment. How do the suppliers of finance get managers to return some of the profits to them? How do they make sure that managers do not steal the capital they supply or invest it in bad projects? How do suppliers of finance control managers?”

From this point of view, Corporate Governance tends to focus on a simple model:

1. Shareholders elect directors who represent them.
2. Directors vote on key matters and adopt the majority decision.

3. Decisions are made in a transparent manner so that shareholders and others can hold directors accountable.
4. The company adopts accounting standards to generate the information necessary for directors, investors and other stakeholders to make decisions.
5. The company's policies and practices adhere to applicable national, state and local laws.

**Figure: 1: Ethical Model for Good Corporate Governance**



**SUSTAINABLE PERFORMANCE**

We manage our sustainability performance across seven areas of accountability. Work is underway to hone our performance indicators and agree targets across the business. This

table is a work in progress; it reflects that we are on a progressive journey to embed sustainability management, measurement and reporting across the organization.

**Table 1: Performance table**

AREAS OF ACCOUNTABILITY	KEY INDICATORS	PERFORMANCE	OPPORTUNITIES
<b>Business profitability &amp; longevity</b>	Revenue	↑	Maintain market leadership; renew focus on continuous improvement; conduct further long term planning to identify future market strategies.
	Profitability	↑	
	Market share	↑	
<b>Corporate governance &amp; compliance</b>	Business compliance training	→	Integrate sustainability more explicitly into governance, planning and performance management frameworks; improve risk management and align with stakeholder analyses and materiality processes.
	Compliance with business ethics policy	→	
	Whistle blower disclosures	→	
<b>Satisfying customers</b>	Customer survey results	↑	Improve measurement of customer satisfaction and take a systemic approach to resolution of customer issues; address environmental performance of Customer Service and Logistics operations; leverage our capacity to improve customer environmental performance.
	Equipment reliability	→	
<b>Providing a responsible solution</b>	Energy efficiency of equipment	↑	Improve measurement of equipment and parts return; maintain pressure on paper suppliers to disclose compliance with our policy.
	% Resource recovery	→	
	% Environmentally responsible equipment sold	→	
	Product safety incidents	→	
<b>Engaging employees</b>	Attrition	→	Develop organisational capabilities in line with business objectives; engage employees in the business and sustainability more broadly; improve OH&S systems.
	Learning and development	→	
	Volunteering opportunities	→	
<b>Influencing sustainability outcomes</b>	Industry/Government	→	Continue efforts to develop a comprehensive sustainable supply chain program; engage dealers in sustainability.
	Engaging dealers	●	
	Screening suppliers	→	
<b>Minimising environmental impact</b>	Extended producer Responsibility	↑	Improve internal procedures, data collection and divisional accountability; develop and communicate carbon position more clearly; improve waste measurement; develop water targets and reduction programs.
	Resource efficiency – energy/water/waste/paper	↑	
	Carbon management	→	
↑ performance improved    → performance tracking steadily    → performance requires improvement    ● performance not managed			

Source: <http://www.fujixerox.com.au>

## ETHICAL PRACTICES

Ethical practices do not specifically address every potential form of unacceptable conduct, and it is expected that the Board of Directors and top management of the company will exercise good judgment in compliance with the principles set out in this Code. The Board Members & Senior Management of the company has a duty to avoid any circumstance that would violate the ethical practices. The following are some of the valuable ethical practices; every responsible and efficient Business should follow in relation to Good Corporate Governance:

- **Fair Dealing:** The Board Members & top Management of the Company shall deal with others in a fair manner and ensure “Respect for every Individual”. Non-compliance would attract disciplinary action.
- **Compliance with Laws, Rules and Regulations:** any activity undertaken in the name of a company that would violate the laws of the concerned country is strictly prohibited. Particular attention is directed to the Laws, rules and regulations relating to discrimination, securities, EEO, antitrust, civil rights, transactions with foreign officials, safety and the environment. If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from the Managing Director of the Company.
- **Protection and Proper use of company resources:** The Board Members & Management of the

Company are prohibited from using Company assets, confidential information or position for personal gain. The Company resources should be used only for the legitimate business purposes of the Company.

- **Discrimination and Harassment:** The Company is committed to providing a workplace free of discrimination and harassment based on race, color, religion, age, gender, national origin, disability or any other biases. It would be the Endeavour of every Board Member and Senior Management of the Company to see that the work place is free from such discrimination and harassment. If any Officer or Associate is discriminated against, he/she may lodge a complaint of discrimination or harassment to the Managing Director of the Company.
- **Political Contributions:** Business funds, credit, property or services shall not be used, directly or indirectly, to support any political party or candidate for public office, or to support or oppose any ballot measure, without the prior approval of the Board of Directors of the Company. But at the same time, it is a point worth noting that carrying out the activities in the nature of lobbying that help the company to maintain cordial relationship with the lawmakers is encouraged. Lobbying is in the top of other activities to be carried out by the personnel of Public relations department.
- **Accounting and Reporting:** All the Board Members and Officers in top Management of the Company are expected to follow the Company's

**Accounting Policies.** All accounting records should accurately reflect and describe Business transactions. The recordation of such data must not be falsified or altered in any way to conceal or distort assets, liabilities, revenues, expenses or the nature of the activity. All public disclosures made by the Company, including disclosures in reports and documents filed with or submitted to the Statutory Authorities shall be accurate and complete in all material respects. All the Board Members & officers in senior Management are expected to carefully consider all inquiries from the company related to the disclosure requirements and promptly supply complete and accurate responses.

- **Gifts and Other Benefits:** No Board Member & Management of the Company or member of his or her immediate family, shall (directly or indirectly) solicit, accept or retain any gift, entertainment, trip, discount, service, or other benefit from any organization or person doing business or competing with the Company, other than (i) modest gifts or entertainment as part of normal business courtesy and hospitality that would not influence, and would not reasonably appear to be capable of influencing, such person to act in any manner not in the best interest of the Company or (ii) acceptance of a nominal benefit that has been disclosed to the Company.
- **Confidentiality:** All confidential information concerning the company is the property of the company and

must be protected. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. The employee concerned must maintain the confidentiality of such information entrusted to him/her by the Company, its customers and its suppliers, except when the Company authorizes disclosure or required by law. Examples of confidential information include, but are not limited to: the Company's trade secrets; business trends and projections; information about financial performance; new product or marketing plans; research and development ideas or information; manufacturing processes; information about potential acquisitions, divestitures and investments; stock splits, public or private securities offerings or changes in dividend policies or amounts; significant personnel changes; and the acquisition, loss or changes of or to existing or potential major contracts, orders, suppliers, customers or finance sources.

- **Strategic recruitment and selection**  
**Recruitment:** Selection of employees at any level of management in a company should be done considering the Mission and strategic business objectives of the company. At present globally, companies are striving to gain competitive advantage by appointing and retaining Quality workforce. When the employees are selected on line with the requirements of the strategic business objectives, the

crucial problem of high labor turnover could be eliminated considerably. It would certainly facilitate the prosperity of an organization. For example, a company claims itself as a leader in a particular product market should certainly attract and select the best human resource that would support the company to continue to be the leader. When a company fails to attract and select the potential human resource, possessed with the required skills and capabilities to achieve the Business objectives of the company, even the survival of the company becomes questionable. Companies like Infosys attracts the best and appropriate human resource by promising good emoluments, conducive working environment and suitable plans for the career development. Infosys attracts human resource from the global labor market, not just from India. Strategic selection of suitable human resource is the core aspect behind the successful and fast growth of companies namely, Infosys, Hewlett and Packard and Dell computers.

- **Provision of Conducive working environment:** It is a must to provide a suitable and good working environment for the employees to work productively. Companies like Tata steel, Dell Computers and Infosys very strongly believe that provision of a good working environment helps employees to perform better and arrive at job satisfaction. Naturally the satisfied employees tend to have job involvement as well as organization

involvement. Moreover the good working environment is a non-personal communication tool that facilitates building good image in the minds of the stakeholders who get exposed to such environment. Therefore, the investment in the creation of a good working environment is said to be an investment on the non-personal communication tool that promotes positive image.

- **Integrated Communication:** It is believed that one-core contributory for the success of any organization is “Integrated Communication”. It means that everyone let him or her be an employee or someone from outside carry out the company’s activities should speak ONE LANGUAGE. It is important that everyone represents the company to its stakeholders should have a good knowledge about the company’s policies, procedures, activities, etc and speak the same without any deviation that would facilitate building good image for the company in the minds of all its stakeholders. SAS-Scandinavian Airlines Systems has identified every meeting by its employees or people represent the organization with all its stakeholders as an opportunity to promote the organization and every meeting is described as “Moments of Truth”. Failing to adhere to Integrated Communication leads an organization to leave the stakeholders with a confused positioning or image about the organization.



**Table 2: Showing the factors of Legal & Ethical**

Factors	Legal	Ethical
Ethos	Regards ethics as a set of limits and something that has to be done	Defines ethics as a set of principles to guide choices
Objectives	Geared toward preventing unlawful conduct	Geared toward achieving responsible conduct
Method	Emphasizes rules and uses increased monitoring and penalties to enforce these rules	Treats ethics as infused in business practice (leadership, core systems, decision-making processes, etc)
Behavioral	Assumptions Rooted in deterrence theory (how to prevent people from doing bad things by manipulating the costs of misconduct)	Rooted in individual and communal values (both material and spiritual)

**UNETHICAL PRACTICES**

Unethical practices can be defined as the practices, which are against the public policy, welfare, immoral or unlawful or illegal. These practices should not be encouraged in the organizations as they would affect morality of the working environment. They should be forbidden, as they would create an unhealthy atmosphere in which people can't live a normal and satisfactory life. Some of the unethical practices, which prevail in the organizations, are as follows:

**Bribery:** It is the use of power unduly to achieve one's own personal goal. Bribes create a conflict of interest between the person receiving bribe and the organization. This practice results in conflict between personal goal and organizational goal and it is found that the personal goal dominates here since the person wants to have illegal consideration at the cost of the organizations' image. Bribery undermines market efficiency and predictability, thus ultimately denying people their right to the minimal standard of living. "Bribery does more that destroys predictability; it undermines the essential social and economic system". According to the L&T, its business policy goes thus "all marketing personnel will adhere to the highest standard of personal and Business integrity and thereby maintain and promote our reputation as an outstanding company with which to do business".

**Coercion:** It is an act of threatening (or) threatening to commit any act, which is forbidden by law. When people discharge their responsibilities if things do not materialize according to their expectations, the higher authorities may threaten their subordinates in order to achieve what they want to achieve rather than what is required to be achieved. It includes the activities like blackmailing or arm-twisting of an individual in the organization. Ex: the Tylenol tampering case of Johnson and Johnson was done with an intention of damaging the image of the company.

**Undue Influence:** It refers to the situation where one person is said to be in a dominant position over the other person. This happens when the higher authorities misuse power on subordinates. Ex: The following relationships in the organization are said to be of having undue influence: Manager-Subordinate; Directors-Managers; Proprietor-Employees.

**Insider Trading:** It is a method of misuse of position where the employee at level of management leaks out the confidential information to the outsiders or other insiders, which spoils the image, or reputation of the company. Insider Trading is done when the employees trade the secret and confidential matters. Ex: L & T (vs.) Reliance (The Hindu 23, Nov-2003).

**Tax Evasion:** Many large corporations hire the services of the professional tax consultants to take the advantages of loopholes in the law and evade taxes to the maximum extent possible. The main reason that causes this activity is the higher tax rates. Ex. Vyas, a tax consultant says that JRD Tata never entered into a debate over tax avoidance, which was permissible.

**Conflicts of interests:** When personal goals and organizational goals clash, this problem arises. When people in the organization start giving more importance to the personal goals rather than the organizational goals. This conflicting interest leads to taking decisions against the will of the employer. Ethics includes Gratitude, Loyalty and Affection. This problem could be minimized when every employee is

considered as an asset of the organization and allow the employees grow along with the organization.

**Pollution:** Most of the pollutions are created by Industries. Pollution can be classified into Air, Water, Soil, Marine, Noise, Thermal and Nuclear Pollutions. Pollution is the effect of undesirable changes in our surroundings that have harmful effects on plants, animals and human beings. This occurs when only short term economic gains are made at the cost of long term ecological benefits for humanity. During the last few decades, air and water have been contaminated and land on which life itself depends with a variety of waste products. This is possible only when organizations take this as a social responsibility.

**Unfair dealing and discrimination:** As equality and fair treatment are required to be exercised for the maximum benefits of the employees, those who show partiality are to be seriously dealt with. Unfair dealing and discrimination would certainly lead to groupism and frustration among the employees, which will spoil the conducive working climate and eventually leads to unnecessary tension.

**Improper accounting practices:** The auditor when signs the accounting statements of a business enterprise, certifies that according to the belief and understanding, the statements are true and fair, which give correct information. How far it is genuine is a matter of question to be raised. There are chances for the top-level management to provide incorrect information to the auditor. It is

the moral responsibility of the auditor to find out such incorrect information provided by the people inside the Organization and correct them before he certifies in order to protect the interest of the various stakeholders associated with the organization.

### NECESSITIES FOR BUSINESSES TO ACT ETHICALLY

There are number of reasons given below that justify why businesses should act ethically:

- ✳ To protect its own image,
- ✳ To protect the interests of the business community in which the organization is also a member,
- ✳ To keep the business involved for the commitment to the society to act ethically. “If there is no involvement, there is no commitment”. – Dr. Steven Covey.
- ✳ To meet the stakeholders’ expectations. For example, for the Consumers – quality products at low cost; for the Investors – ensuring fair and profitable return on the investment,
- ✳ To build trust with key stakeholder groups,
- ✳ To protect the Organization from abuse of the unethical employees and competitors,
- ✳ To create an environment in which workers can act in ways consistent with the organizational values,
- ✳ To ensure the growth and future of the organization.
- ✳ To act as an agent of social change (being as a Good Business role model).

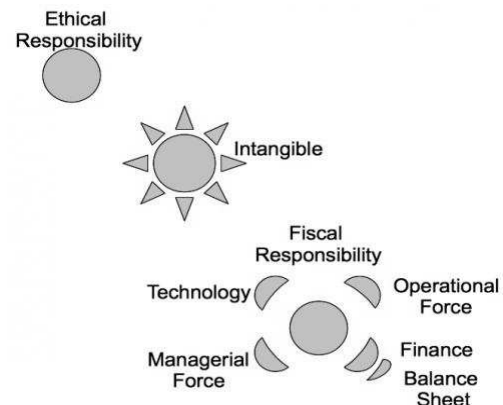
Additionally, an organization has to be ethical in its behavior because it has to exist in the competitive world. A

number of reasons could be found for being ethical in behavior, few of them are;

- Values give management credibility with its employees. Only perceived moral rectitude and social concern bring employee respect,
- Values help in better decision making,
- Hard decisions, which have been studied from both, ethical and economic perspectives, are more difficult to make, but they will stand up against all odds.

Ethics within organizations is a must, as only then, that can be conveyed through the activities they perform. Intangible is the nucleus to any substance in the tangible field. It triggers the collision between a substance both to create and act upon the Quality identified to the substance. Intangible has two planets revolving – 1. Ethical Responsibility and 2. Fiscal Responsibility. Ethical Responsibility is a standalone planet and it is the domain of the People. The other one is Fiscal Responsibility that has four Moons: i. Technology, ii. Managerial Force, iii. Operational Force and iv. Finance. The last one has a moon revolving it which is Balance Sheet.

**Figure 2: Intangible Elements of Responsibilities**



Intangible is the most powerful antiparticle that makes a substance as well makes it work. A substance when yoked with another retains its independence but performs its duty. That duty is defined as Responsibility by each of the four moons of the planet Fiscal Responsibility. In Corporate functioning when a goal is set the goal must have a responsibility assigned to each of the five – note five – entities of Intangible. Otherwise is not worth setting a goal. Anything outside the gamut of Ethical Responsibility is Fiscal. Ethical Responsibility is the owner and Fiscal the Trustee. In every step of reaching towards accomplishment of a goal Ethical Responsibility’s Quality statement must be complied with. These are the threshold values. ‘Free enterprise is an expression of freedom, whereas Ethical Responsibility is an expression of liberty, that threshold values emanate to bridge Ethical and Fiscal Responsibility.’ A BP or Lehman Bros or various instruments floated without defining the Ethical Responsibility would most likely end up in disaster.

As a matter of curiosity one can see within a moon of a moon of the planet Fiscal Responsibility holding the intangible asset trying to contain the most powerful force Intangible in it. Intangible Asset, an oxymoron, is a major reason for the Financial Crisis 2009. By controlling one goal, infinite succession of finite purposes is accomplished. That makes the Governance very easy.

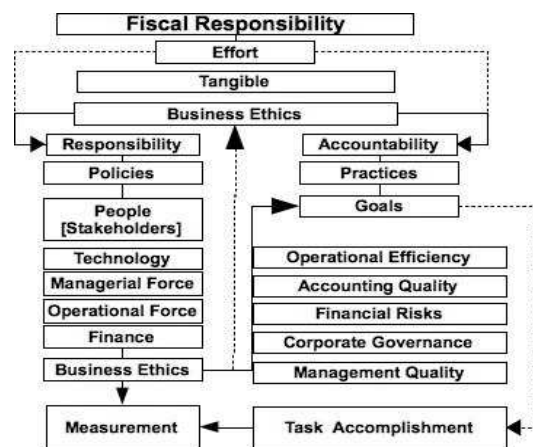
**Measuring Governance**

Infinite numbers of blocks set upon one over the other have identical process of creation and action. Each is independent, has independent quality

but has identical way of transforming from nothingness to a substance and having formed a substance the Action Process. Each is related to its own Quality but each layer added in both the processes in typically the same manner. The layer that gets added is the result of intangible triggering the collision.

The responsibility is assigned to each group of 5 entities – including Ethical Responsibility – in both the processes of the substance. When one layer does not get added the process comes to a stop, like remaining only as good intentions during creative process or resulting in wasteful spending or broken promises during action process. IBCM has built up a robust measuring device in identifying each of six layers, from layer 0 to layer 5 when it transforms into a substance and six layers from 0 to 5 in the Action process when the task set is accomplished. It enables the construction for each Corporate for example the substance Business Ethics under Fiscal responsibility. It is a very powerful statement of Governance for a Corporate entity far superior to a Balance Sheet.

**Figure 3: Responsibility flow Diagram**



### Index of Inactivity

To start with Corporate can prepare an Index of Inactivity or in other words the status of each substance at a given stage. Since one substance is yoked with another and independent for each process area will show the status by each resource area the extent of action yet to be taken to accomplish the task set. During creative process it will show the status as it is and yet to be reached to become a substance. Corporate can look at the Intangible Asset area. AN IPR or a patented Process has gone through the six stages to become a substance. The ones yet in the process can be identified as to what the status as on today. If it has added the layer 3 there are 2 more pending to be completed to become a substance. The balance layers to be added are the index of inactivity.


### CONCLUSION

Businesses can't function in a vacuum rather they need to function in the society. When the organization considers about the welfare of the stakeholders in every possible manner without compromising its mission and vision, the society takes care of the organization. It would be right to say that there are three sisters of corporation namely "Business ethics, Corporate Governance and Business Social Responsibility". Though the concept of Corporate Governance may sound a novelty in the Indian Business context and may be linked to the era of liberalization, it should not be ignored that the ancient Indian texts are the

true originators of good Corporate Governance as one important statement from '*Rugveda*' says: "*A businessman should benefit from business like a honey- bee which suckles honey from the flower without affecting its charm and beauty.*"

Ethics should be initiated from the top management to the bottom of the hierarchy. Before a company can expect to be viewed as ethical in the business community, ethical behavior within its own walls to and by employees is a must, and top management dictates the mood. Ethical behavior by the leaders of the organization will inevitably set the right tone for the rest of the Company and the values of the company will also remain consistent.

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CorporateRegister.com is a directory of published corporate environmental and social reports. It has been developed as an information tool for stakeholders in the field of environmental & social reporting. The site has been developed to help site visitors find report details as quickly and efficiently as possible.

## A STUDY ON PRODUCTION AND MARKETING OF POULTRY PRODUCTS IN NAMAKKAL DISTRICT

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### ABSTRACT

*Poultry farming in India has transformed from a mere tool of supplementary income and nutritious food for the family to the major commercial activity generating the required revenue. Changing food habits, rising income of the middle class Indian, presence of private players, rising market demand of the Indian poultry produce in the export market are some of the contributing factors to the growth of the industry. Therefore, the study intends to examine the socio-economic background of the poultry farmers; to analyze the investment, cost and profit of the farmers and to identify the problems faced by the farmers. The study based on primary and secondary data collected from 120 poultry farmers by adopting purposive sampling during November 2013 to January 2014. Cost of feeding constitutes a major problem to most of the poultry farmers as it accounts for a larger percentage of total cost of production, since poultry birds cannot do without food.*

**Key Words:** Poultry, Cost, Investment, Profit, Livestock.

### 1. INTRODUCTION

The poultry industry in India has emerged as the most dynamic and rapidly expanding segment of livestock economy as evident from the production level touching about 40 billion eggs and 1 billion broilers with a compound annual growth rate of 8 percent and 15 percent respectively. What was once started as a novelty in the 1970's - egg and broiler production - has now turned out to be a highly organized agri-business. But in spite of all these developments and relatively competitive value of the Indian poultry products (especially egg), the relative position of India in the world trade of poultry products is not so

encouraging. Indian poultry industry has been growing at annual varying rates of 8-15 percent and this growth in the past few decades made India 4<sup>th</sup> largest producer of eggs and 5<sup>th</sup> largest producer of poultry broiler. The structure and costs of production in the Indian poultry meat industry vary from region to region. Production costs in the Southern, Western, and Eastern regions of India are very competitive with those in other countries, including the US.

The technical efficiency in poultry in these Indian regions appears to be better than Brazil where the cost of production is the cheapest. Factors driving the industry's expansion include

quick growth in per capita income. The Southern region has the lowest total costs despite facing the highest feed prices (both corn and soybean meal generally must be shipped from greater distances than in the other regions). Day of Old Chick (DOC) costs are lowest in the South, and mortality costs are also lower compared to Eastern and Western regions.

The greater cost efficiency in the South stems both from favourable climate and better management by the integrated poultry operations. Relatively low energy costs for both heating and cooling, hold down other costs in the South. Most of the poultry meat in India is marketed to consumers in the form of live birds- termed as - wet-market, with only a small share of output now marketed as chilled, frozen, or further processed products. The costs of moving live birds, including transport, shrinkage, and mortality costs, severely limit inter-regional movements. As a result, Indian poultry markets are regional, rather than national in scope and there is limited potential for low-cost producers to market their product in higher cost regions. Low poultry prices in South India, largely due to the prevalence of poultry integrators in the region, are reported to have stimulated rapid growth in consumption. Several sources indicate that per capita poultry consumption in South India is about 4 kg, which is about four times the national average.

In South India, Tamil Nadu state is leading in broiler integration in the country which has Coimbatore as a

major poultry pocket. The broiler prices in Coimbatore act as a reference price for others to fix the wholesale and retail prices in the neighboring states. The farm price formation is facilitated by the Broiler Coordination Committee (BCC). Under the BCC voting system, opinion of the majority rules the rate for the day. The BCC producer price then becomes the benchmark for setting producer, wholesale, and retail prices for markets in the Southern region, including Chennai, whole of Tamil Nadu and Kerala, and to a lesser extent Bangalore. There is no evidence that the BCC engages in monopoly pricing, judging from the relatively low live-bird prices, retail prices, and margins in Coimbatore compared with other regions. Monopoly pricing seems to be discouraged by the strong price sensitivity of demand for poultry.

In Namakkal district, while the demand for egg and chicken meat is increasingly commendably, poultry farmers here are forced to restrict their expansion processes owing to escalating land and construction costs over the last five years in Namakkal Zone. The Namakkal Zone comprises of nearly 699 poultry farmers who own the 4.01 lakh layer birds (egg laying birds) of which Namakkal district houses nearly 75 percent of the farmers and 81 percent of the total bird strength. But only 40 farmers – 38 in Namakkal and one each in Erode and Annur (Coimbatore) – are expanding this year despite the mounting investments.

However of the nearly 30 NECC zones across India, Namakkal takes



credit as one of the only two zones in the country – the only other zone is Barwala near Delhi. Farmers in the other zones have frozen their expansion processes owing to similar issues. According to a farmer would have to invest around Rs.4.5 crore to expand his layer bird strength by one lakh birds, in addition to the investment for lands. Pointing out that the construction cost of sheds increased from Rs.200 to Rs.300 in nine years (2000-08) it rocketed from Rs.300 to Rs.450 between the years 2009-16. Since the year 2000 the Namakkal NECC zone's targeted annual expansion this year would be the second highest (by 50.82 lakh birds) compared to the average strength of the previous year. The best-ever expansion of the bird strength of this zone was in 2005-06 when the average strength increased to 307.34 lakh – that is 72.85 lakh more than the previous year's strength of 234.49 lakh. But it is said that the massive expansion was before escalation of land and construction costs. With this background, the economics of poultry farming in Namakkal district is undertaken.

## **2. OBJECTIVES OF STUDY**

The main objective of the study is to find out the socio-economic background of the poultry farmers; to analyze the investment, cost and profit of the farmers and to identify the problems faced by the poultry farmers.

## **3. HYPOTHESIS**

The major problem faced by the farmers were high feed cost and low egg

prices, labour problems, investment, feed and marketing, insufficient power supply.

## **4. LITERATURE STUDIES**

Varinder Pal Singh et al., (2010) analysed the cost and returns of different sizes of broiler farms in the Punjab state based on the primary data collected from 140 broiler farmers for the period March 2008 to February 2009 in three districts, viz. Ludhiana, Hoshiarpur and Muktsar. The study has shown that the total fixed investments per bird have been highest on small farms, followed by medium and large farms. The total variable cost per bird has been reported highest on small farms, followed by medium and large farms. The total cost of meat production per bird has been found highest on small broiler farms, followed by medium and large farms.

The net returns per bird over the variable costs have been recorded highest on large farms as economics of scale prevails on these farms. The meat-feed price ratio and benefit-cost ratio have been found to increase with increase in farm-size of broiler farms, which indicates better utilization of inputs on large farms. On the basis of net present value, benefit-cost ratio and internal rate of return, investment in broiler farming has been found profitable in all farm-sizes. The small broiler farms have been observed highly sensitive to increase in costs and decrease in net returns. The study observed that broiler farming was profitable venture and has a bright future in the Punjab agriculture

for improving economic status of the farming community.

Sarfraz Ahmad et al., (2008) their study based on primary data collected from 60 poultry farms in Mirpur district, Azad Jammu & Kashmir (AJK). Farms were categorized as: small farms having a population of 2000 birds; medium farms having a population of 2001 to 4000 birds; and, large farms with population of 4001 to 6000 birds. Results indicate that this business was adopted as major source of income; however, most of the commercial poultry farms have been closed due to lesser profits and even heavy losses during last few years. Majority of poultry farms (83 %) are small farms and the farmers are forced to rely on non-institutional source of credit. Seasonal and cyclical price fluctuations in input and output are found to be higher. Poultry producers are major stakeholders having no role in price fixation. The estimated input output ratio of poultry production is 1:1.12. The per rupee return does not look promising for investors of this sector especially in case of small farmers who are unable to reap the benefit of economy of scale.

Rick (2002) while studying the strategies to manage expensive feed on farm reported that in order to measure broiler performance the returns (profits) ought to be used rather than performance or costs. The author suggested alternative way of measuring profits in terms of margin over total costs. Further, he demonstrated that the length of grow-out period and down time significantly influenced the number of broiler cycles

per year. A 38-day cycle length with an 11 day clean out would lead to an extra crop per year. The alternative to commonly used profitability (per kg body weight) was to calculate unit profitability by using the formula  $[(\text{Income from bird} - \text{All costs}) / \text{m}^2] / \text{cycle length}$ . He demonstrated the application of this concept in measuring broiler performance. The paper has illustrated the effect of changes in broilers on-farm performance and the producer strategies to continue to be in profitable business in times of falling feed price ratio.

Taru et al., (2010) examined the economics of broiler production in Meme Division of Cameroon. The specific objectives of the research were to determine the efficiency of resource use in broiler production. Primary data were collected from a sample of 116 broiler farmers using a multi-stage random sampling method. The data were analysed using regression model.

Marginal analysis of input shows that the farmers were inefficient in their production practices as indicated by the ratio of marginal value product (MVP) and marginal factor cost (MFC). The ratio revealed the over utilization of chicks, feed and labour. Major problems facing broiler producers were low market prices, high cost of feed, veterinary services, transportation, lack of access to credit and extension services.

## 5. METHODOLOGY

The present study based on primary data and secondary data collected from 120 poultry farmers by adopting purposive sampling since all the farmers

were not mentally prepared to respond to the questionnaires. A well-structured questionnaire was prepared and was pre-tested. After incorporating the necessary changes in the pre-tested questionnaire, it was administered and required information about the framing was collected from the respondents during November-January 2014. Besides averages and percentages, techniques like discriminant analysis and Garrett's Rating Scale were used.

## **6. CONCLUSION**

The economic analysis of poultry has been carried out on the basis of primary data collected from Namakkal district. It was found that majority poultry farmers have adopted this business as a primary source of their income and fall in the category of large group (1lakh to 4 lakhs birds). Moreover, they are financially sound and few of them forced to rely on institutional and non-institutional source of credit due to the limited credit facility extended by the financial institutions. Cost of feeding constitutes a major problem to most of the poultry farmers as it accounts for a larger percentage of total cost of production, since poultry birds cannot do without food. Majority of the poultry egg farmers identified high cost of production especially cost of feed ingredients as their major constrain. Therefore, government should endeavour to subsidize inputs such as feed ingredients and this can be achieved through poultry farmer's participation in crop production. The study recommends the following:

- Poultry producers generally should have access to credit facilities especially soft loans. This will help them to increase their stock size, slaughterhouses, and transportation facilities and feed processing. At present the employees are suffering with poor wages and working more than 12 hours per day. Hence, it is suggest that the NECC and association should involve directly regularizing the wages and working hours of labours.
- The major problem faced by the poultry farm owners is power cut during summer season and irregular power supply, which very much affect the poultry production. Hence, it is suggested that the poultry farm owners may avoid the power problems through an alternative energy sources like bio-gas with the help of government.

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## AN EMPIRICAL INVESTIGATION OF IMPACT OF DIVIDEND POLICY ON THE STOCK PRICE VOLATILITY

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### ABSTRACT

*This present study evaluated the impact of dividend policy on the share price volatility of the **OGI (Oil and Gas industries)** in India. NSE (National Stock Exchange) listed **OGI** industries are taken as sample; out of 14 firms listed in NSE 9 firms that have been paying dividend consecutively for the recent 5 years are considered for analysis. The study had been conducted between the periods of 2012 – 2016. Share price volatility (SPV) has considered as the depended variable. The independent variables are dividend payout ratio (DPR), Dividend yield (DY), Assets growth (AG), Firm size (FS), Earning volatility (EV), and Earning per share (EPS). These variables are gauge for evaluating the effect of dividend payout on the share price changes. The secondary data was used for this paper work, and Descriptive Statistics, Pearson Correlation and Multiple Regressions were employed, and SPSS 22 Version software Package was used for the deriving the results. The empirical estimations found that the dividend policy is not correlated with the share price volatility the firm. Further it was negatively correlated with the firm size (FS).*

### INTRODUCTION

Dividend refers to that part of the earnings of a company which is distributed among shareholders. Shareholders of the firm would like to receive a higher dividend as it increases their current wealth. But, for the company, retention of profits would be desirable as it provides funds for financing the expansion and growth plans.

Dividend policy is an integral part of the firm's financing decision. It plays vital role on the financial decisions of the firm. The dividend payout ratio determines the amount of earnings that can be retained in the firm as a source of

financing. However, retaining a greater amount of current earnings in the firm means that fewer rupees will be available for current dividend payments. So the companies are required to maintain the balance between dividend payout and retention rate of firms.

The dividend policy as strictly a financing decision, the payment of cash dividends is a passive residual. The percentage of earnings paid out as dividends will fluctuate from period to period in keeping with fluctuations in the amount of acceptable investment opportunities available to the firm. If these opportunities abound, the percentage

of earnings paid out is likely to be zero. On the other hand, if the firm is unable to find profitable investment opportunities, dividends paid out will be 100 percent of earnings. For the situations between these two extremes, the dividend-payout ratio will be a fraction between zero and one. Hence, a major aspect of the dividend policy of the firm is to determine the appropriate allocation of profits between dividend payment and additions to the firm's retained earnings.

Further, the main objective of the financial management is maximizing the shareholders wealth i.e. market value of shares. With this objective, the firms need to decide how much of the profits should be retained and how much should be distributed to shareholders.

From the above view point we come to know clearly the dividend decision is crucial as well as controversial aspect of the firm's financing decision. The dividend theories also specify, it's still debated issue in the field of the financial management.

The dividend policy there are three conflicting theories examined the relationship between the dividend and share prices; Lintner (1956) and Myron Gordon (1963) indicated that there is a positive relationship between the dividend policy and the share price (Bird in hand theory) On the other side, Miller and Modigliani (1961) argue that there is no relationship between the dividend policy and share prices (Irrelevant Theory). The third view indicated that there is a negative relationship between the dividend policy and the share prices (Tax preference Theory).

Yasir *et al.* (2002), Okafor Mgbame and Chijoke (2011) in their view point the dividend policy of the firm has the relationship with the share price of the firm. In addition to this, it significantly impacts the market price of the share in a positive manner. Pandey and Narayani (2016), found that share price of the firm positively correlated with the Dividend per share (DPS), Dividend payout ratio (DPR) and Return on assets (ROA).

Bayezid Ali and Tanbir Ahmed (2010) research reveals that the dividend payout has no relationship with firms share value. Dewasiri and Banda Weerakoon (2014) exposed that dividend policy and share price are had the relationship with them, but they correlate in the negative manner.

From the view of various literatures and theories we could find one thing the allocation of earnings between the dividend and retained earnings in such way that the value of the firm is maximised. A positive net present value crates the wealth to shareholders. On the other hand, a negative net present value erodes shareholders' wealth. The wealth created by the company is represented by the market price of its shares. Therefore, wealth maximization implies maximization of market value of shares. Hence, this research focused to analyse the impact of the dividend policy on the share price volatility of Oil and Gas industries in India. In which the study intend to measure the influence of dividend on the share price changes.

## **OIL AND GAS INDUSTRIES**

The oil and gas sector is among the six core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. In 1997-98, the new Exploration Licensing Policy (NELP) was envisaged to fill the ever-increasing gap between India's gas demand and supply. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. The Government of India has adopted several policies to fulfil the increasing demand. The government has allowed 100 percent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others. Today, it attracts both domestic and foreign investment, as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India.

**Investment:** According to data released by the department of industrial policy and Promotion (DIPP), the petroleum and natural gas sector attracted FDI worth US\$ 6.86 billion between the April 2000 and March 2017.

The main cause behind this prosperous growth of this sector is, it is the vital source of energy till date. Any economy around the world would fail to precede a single step in the absence of oil energy. This exhibits significance of these industries in the nation's economy and depicts the requirement of paying attention on this sector regarding the dividend payout and the share price

variations. Many of these companies are structured as Govt. corporations, limited partnership, or limited liability corporations and on average pay much higher-than-average dividend yields.

## **DIVIDEND AND SHARE PRICE**

Dividend policy affects the price of the underlying stock in three primary ways. While the dividend history of a given stock plays a general role in its popularity, the declaration and payment of dividends also has a specific and predictable effect on market prices.

Dividend policies largely depend upon the financial strength of the company which is possible with surplus profitability generated through judicious utilization of available resources, articles of association and prevailing economic conditions. It is true that dividend policy itself has a great deal of the influence on the images of the company and also has implication for managers, investors and lenders and other claim holders. Its declaration has direct bearing on the market price of the company stock. For investors, dividend declarations and payment generate positive and negative sense of security and returns are considered important input for evaluating the firm for future investment. Managers have to assess the flexibility of paying dividend and strength to invest in projects. More dividends means minimum fund available for investment and to bridge the gap manager will seek external financing from the capital market which will increase the risk. Lenders consider, that if the organisation will pay high dividend then available amount will not

be sufficient for servicing and redemption of their claims.

However dividend payments present an example of extraordinary agency situation which have ultimate impact on all claimholders. Its policy is used as a mechanism to minimize the agency cost and the adopted policies do not change very often. Any reduction in dividend amount will be considered as a signal of company trouble and due to its signalling affect prices of share fluctuate. The below stated theories are explains the various kinds relationship between the dividend and the share price of the firm.

The Lintner's (1956) work for dividend policy got major attention in the year of 1956 in United States. In his study he presented U.S firms are intended to increase the dividend to their equity share holders, when they believed that there is a constant growth in their net income. Subsequently Miller and Modigliani, Myron Gordon also starts to provide the theoretical foundation on dividend policy research.

In the dividend policy there are three conflicting theories examined the relationship between the dividend and share prices; Lintner (1959) and Myron Gordon (1963) indicated that there is a positive relationship between the dividend policy and the share price (Bird in hand theory) On the other side, Miller and Modigliani (1961) argue that there is no relationship between the dividend policy and share prices (Irrelevant Theory). The third view indicated that there is a negative relationship between the

dividend policy and the share prices (Tax preference Theory).

## REVIEW OF LITERATURE

Literature reviews are important for the study as it give direction and important feedback relating to the concerned topic. In this study, it is authentically undertaken to understand the relationship between the dividend policy and the share price volatility by critically examining different theories and empirical studies conducted worldwide. The judicious revelations of these studies indicate that they differ in opinion depending upon study time period, prevailing economy and market condition, companies futuristic plans and investors behaviour.

Lintner (1956) and Gordon (1959), believed that stock holders have preference for immediate dividend over future dividend and this, impacts positively on market value of companies. They were of the opinion that payment of huge amount as dividend ameliorates risk and eventually affects the price of stock. This is contrary to the, Miller and Modigliani (1961) concept of irrelevant.

Miller and Modigliani (1961), documented that the dividend policy of a firm is irrelevant, under a perfect market situation. They argued that the value of the firm is determined by its investment and financing decisions within an optimal structure and not by dividend decision. The basic assumption underlying this theory are: There is no difference between taxes on dividend and capital gain, when securities are traded, no transaction and floatation



incurred, symmetrical and costless information, no conflicts between interests of manager and shareholders and all participants in the market are price taker. Several researchers supported M&M theory such as Fischer Black and Myron Scholes (1974) created 25 portfolios of common stock in New York Stock Exchange for studying the impact of dividend policy on share price from 1936 to 1966 by using Capital Asset Pricing Model for testing relationship between dividend yield and expected return. The findings indicated that there is no significant relationship between dividend yield and expected return. Also, they showed that there is no evidence that diversity of dividend policies will lead to change in stock prices. Their findings are in line with dividend irrelevance hypothesis.

Yasir *et al.* (2002), found that dividend yield and share prices are positively related. Further it states that dividend payout and share prices are negatively related.

Bayezid Ali and Tanbir Ahmed (2010), empirically analysed the impact of dividend on the stock price reactions of the banking industries of Bangladesh. It found that the announcement of dividend declaration didn't create any significant changes in the stock prices of the banks.

Okafor Mgbame and Chijoke (2011), supported the fact that dividend policy of the company is appropriate as well as relevant in determining share price changes for the selected firms listed in the Nigerian Stock Exchange.

Lutfor Rahman *et al.* (2012), investigated the effect of different type of dividend abnormal return on the declaration day for either of the dividends. However significant negative returns are obtained on days before to the declaration of stock dividend. Furthermore it examines positive returns during the post – announcement period.

Zakaria Zuriawati *et al.* (2012), evaluated the impact of dividend policy on the share price volatility of the Malaysian listed construction and materials companies. The achieved results show that dividend payout ratio significantly influences the changes in share price. And firm size has the greater influence on the share price changes. Furthermore dividend yield, Investment growth, and earnings volatility insignificantly influence the firms share price.

Arindam Das and Samanta Amalendu (2013), studied the relationship between share price behaviour and dividend policy of the IT (Information technology) sector in India. It found that there is no relationship between the dividend policy and share price. Hence the study supports the irrelevance theorem dividend policy.

Wasfi and Maysa'a Mikhem (2013), inquired the relationship between the cash dividend, retained earnings and share price of the firms in Jordan. The study was used unbalanced panel data model for analysing this relationship. The finding establishes cash dividend, retained earnings and a share price has the positive and strongly appropriate association between them.

Attah Botchwey (2014), come out with the results of increase in dividend influences the share price positively. It examines upsurge in dividend payment, raises the share price of the firm and lower dividend had their share price going down. So this outcome clearly exhibits that significant relationship exists between the dividend payout and share price.

Kola Benson and Olabisi (2014), in their findings show that dividend policy and retained earnings are significantly relevant with the stock price of the firm. The study was used regression analysis, correlation analysis and granger causality test for retrieving the results.

Fawaz Khalid (2014), observes that dividend payout and share price variation has the significant negative correlation between them.

Dewasiri and Banda Weerakoon (2014), studied the dividend payout relationship with the share price volatility. Fixed and random effect models and Granger causality tests were applied for analysis of this study. The results of random effect models were shows that there is a significant negative relationship exist between the dividend payout and the share price variations. However, Granger causality tests outcomes reveals that there is no short term impact from the dividend to stock price volatility.

Jakata Owen and Philimon Nyamugure (2014), assessed the effect of dividend policy on the share price of the firms listed in the Zimbabwe stock exchange. From the analysis the end

result indicate that there is no relationship between the dividend policy and the share price as well as earning per share and the share price of the Zimbabwe firms.

Adnan ali *et al.* (2015), evaluate the dividend and share price behaviour with the panel data approach. Pooled regression and Fixed and Random effects models were used for analysis. The regression test results were exposed that dividend per share and retention ratio has the insignificant impact on the market price of the share.

Sukhjeet K. Matharu and Ravi Changle (2015), empirically analysed the market stock price changes with the dividend announcement of 25 BSE listed firms in India. The expected and abnormal returns from the market were evaluated using the Capital Asset Pricing Model and Paired t-test was employed to test the impact of dividend announcements on share prices of selected companies. The attained results were quietly reveals that there is a significant difference in the impact of dividend announcements in pre and post announcement period on the share prices of the selected companies.

Abrar-ul-haq *et al.* (2015), the paper work assess the impact of dividend policy on the stock price volatility in Pakistan. The study was used regression and correlation analysis for deriving the results from collected data. The findings of the regression results were not significant. It reveals dividend policy had no significant impact on the share price volatility in Pakistan.

Luqman Adedamola (2015), empirically analysed the influence of dividend on stock price changes in Nigeria. The practical outcomes are shows that the dividend policy of the firm has a notable effect on changes in stock price. Furthermore the payment of dividend increases the stock price.

Akif Shah and Umara Noreen (2016), in their research they were applied panel data approach, fixed and random effect model for analysing the relationship between the dividend policy and share price volatility of the firms. In final they found out the results of there is no significant relationship between them.

## OBJECTIVES

The main objective of the paper is to empirically analyse the impact of the dividend payout on the share price volatility in the Oil and Gas industries in India.

## HYPOTHESES

- H<sub>0</sub><sup>1</sup>: There is no significant relationship between dividend payout ratio (DPR), dividend yield (DY) and share price volatility (SPV). Accepted
- H<sub>0</sub><sup>2</sup>: There is no significant relationship between earning volatility (EV) and share price volatility (SPV). Accepted
- H<sub>0</sub><sup>3</sup>: There is no significant impact of firm size (FS) and share price volatility (SPV). Rejected
- H<sub>0</sub><sup>4</sup>: There is no significant impact of assets growth (AG) and share price volatility (SPV). Accepted

- H<sub>0</sub><sup>5</sup>: There is no significant impact of earning per share (EPS) and share price volatility (SPV). Rejected

## METHODOLOGY

This study evaluates the effect of dividend policy on the stock price of the firm. To test the effect, multiple regressions were used. This model developed for this research measures the impact of dividend payout on the stock price volatility over a span of last five years.

**Samples:** The sampling technique was adopted for this study is multi stage non-random sampling. The basic criterion for the selected firm is, the company must declared dividend for the last five consecutive years. Based on the criteria and the availability of data sources, finally 9 companies were chosen out of the total 14 listed in NSE.

**Data Source:** This study is empirical in nature. It is completely based on secondary data. The main source of data for the study is annual reports of the selected units. This required data was collected from the website of money control.com from the period of 2012-2016.

**Tools used:** The statistical tools of Descriptive Statistics, Pearson Correlation and Multiple regression was employed, and SPSS Version 22 software Package was used for the analytical part of the research.

## Variables

Table 1 Measures of the Variables

Variables	Depended Variable	Indicators
<b>Share Price Volatility</b>	Annual range of stock prices divided by the average of high and low prices in the year, raised to the second power.	SPV
<b>Independed Variable</b>		
<b>Dividend Payout Ratio</b>	Dividend per share divided by earning per share.	DPR
<b>Dividend Yield</b>	Dividend per share divided by price per share.	DY
<b>Growth of Assets</b>	The ratio of the change in total assets at the end of the year to the level of total assets at the beginning of the year.	AG
<b>Firm Size</b>	No. of equity shares multiplied by price per share.	FS
<b>Earning Volatility</b>	Standard deviation of earnings (EBIT) to the total assets of the firm.	EV
<b>Earning Per Share</b>		EPS

## MODEL SPECIFICATION

The relationship between equity share price volatility and dividend policy has been analysed utilizing multivariate least squares regression. The regression model developed basically relates price volatility with the two main measures of dividend policy; one is dividend yield and dividend payout ratio. Baskin (1989) stated that, A number of control variables was included to account for certain factor that affect both dividend policy and stock price volatility, such as Asset growth, Earnings volatility and Firm size.

The model adopted for this study having regard to some studies in empirical literature as stated in equation below:

$$SPV_i = \beta_0 + \beta_1 DPR_i + \beta_2 DY_i + \beta_3 AG_i + \beta_4 FS_i + \beta_5 EV_i + \beta_6 EPS_i + \epsilon_i$$

Where, SPV = Share Price Volatility  
 DPR = Dividend Payout Ratio  
 DY = Dividend Yield  
 AG = Asset Growth

FS = Firm size

EV = Earning Volatility

EPS = Earning Per Share

The model was evaluated annually over the five years period to measure the periodic effect of dividend policy on the stock price volatility.

Table 1 Descriptive Statistics

Variables	Minimum	Maximum	Mean	Std. Deviation
<b>SPV</b>	0.05	0.09	0.06	0.01
<b>DPR</b>	3.09	44.86	25.15	14.92
<b>DY</b>	0.01	0.06	0.02	0.01
<b>AG</b>	0.89	1.05	0.95	0.05
<b>FS</b>	10.00	20.05	85.23	62.63
<b>EV</b>	3.85	10.09	5.76	1.87
<b>EPS</b>	7.73	49.43	21.24	12.86

**Source:** Estimates are computed by author

Table 1 Descriptive statistics shows the details of variables, which are involved in this study for analyse the effect of dividend payout on the share price volatility in the Oil and Gas

Industries in India. Share Price Volatility which is the dependent variable in the model ranges from 0.05 to 0.09 with a mean value of 0.06 and standard deviation is 0.01. The first explanatory variable is dividend payout ratio with a mean value of 25.15 and a standard deviation of 14.92. Dividend yield is the second explanatory variable, it ranges from 0.01 to 0.06 and its mean value and standard deviation is 0.02 and 0.01 respectively. Assets growth is the third explanatory variable has a minimum value 0.89 and maximum value 1.05 with mean 0.95 and standard deviation 0.05. The fourth explanatory variable is Firm size with a mean value of 85.23 and a standard deviation of 62.63. The fifth explanatory variable is Earning volatility with a mean value of 5.76 and a standard deviation of 1.87. The final explanatory variable is Earning per share with a mean value of 21.24 and a standard deviation of 12.86.

**Table 2 Correlation Analysis between Variables**

Variables	SPV	DPR	DY	AG	FS	EV	EPS
SPV	1						
DPR	-.331	1					
DY	.147	.147	1				
AG	.440	-.115	-.615*	1			
FS	-.593*	.405	.200	-.453	1		
EV	-.370	.586*	.663*	-.611*	.423	1	
EPS	-.369	.584*	.681**	-.620*	.471	.993***	1

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

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

\* Correlation is significant at the 0.10 level (2 tailed)

Here Pearson correlation was used for examining relationship between dividend policy and share price volatility. Correlation matrix of all variables included in the analysis is presented in Table 2 which is calculated based on data of 9 Oil and Gas Industries observations. From the outcomes, it was clear that stock price volatility (SPV) has the insignificant relationship with the all exploratory variables and it has the negative correlation with the firm size (FS), these are negatively correlated -0.593. These results are more matches with the Allen and Rachim (1986) study results.

Dividend payout ratio (DPR) is significantly correlated with the earning volatility (EV) 0.586 and earning per share (EPS) 0.584. The results reveals dividend yield (DY) is negatively correlated with the assets growth (AG) -0.615. In addition with it has the positive relationship with the earning volatility (EV) and earning per share (EPS) and significantly correlated with the 0.663 and 0.681 respectively. Further the assets growth (AS) has the negative correlation with the variables of earning volatility (EV) -0.611 and earning per share (EPS) -0.620. In final earning volatility (EV) has the highly significant relationship with the earning per share (EPS) 0.993, these two variables are strongly and positively correlated between them.

**Source:** Estimates are computed by author

**Table 3 Regression Analysis**

Variance	Unstandardized Coefficients		T	Sig.	R <sup>2</sup>	F Statistics
	B	Std. error				
<b>Constant</b>	-0.052	0.190	-0.276	0.809		
<b>DPR</b>	2.88*	0.001	0.056	0.020		
<b>DY</b>	0.633	0.455	1.393	0.298		
<b>AG</b>	0.137	0.156	0.881	0.531	0.726	0.883
<b>FS</b>	-8.028**	0.000	-0.664	0.001		
<b>EV</b>	-0.006	0.028	-0.219	0.847		
<b>EPS</b>	0.025**	0.004	0.085	0.000		

\*\*significant at the 0.01 level(2-tailed)

\*significant at the 0.05 level(2-tailed)

**Source:** Estimates are computed by author

From the Table 3 regression analysis clearly depicts that dividend payout ratio (DPR) has positively regressed with the share price volatility (SPV) at the 5% level while Firm size (FS) has negatively regressed with the (SPV) 0.001 at the 1% level. The outcomes further reveals earning per share (EPS) has positive, highly significant with the (SPV). It regressed with (SPV) in the 0.025 at the 1% level.

## CONCLUSION

The primary objective of the study is to explore the relationship between the dividend policy and share price volatility. For this purpose the study was analysed the 9 selected Oil and Gas industries listed in NSE India from the period of 2012 - 2016. From the observations of the selected industries,

for the analysis exploratory variables of dividend payout ratio (DPR), dividend yield (DY), assets growth (AG), firm size (FS), earning volatility (EV) and earning per share were used. The tools of Pearson correlation and multiple regression were employed. The empirical estimations found that the dividend policy is not correlated with the share price volatility the firm. Further it was negatively correlated with the firm size (FS). Hence the results of this study support the irrelevance theory of the Miller and Modigliani (1961), dividend policy has no effect on share price. Further it reveals that the earning volatility (EV) has the positive and strongly correlated with the earning per share (EPS) of the firm.

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## IMPACT OF GOODS AND SERVICE TAX (GST) IN INDIAN BUSINESS - CHALLENGES AND OPPORTUNITIES

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### ABSTRACT

*This paper is an analysis of what impact of GST (Goods and Services Tax) in Indian Business. GST has be detailed discuss in this paper as the background, silent features and the impact of GST in the present tax scenario of Indian Business. The GST is a value added tax to be implemented in India, the decision on which is pending. GST is the only indirect tax that directly affects all sectors and sections of our economy. The objective will be to maintain a commonality between the basic structure and design of the CGST, SGST and SGST between states. In this paper focused on introduction of GST, objectives of GST, challenges and opportunities of GST in Indian Business.*

### Introduction of GST

Introduction of the value added tax (VAT) at the central and the state level has been considered to be a major-step an important step forward – in the globe of indirect tax reforms in India. If the VAT is a major improvement over the pre-existing central excise duty at the national level and the sales tax system at the state level, then the goods and services tax (GST) will indeed be an additional important perfection-the next logical step-towards a widespread indirect tax reforms in the country. Initially, it was conceptualized that there would be a national level goods and services tax, however, with the release of first discussion paper by the empowered committee of the state finance ministers on 10.11.2009, it has been made dear that there would be a “dual GST ” in India, taxation power-both by the center and the state levy the taxes on the goods

and services. Almost 150 countries have introduced GST in some from. While countries such as Singapore and new Zealand tax virtually everything at a single rate, Indonesia has five positives rates, a zero rate and over 30 categories of exemptions. In china, GST applies only to goods and the provision of repairs, replacement and processing services. GST rates of some countries are given below. Country Australia France Canada Germany Japan Singapore Sweden new Zealand rate of GST 10 percent, 19.6 percent, 5 percent, 19 percent, 5 percent, 7 percent, 25 percent, 15 percent world over in almost 150 countries there is GST or VAT, which means tax on goods and services. Under the GST scheme, no distinction is made between goods and services for levying of tax. In other words, goods and services attract the same rate of tax. GST is a multi-tier tax where ultimate

burden of tax fall on the consumer of goods/services. It is called as value added tax because at every stage, tax is being paid on the value addition. Under that GST scheme, a person who was liable to pay tax on his output, whether for provision of services or sale of goods, is entitled to get input tax credit (ITC) on the tax paid on its inputs.

### Objectives of GST

One of the main objectives of GST would be to eliminate the cascading impact of taxes on production. And distribution cost of goods and services. The exclusion of cascading effects I.E. tax on tax will significantly improve the competitiveness of original goods and services which leads to beneficial impact to the Gop growth. It is felt that the GST would serve a superior reason to achieve the objective of streamling indirect tax regime in India which can remove cascading effects in supply chain till the level of final consumers only when all such above mentioned indirect taxes are completely included in GST. It is under stood that alcohol, tobacco and petroleum products will not be enclosed by GST as alcohol and tobacco are considers as sin goods, and governments do not like to allow free trade on these property.

### Dual GST

The proposed model will have two part called

1. CGST—central goods and service tax for levied by central govt.
2. SGST-state goods and service tax levied by state govt.

There would have multiple states one CGST statute and SGST statute for every state.

### Salient Features of the GST Model

Salient features of the proposed model are as follows:

- The GST shall have two components: one levied by the center (referred to as central GST), and the other levied by the state (referred to as state GST). Rates for central GST and state GST would be approved appropriately, reflecting revenue consideration and acceptability.
- The central GST and the state GST would be applicable to all transaction of goods and services made for a consideration expect the exempted goods and services.
- The central GST and state GST are To paid to the accounts of the center and the states individually.
- Since the central GST and state GST are to be treated individually, taxes paid against the central GST shall be allowed to be taken as input tax credit (ITC) for the central GST and could be utilized only against the payment of central GST.
- Cross utilization of ITC between the central GST and the state GST would not be permitted except in the case of inter-state supply of goods and services.
- Ideally, the problem related to credit accumulation on account of refund of GST should be avoided by both the center and the states except in the cases such as exports, purchase of capital goods, input tax at higher rate than output tax etc.

- To the extent feasible, uniform procedures for collection of both central GST and state GST would be prescribed in the respective legislation for central GST and state GST.
- The states are also for the view that composition/compounding scheme for the purpose of GST should have an upper ceiling on gross annual turnover and a floor tax rate with respect to gross annual turnover.
- The taxpayer would need to submit periodical returns, in common format as far as possible, to both the central GST authority and to the concerned state GST authorities.
- Each taxpayer would be allotted a pan-linked taxpayer identification number with a total of 14/15 digits. This would bring the GST pan-based system for income tax, facilitating data exchange and taxpayer compliance.

### Benefits of GST

- ❖ GST provide comprehensive and wider coverage of input credit setoff, you can use service tax credit for the payment of tax on sale of good etc.
- ❖ CST will be removed and need not pay. At present there is no input tax credit available for CST.
- ❖ Many direct taxes in state and central level included by GST, you need to pay a single GST instead of all
- ❖ Uniformity of tax rates across the states
- ❖ Ensure better compliance due to aggregate tax rate reduce.
- ❖ By reducing the tax burden the competitiveness of Indian products in international market is expected

to increase and there by development of the nation.

- ❖ Prices of goods are expected to reduce in the long run as the benefits of less tax burden would be passed on to the consumer.

### Indirect Taxes Included Under GST

The following indirect taxes from state and central level is going to integrated with GST:

#### State taxes

1. VAT/Sales tax
2. Entertainment tax (unless it is levied by local bodies)
3. Luxury tax
4. Taxes on lottery, betting and gambling.
5. State CESSSES and surcharges in so far as they relate to supply of goods and Services.
6. Entry tax not on in lieu of Octroi
7. Purchase tax (this is not sure still under discussion)

#### Central taxes

1. Central excise duty
2. Additional Excise duty
3. The Excise duty levied under the medical and toiletries preparation Act
4. Service tax
5. Additional customs duty, commonly known as countervailing duty (CVD)
6. Special Additional duty customs-(SAD)
7. Surcharges
8. CESSSES the above taxes dissolve under GST; instead only CGST & SGST exists.

### **Applicability of CGST AND SGST**

The applicability of taxes is as usual there would be a prescribed limit of annual turnover, also some goods and services are exempted under GST. Threshold for annual turnover for goods and services would be 10 LAKH for SGST and threshold of CGST for goods may be 1.5 CRORE and service would have a separate threshold that too will be appropriately high. It is assumed that aggregate total of CGST & SGST would be 20 percent.

### **Challenges**

#### **With respect to tax threshold**

The threshold limit for turnover above which GST would be levied will be one area which would have to be strictly looked at. First of all, the threshold limit should not be so low to bother small scale traders and service providers. It also increases the allocation of government resources for such a petty amount of revenue which may be much more costly than the amount of revenue collected. The first impact of setting higher tax threshold would naturally lead to less revenue to the government as the margin of tax base shrinks; second it may have on such small and not so developed states which have set low threshold limit under current VAT regime.

#### **With respect to nature of taxes**

The taxes that are generally included in GST would be excise duty, countervailing duty, cess, services tax, and state level VATs among others. Interestingly, there are numerous other

states and union taxes that would be still out of GST.

#### **With respect to number of enactments of states**

There will two types of GST laws, one at a center level called 'central GST (CGST)' and the other one at the state level – 'state GST (CGST)'. As there seems to have different tax rates for goods and services at the central level and at the state level, and further division based on necessary and other property based on the need, location, geography and resources of each state.

#### **With respect to rates of taxation**

It is true a tax rate should be devised in accordance with the state's necessity of funds. Whenever states feel that they need to raise greater revenue to fund the increased expenditure, then, ideally, they should have power to decide how to increase the revenue.

#### **With respect to tax management and infrastructure**

It depends on the states and the union how they are going to make GST a simple one. Success of any tax reform policy or managerial measures depends on the inherent simplification of the system, which leads to the high conformity with the administrative measures and policies.

### **Opportunities**

#### **An end to cascading effects**

This will be the major contribution of GST for the business and commerce. At present, there are different state

level and center level indirect tax levies that are compulsory one after another on the supply chain till the time of its utilization.

### **Growth of revenue in states and union**

It is expected that the introduction of GST will increase that tax base but lowers down the tax rates and also removes the multiple point this, will lead to higher amount of revenue to both the states and the union.

### **Reduces transaction costs and unnecessary wastages**

If government work in an efficient mode, it may be also possible that a single registration and single compliance will suffice for both SGST and CGST provide government products effective it infrastructure and integration of such infrastructure of states level with the union.

### **Eliminates the multiplicity of taxation**

One of the great advantages that a taxpayer can expect from GST is elimination of multiplicity of taxation. The reduction in the number of taxation applicable in a chain of transaction will help to clean up the current mess that is brought by existing indirect tax laws.

### **One Point Single Tax**

Another feature that GST must hold is it should be 'one point single taxation This also gives a lot of comforts and confidence to business community that they would focus on business rather than worrying about other taxation that may crop at later stage. This will help

the business community to decide their supply chain, pricing modalities and in the long run helps the consumers being goods competitive as price will no longer be the function tax components but function of sheer business intelligence and innovation.

### **Reduces Average Tax Burdens**

Under GST mechanism, the cost of tax that consumers have to bear will be certain, and GST would reduce the average tax burdens on the consumers.

### **Reduces the Corruption**

It is one of the major problems that India is overwhelmed with. We cannot expect anything substantial unless there exists a political will to root it out. This will be a towards corruption free India revenue service.

### **Justification of GST**

The introduction of GST at the central level will not only include comprehensively more indirect central taxes and integrate goods and service taxes for the purpose of set-of relief, but may also lead to revenue gain for the center through widening of the dealer base by capturing value addition in the distributive trade and increased compliance. In the GST, both the cascading effects of CENVAT and service tax are removed with set-of, and a constant chain of set-off from the original producer's point and service provider's point up to the retailer's level is established which reduces the burden of all cascading effects. This is the real meaning of GST, and this is why GST is

not simply VAT plus service tax but an improvement over the previous system of VAT and disjointed service tax. Moreover, with the introduction of GST, burden of central sales tax (CST) will also be removed. The GST at the state-level is, therefore, justified for-

- (A) additional power of levy of taxation of services for the states
- (B) system of comprehensive set-of relief,
- (C) subsuming of several taxes in the GST
- (D) removal of burden of GST.

### **Impact of Goods and Service Tax Food industry**

The application of GST to food items will have a significant impact on those who are living under subsistence level. But at the same time, a complete exemption for food items would drastically shrink the tax base. Food includes grains and cereals, meat, fish and poultry, milk and dairy products, fruits and vegetables, candy and confectionary, snacks, prepared meals for home consumption, restaurant meals and beverages. Even if the food is within the scope of GST, such sales would largely remain exempt due to small business registration threshold. Given the exemption of food from CENVAT and 4 percentage VAT on food item, the GST under a single rate would lead to a doubling of tax burden on food.

### **Housing and Construction Industry**

In India, construction and housing sector need to be included in the GST tax base because construction sector is a significant contributor to the national economy.

### **FMCG Sector**

Despite of the economic slowdown, India's fast moving consumer goods (FMCG) has grown consistently during the past three-four years reaching to \$25 billion at retail sales in 2008. Implementation of proposed GST and opening of foreign direct investment (F.D.I.) are expected to fuel the growth and raise industry's size to \$95 billion by 201835.

### **Rail Sector**

There have been suggestions for including the rail sector under the GST umbrella to bring about significant tax gains and widen the tax net so as to keep overall GST rate low. This will have the added benefit of ensuring that all inter-state transportation of goods can be tracked through the proposed information technology (IT) network.

### **Financial services**

In most of the countries GST is not charged on the financial services. Example, in New Zealand most of the services covered except financial services as GST. Under the services tax, India has followed the approach of bringing virtually all financial services within the ambit of tax where consideration for them is in the form of an explicit fee. GST also include financial services on the above grounds only.

### **Information Technology Enabled Services**

To be in sync with the best international practices, domestic supply of software should also attract G.S.T. on the basis of mode of transaction. Hence

if the software is transferred through electronic form, it should be considered as intellectual property and regarded as a service. And if the software is transmitted on media or any other tangible property, then it should be treated as goods and subject to G.S.T. 35 according to a FICCI I- TECHNOPAK report. IMPLEMENTATION of GST will also help in uniform, simplified and single point taxation and thereby reduced prices.

### **Impact on Small Enterprises**

There will be three categories of small enterprises in the GST regime. Those below threshold need not register for the GST those between the threshold and composition turnovers will have the option to pay a turnover based tax or opt to join the GST regime. Those above threshold limit will need to be within framework of GST possible downward changes in the threshold in some states consequent to the introduction of GST may result in obligation being created for some dealers. In this case considerable assistance is desired. In respect of central GST, the position is slightly more complex. Small scale units manufacturing specified goods are allowed exemption of excise up to rs.1.5 CRORES. These units may be required to register for payment of GST, may see this as an additional cost.

### **Conclusion**

GST is the most logical steps towards the comprehensive indirect tax reform in our country since independence. GST is leviable on all supply of goods

and provision of services as well combination thereof. All sectors of economy whether the industry, business including govt. departments and service sector shall have to bear impact of GST. All sections of economy VIZ, big, medium, small scale units, intermediaries, importers, exporters, traders, professionals and consumers shall be directly affected by GST. One of the biggest taxations reforms in India-the goods and services tax (GST) –is all set to integrate state economies and boost overall growth. GST will create a single, unified Indian market to make the economy stronger. Experts say that GST is likely to improve tax collections and boost India's economic development by breaking tax barriers between states and integrating India through a uniform tax rate. Under GST, the taxation burden will be divided equitably between manufacturing and service, through a lower tax rate by increasing the tax.

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## A REPORT ON HUMAN RESOURCES MANAGEMENT

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### ABSTRACT

*Human resources functions are significantly different from HR practices. Functions are comprised of transactional activities that can be handled in-house or easily outsourced. Practices are part conceptual, part implementation of an HR strategy, comprised of systems that follow the normal or customary way of doing business. The term "best practices" refers to the HR systems that have the greatest impact on the workforce and the organization. Human resources transactional functions include benefits administration, record keeping and new employee and payroll processing. The extent to which HR department staff handle these transactional functions depends on their expertise, size of the workforce and the departmental budget. In many cases, the department's budget can support outsourcing these transactional functions, thus leaving time for HR staff to devote its attention to HR strategic management instead of focusing on personnel administration-type duties. HR recruitment and selection practices generally are based on the organization's mission and the workplace culture. Recruitment practices underlie recruiting activities and functions such as sponsoring career fairs at colleges and universities with diverse student populations, advertising job vacancies across several venues to reach a broad audience. Implementing flexible work schedules, providing employees with telecommuting options and training supervisors to spot signs of workplace stress suggests the organizational culture supports employees achieving work-life balance. Managing scheduling logistics, modifying technology for remote access and conducting training sessions are essentially transactional functions. Training and development are HR management functions that include new-employee orientation, job skills training, leadership training and professional development. These activities improve employees' job skills in their current positions and equip them with skills and expertise for cross-functional work that can increase their value to the organization. Professional development supports an organization's succession planning strategy by preparing future leaders for higher-level jobs and more responsibility. HR management training and development functions reflect promotion-from-within practices and support employees' work goals. Compensation and benefits often are viewed together, presenting a comprehensive view of how employers reward their employees.*

**Key Words:** *Payroll process; personnel administrations; logistics; cross-functional work, promotion; compensation*



## Introduction

Human Resource Management (HRM) is a planned approach to managing people effectively for performance. It aims to establish a more open, flexible and caring management style so that staff will be motivated, developed and managed in a way that they can give of their best to support departments' missions. Good HRM practices are instrumental in helping achieve departmental objectives and enhance productivity. For the purpose of sharing experience and providing reference in launching HRM initiatives, we have gathered in this booklet some good examples introduced by departments.

HRM Good Practices in Departments. Since launching HRM movement in 1994 in the civil service, the Civil Service Bureau has sponsored and individual departments have introduced various HRM initiatives. In taking HRM forward, we need a strategic and integrated approach in managing people effectively for performance.

In taking a strategic and integrated approach, HRM is linked to the department's strategic direction in a systematic way. Such an approach is often reflected in the following practices-

- clarifying a department's strategic direction by way of articulating its Vision, Mission and Values statement;
- establishing the strategic linkage and integrating HR programmes through a HRM Plan; and
- Projecting its short to long term human resource needs through a Manpower Plan.

At the same time, all managers must adopt a more open, flexible and caring style in managing their staff. Such an approach is reflected in a number of ways. The three most common practices are-

- managing people effectively for performance through an open Performance Management System (PMS) that will call for individual objectives tied to departmental objectives, regular coaching, and developing staff on the job;
- enhancing staff's competencies to perform better through effectively training people to achieve departmental objectives and results; and
- Delivering quality service through training and engaging staff in developing a service culture in addition to business process re-engineering and work streamlining.

Through experience in and analysis of various HRM initiatives, we have identified as given in the following section a list of HRM Good Practice Indicators which departments may use as reference when they embark on HRM initiatives and when they seek to evaluate their own HRM initiatives.

### ***HRM Good Practice Indicators*** **ARTICULATION OF VISION, MISSION AND VALUES**

- Sense of purpose reflected in the department's VMV
- Elements of service culture captured in the department's VMV
- Involving staff in discussions and meetings to generate ownership

- Management commitment shown in resource allocation in achieving department's VMV
- Clear and effective communication programme in place to promote VMV
- Offering training to develop skills and behaviour in living the VMV
- Customer-focused culture reflected in departmental policies, procedures and practices
- Measurement system in place to track performance improvement
- Demonstration of understanding of VMV and observable behaviour

#### **DRAWING UP HRM PLAN**

- The HRM Plan developed under the leadership of the senior management
- Department's strategic direction clearly articulated by the top team
- Debate and endorsement of strategic and ongoing HR issues by the top team
- HR actions to address HR issues debated, approved and prioritized by the top team
- Department's VMV revisited as part of the strategic review process
- An environment scan conducted to identify strategic HR issues
- Staff's input on ongoing HR issues sought through, for example, staff opinion survey, focus group meetings, interviews, etc
- Specific objectives and sets of actions clearly spelt out in the HRM Plan and clearly explained as to how each will help address certain HR issues in achieving departmental Vision and Mission,

- Responsibilities to implement the HRM Plan clearly assigned
- Realistic implementation plan with adequate resource support,
- Review system in place
- Development of a human resource information system

#### **MANPOWER PLANNING**

- A systematic information system in place
- A clear plan with action programmes in place to bridge supply and demand gaps, succession gaps, and competency gaps
- Posting policy published and career paths made known to staff
- Competency profiles of key job grades developed and made known to staff
- Information derived from succession plan fed into training and development plans for individual officers
- Career interviews arranged for staff to gauge staff aspiration and offer career guidance offered
- Regular review and update of the plan and competency profile

#### **PERFORMANCE MANAGEMENT SYSTEM**

- Senior management's support and commitment in allocating the required resources and according priority to this function
- Objective setting starting from the top and systematically cascaded and linked to the departmental objectives
- All appraisers have been properly trained on PMS good practices and the required skills

- Mechanisms to ensure openness, fairness and objectivity of the appraisal process
- The system being competency-based to help identify training and development needs for staff and their potential for taking up higher responsibilities
- Information gathered from the performance cycle linked to other human resource functions
- Staff recognizing that performance management is a joint responsibility of the appraisee and the supervisor
- Staff performance management being an ongoing process, not an annual event
- Review of the performance management system

#### **TRAINING AND DEVELOPMENT**

- Individual and departmental Training and Development plans in place and strategically linked to departmental strategic objectives
- A diverse set of training and development activities (e.g. overseas attachment, overseas training, secretariat attachment)
- Training and Development integrated with PMS and Succession Plan / Manpower Plan
- Timely induction training provided to all new staff with management training to be provided systematically afterwards
- Regular review of the Training and Development policies
- Evidence of improvement in work quality and efficiency,
- Managers' positive feedback on learners' performance

- Training courses rated highly in quality and relevance

#### **SERVICE QUALITY MANAGEMENT**

- Customer focused culture as reflected in programmes, policies, procedures and practices
- Productivity and efficiency enhanced
- Staff taking more initiative to serve
- Measurement in place to track performance improvement
- Mode of operation being service oriented
- Public image enhanced

**Planning and Appraisal:** How an organization sets goals, plans performance, provides ongoing coaching, and evaluates performance of employees (individuals and/or teams).

**Individual and Team Development:** How an organization identifies the needs for employee skill development, education, and growth and how they meet those needs.

**Career Planning:** How an organization strives to help employees to learn their strengths and to match these strengths, aptitudes, preferences, and abilities to future work.

**Hiring:** How an organization defines and fills positions and roles with qualified people from within and/or outside the organization; how an organization orients these new employees.

**Career Pathing:** How an organization (for key positions and roles) determines the logical progression of jobs, roles, assignments, and development to provide

a sufficient pool of qualified candidates and incumbents.

**Succession Planning:** How an organization systematically identifies key roles and positions, determines performance requirements and targets a group of people to fill these positions and roles in the future.

**Job Design:** How an organization determines the best methods for accomplishing a work product or result. The two major types are the individual job and the team.

**Classification:** The systematic process for evaluating the size and appropriate salary ranges for different jobs and roles in an organization.

**Compensation / Recognition / Other Rewards:** How an organization pays and rewards employees (individuals and/or teams), through salary, bonuses, benefits and/or non-financial rewards.

These are best practices of human resources management to develop and make the organization more flexible to achieve the aimed target.

## GST AND ITS IMPACT OF ECONOMY

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### ABSTRACT

*Economic activity in the country lost some pace amid GST related disruptions but underlying growth momentum remains strong and the country may clock 6.7% growth this fiscal, says a Morgan Stanley report. GST is one of the biggest indirect tax reforms in the country. GST is expected to bring together state economies and improve overall economic growth of the nation. GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by states and Central. This paper conceptually analyzes the concept of Goods and Services Tax (GST) and presents the impact of GST on economy, evaluates whether the decision of GST has been successful.*

**Key words:** *Goods and Services Tax, economy.*

### Introduction

There are around 160 countries in the world that contain GST in place. GST is a purposeful base taxed where the tax is collected by the State where goods are consumed. India is going to implement the GST from July 1, 2017 and it has adopted the Dual GST model in which together States and Central levies tax on Goods or Services or both.

Beginning of GST is measured to be a significant step in the reform of indirect taxation in India. Joining together of various Central and State taxes into a single tax would help moderate the double taxation, pour, multiplicity of taxes, arrangement of issues, taxable event, and etc., and principal to a common national market.

VAT rates and regulations differ from state to state. On the other hand, GST brings in uniform tax system

across all the states. Here, the taxes would be divided between the Central and State government.

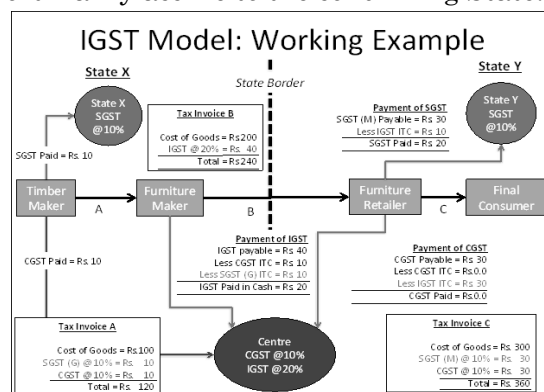
### Review of Literature

**Shefali Dani** has proposed that GST regime is a half-hearted attempt to rationalize indirect tax structure. Approximately more than 150 countries have implemented GST concept. As per researcher government of India must study the GST regime set up by various countries and also their fallouts before implementing Goods and services Tax. IT is the need of hour that, the government must make an attempt to insulate the vast poor population of India, against the inflation due to implementation of GST. There is no doubt, GST will simplify its existing indirect tax system and will have to help to remove inefficiencies created by the existing current heterogeneous

tax system, only if there is a clear consensus over issues of threshold limit, revenue rate, and inclusion of petroleum products, electricity, liquor and real estate.

### GST inter-State transactions

Inter-State transactions, the Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supplies of goods and services under Article 269A (1) of the Constitution. The IGST would roughly be equal to CGST plus SGST. The IGST mechanism has been designed to ensure seamless flow of input tax credit from one State to another. The inter-State seller would pay IGST on the sale of his goods to the Central Government after adjusting credit of IGST, CGST and SGST on his purchases (in that order). The exporting State will transfer to the Centre the credit of SGST used in payment of IGST. The importing dealer will claim credit of IGST while discharging his output tax liability (both CGST and SGST) in his own State. The Centre will transfer to the importing State the credit of IGST used in payment of SGST. Since GST is a destination-based tax, all SGST on the final product will ordinarily accrue to the consuming State.



Source: GSTindia.com

### Challenges of GST

However, there are still problems with the system that have not been solved till date. We shall talk about these problems now. The credit of Input VAT is available against Output VAT. In the same manner, the credit of input excise/service tax is available for set-off against output liability of excise/service tax. However, the credit of VAT is not available against excise and vice versa. We all know that VAT is computed on a value which includes excise duty. In the same manner, CENVAT credit is allowed only for the Excise duty paid on inputs, and not on the VAT paid on the input raw material. This shows that there is a tax on tax.

- 1) Legacy issues which will use resources.
- 2) Non harmonization of tax rates.
- 3) Lack of automation.
- 4) Lack of procedural manuals.
- 5) Lack of skilled officials.
- 6) Double registration – handling old registration.
- 7) Poor quality of tax return.
- 8) No tax system for 100% scrutiny of tax returns and tax audit.
- 9) Lack of cross verification with other tax administration.
- 10) Lack of mechanism to control evasion.
- 11) Impact on prices.

The collapse of the manufacturing and construction sector is serious signs of a catastrophe in the economy since both of these accounts for a greater part of non-farm jobs in the economy. Clearly, evidence of job losses is no longer a fabrication of imagination, but is rigid facts. The sluggish pace of employment creation and waning real wages are

definite symbols of a demand collapse in the economy.

It is now evident that there are serious problems with the state of the economy and any attempt to brush these as momentary phenomena as a result of demonetisation and goods and services tax (GST) is only going to make it worse. While demonetisation and the hurried rollout of GST did contribute to the worsening of the economic situation, any hopes of the economy reviving on its own as these effects fade out is unlikely to materialize in the short-to-medium term. Growth in the next two quarters is likely to be subdued with agriculture sector not contributing much. According to Kotak Institutional Equities, weak investment demand which accounts for 30% of gross domestic product (GDP) is a far bigger 'structural' challenge. India's economic growth slipped to a three-year low of 5.7% in April-June quarter, underscoring the disruptions caused by uncertainty related to the GST rollout amid slowdown in manufacturing activities.

### **Opinions of Expert Organizations**

#### **Industry: CII says GST will make India Inc. more competitive**

The Confederation of Indian Industry (CII) has said that the GST will incentivize exports, help expand the tax net, contribute to the ease of doing business and accelerate new business ventures. "Input tax credit will curb inflation by avoiding tax-on-tax. We believe that most businesses would pass on the benefits of input tax credit to consumers so that inflation would be curbed," CII President Shobana Kamineni

said. She added that the industry is prepared for implementing the GST.

#### **Textiles – Cotton industry happy**

The cotton textile industry is also feeling positive. Southern India Mills Association (SIMA) Chairman M Senthilkumar has welcomed the move to bring the entire cotton textile value chain at the lowest slab rate of 5% GST. He said the industry had been suffering with numerous taxes and different types of cess which were adding to the cost indirectly.

#### **Realty bites**

Ready-to-move in apartments will get costlier under GST as developers with large unsold inventories are planning to pass on the higher tax burden to home-buyers. Under GST, the effective tax on under-construction projects has gone up to 12%, which is an increase of 6.5%. The actual GST rate is 18% on realty, but allows one-third of the tax to be deducted from the land value, from the total cost charged by the developer. "While developers might still get some benefits for projects that are in nascent stages, they will have to bear the tax burden for the ready-to-move-in projects since they are kept out of the GST ambit," House of Hiranandani Chairman and Managing Director Surendra Hiranandani said. Anarock Property Consultants Chairman Anuj Puri said the affordable housing sector will not be impacted as there will be no tax under GST for the affordable housing scheme.

#### **Durables: some relief for buyers**

Unlike realty, the durables sector is unlikely to pass on the burden of

higher tax to the buyers, as the industry is expecting only a marginal price revision despite the category being placed under the highest tax slab of 28% under GST. The tax rate for the sector was around 25-27%.

“Home appliances have become a necessity now with evolving consumer lifestyle and a lower tax slab would have made appliances more affordable in a low-penetrated market. With 28% tax under the GST, we expect the consumer price of home appliances to marginally go up by 1-2%. This could have an impact on demand in the short-run,” says Godrej Appliances business head Kamal Nandi.

### **Impact on Small Enterprises**

There will be three categories of Small Enterprises in the GST regime. In fact those firms whose below threshold need not register for the Goods and Services Tax and those enterprises between the threshold and composition turnovers will have the option to pay a turnover based tax or opt to join the GST regime.

Those above threshold limit will need to be within framework of GST probable downward modifications on the verge in some states consequent to the introduction of GST may result in obligation being created for some dealers. In this situation considerable assistance is preferred. In respect of Central GST, the position is slightly more complex. Small scale units manufacturing specified goods are allowed exemptions of excise upto Rs.1.5 Crores. These units may be required to register for payment of GST, may see this as an additional companies.

### **Conclusions**

In India, Implementation of GST would also greatly help in removing economic distortions caused by present complex tax structure and will help in development of a common national market. India's economic growth slipped to a three-year low of 5.7% in April-June, emphasizing the disruptions caused by uncertainty related to the GST rollout amid slowdown in manufacturing activities. Commenting on the GDP numbers, Morgan Stanley said, “We are inclined not to read this as a sign of general slowdown in aggregate demand”.

GST will pass in transparent and corruption-free tax administration, removing the current shortcomings in indirect tax structure. GST is business friendly as well as consumer friendly. GST in India is poised to drastically improve the positions of each of these stakeholders. We need a change in the taxation system which is better than earlier taxation. This need for change leads us to ‘need for GST’.

GST will allow India to better negotiate its terms in the international trade forums. GST aimed at increasing the taxpayer base by bringing SMEs and the unorganized sector under its compliance. This will make the Indian market more stable than before and Indian companies can compete with foreign companies.

Real estate impact of the demand deflation is on the manufacturing and the construction sector, both of which have seen a sharp deceleration reaching the lowest of 1.2% in the first quarter of 2017-18. Even this has been achieved by



a growth of 1.8% of the quasi-corporate and unorganized sector with private corporate sector declining by 0.9%. This sector needs attention and the situation as of now is in transition and it is premature to reach to a conclusion, the experts opines that a wait and watch is always preferred and in the long run certainly the positive waves would be seen and would be sustained.

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## POSITIVE ASPECTS OF ONLINE SHOPPING

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### ABSTRACT

*The research is based on the positive aspects of online shopping. Online commerce has played a big role in many people's lives. The online retailers emphasize only on the promotion of products and product's functions. Generally, the trend of e-shopping has been increased rapidly in the recent years with the development of internet and due to the easy accessibility of internet usage. Online commerce has many advantages as to regular shopping. The most fundamental advantage is the convenience. The era of online shopping totally transformed in the early 1980s. It has been a win-win situation for both consumers and sellers.*

### Introduction

Online shopping is the process of buying products through internet without going to store or shop's location physically. Online shopping is used as a medium for communication and electronic commerce, it is to increase in value, quality and attractiveness of delivering customer benefits and satisfaction. The internet has also changed the way we consume products and satisfy our demand of comforts. The online business recovered and made a profit in 2003. Because of the numerous advantages and benefits, more and more people prefer buying things in online over the conventional method of going into stores.

Online shopping involves purchasing products or services over the Internet. Online shopping is done through an online shop, e-shop, e-store, virtual store, web shop, Internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files. Many online

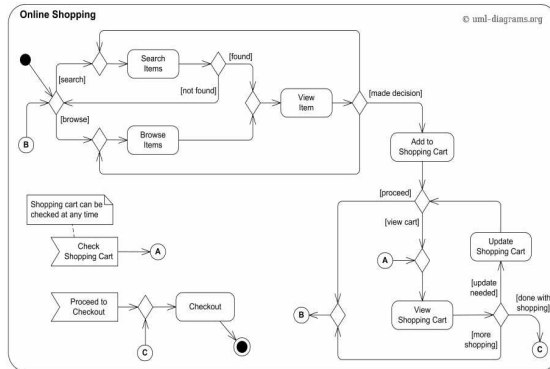
stores will provide links for extra information about their products. They often make available, safety procedures, instructions, manufacture specification and demonstrations. Some will provide advice or how-to guides.

The Electronic commerce or e-Commerce as is known today evolved as businesses (end to end process) started to shift from real time market to digital market. All of the business today as we see is done over the internet and anything which is not there is meant to be wiped off. Ecommerce, the online shopping system has brought down political and physical barriers giving everyone in the world an equal playing ground for their market, everyone can put their products on sale through the e-stores (website dedicated to selling of product, a virtual store).

The last decade we saw a great market, rise over the internet, online shopping was introduced wherein firstly computer scientists got interested in

then it came to general public and gradually became a substitute for the real market place.

### Online Shopping Workflow Diagram



### Benefits of Online Shopping

- 1. Convenience:** The convenience is the biggest perk. Online shopping is convenient. Online shopping allows, to buy things without hurting our schedule. Online shopping gives the opportunity to shop at 24x7.
- 2. Better Prices:** Online stores offers prices that are much lower than the physical store. Cheap deals are available, because products come to you direct from the manufacturer without middleman being involved. Many online shops offer discount coupons and rebates as well.
- 3. More Variety:** Online shopping allows, to find many products that are not available in a physical store. One can get several brands and products from different sellers all in one place.
- 4. Fewer Expenses:** Many times when we opt for conventional shopping, we tend to spend a lot more than planned. There are other outside expenses on things like eating out, transportation, and so on.
- 5. Price Comparisons:** Comparing and researching products and their prices is so much easier in online shopping. We have the ability to share the information and reviews with other shoppers who have first hand experience with a product.
- 6. No Crowds:** We hate crowds when we are shopping especially during festivals or special events, they can be such a huge headache. All of these problems can be avoided through online shopping.
- 7. Discreet Shopping:** Physical stores often make it difficult to buy certain items. Online shopping is best for discreet purchases for things like inner garments without getting few awkward stares is nearly impossible. Online shopping gives you privacy.
- 8. Less compulsive shopping:** The shopkeepers pressure us or use their selling skill to compel us to make these purchases. Sometimes, we may compromise on our choices because of the lack of choices in those shops.
- 9. Buying old at lower prices:** The market place on the internet makes it much easier for us to buy old or unused things at rock bottom prices.
- 10. Send gifts more easily:** Sending gifts to relatives and friends is easy. Now, there is no need to make distance an excuse for not sending a gift on occasions like birthdays, weddings, anniversaries, mother's day, father's day and so on.

### Conclusion

The final results of the research is that the online shoppers are more

active as in-home shoppers. The online shoppers have more internet experience, as they have longer internet sessions. They can find unique products on the internet. Online shoppers perceive less risk in internet shopping than non-shoppers what comes to in ability to physically inspect the product, insecure payment method, and slowness of the buying process.

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## ORGANISATIONAL EFFECTIVENESS AND JOB SATISFACTION OF TEACHERS IN HIGHER LEARNING INSTITUTIONS

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### ABSTRACT

*An organisational Effectiveness (OE) is determined by the satisfaction level of the stakeholders. The most important stakeholder of Higher Learning Institutions (HLIs) is teachers. Competent employees are the greatest asset of the successful organization. This study aims at testing the most prominent casual factors such as cohesion and management system with regards to their influence on the satisfaction levels. It also explores the impact of satisfaction on organisational effectiveness. For the purpose of the study primary data is collected from One Hundred and thirty teachers at Pondicherry University in Pondicherry region through structured questionnaire. T-test, Analysis of Variances (ANOVA) and Structural Equation Model (SEM) techniques were used. The finding of the study shows that the higher level of satisfaction increases the effectiveness of the HLIs'.*

**Key Words:** *Organisational Effectiveness, Higher Learning Institutions (HLIs), Teachers.*

**JEL Classification Code:** *D23 , I23, A20.*

### INTRODUCTION

India being next largest populated country in the world after China has a major role to play for the development of the global economy. The development of human resource has become the popular technique followed by many countries to achieve economic growth. According to John Dewey, "Education is a form of learning in which knowledge, skills and habits of a group of people are transferred from one generation to the next through teaching". In present era of globalization Employees are valuable asset of every organization, and their satisfaction is of prime importance for the organization. Higher education system has different interests, goals, priorities, values, needs, and motivational instincts

as compare to other business organizations. Highly qualified and well motivated faculty members are like brain and blood for any academic institute. They can develop the students both personally and professionally for imparting the effectiveness of the organization, teachers are considered to be the most important and precious assets. They are the essential element for the development of an elegant society. Job satisfaction becomes an important aspect for the faculties, without satisfaction in their job, the teaching process and other roles played by them would not be effective. Basically the satisfaction is depends on many factors in the institution like cohesion, Information and communication, Leadership and Management system,

Availability of resources, Reward system etc, Once get full satisfaction they perform their duties very well, the effectiveness of the institution will be increasing.

## LITERATURE REVIEW

Many researchers conducted studies to know the effectiveness of the HLIs' based on various aspects of job satisfaction. Anam Siddique et al. (2011), in their paper, they developed a conceptual framework, explains the impact of academic leadership on motivation of faculty members and the impact on OE. And also they identify the important academic leadership styles that can help in satisfying the faculties by providing various rewards. Cameron (1978) has contributed more in higher education system. He has given nine effectiveness dimensions, i.e. students educational satisfaction, their academic, personal & professional development, faculties' job satisfaction, professional development of teachers, resources acquisition, system clarity and organisational health. Abd. Rahim Romle (2006) examines the relationship between management practices on job satisfaction among middle level management at public universities. He says that the management practice do not have an impact to employees' satisfaction. Gender does have significant difference on management practices and job satisfaction. And he also found that the age and tenure of the faculties does not affect the job satisfaction and management practices in the universities. McNeal (2003) says that the faculties productivity have

relationship with satisfaction. Sometimes dissatisfaction affects the quality of their job and that will lead to decrease the reputation of the institution. James S. Pounder (2001) explores the relationship between transformational / transactional leadership and university organisational Effectiveness. He finds that the combination of both transformational and transactional leadership characteristics needed for increase the effectiveness of the universities.

## OBJECTIVE OF THE STUDY

- To analyse the relationship between demographic factors of the teachers and Job satisfaction factors and Organisational effectiveness variables.
- To analyse the relationship between the Job Satisfaction related factors.
- To know the impact of Job satisfaction on Organisational Effectiveness of HLIs'.

### *Schematic Diagram of the Theoretical Framework*



## HYPOTHESES TO BE TESTED

- H<sub>0</sub><sup>1</sup>: There is no significant difference exist in Gender in the case of Organizational Effectiveness variables.
- H<sub>0</sub><sup>2</sup>: There is no significant difference exist in Age in the case of Organizational Effectiveness variables.

- H<sub>0</sub><sup>3</sup>: Increased Cohesion in the institution will have a positive impact on Job Satisfaction.
- H<sub>0</sub><sup>4</sup>: Management system in the institution has a significant impact on Job Satisfaction.
- H<sub>0</sub><sup>5</sup>: Higher the level of Job Satisfaction, higher the Organisational Effectiveness.

**ANALYSIS & INTEPRETATION**

In this study the sample considered of the 130 Teaching Faculties working in Pondicherry University of Puducherry region. The questionnaire was designed on the basis of available literature. It was based on 5 point Likert scale. Data was analysed with the help of SPSS 22 version (Statistical Package for Social Sciences) and AMOS 22.

**Reliability**

For checking the reliability of the questionnaire, Cronbach’s Alpha was calculated. The reliability value was found to be 0.898 (see table 1). As the reliability value is more than 0.7. It is considered good. Thus the reliability of the questionnaire was found to be high.

**Table 1: Reliability Statistics**

Cronbach’s Alpha	No. of Items
0.898	13

**Source:** *Computed results based on survey data.*

**Factor Analysis**

Factor analysis using principal component, varimax rotation is applied on the raw scores of 13 items of teachers’ satisfaction and OE to find out the factors that contribute towards teachers’

satisfaction level and organizational effectiveness. The KMO and Bartlett’s test were significant.

**Table 2: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>.834</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	899.112
	df	78
	Sig.	<b>.000</b>

**Source:** *Computed results based on survey data.*

**Profile of the Respondent**

This study has a total of 130 respondents. There are altogether 70 males (53.8%) and 60 females (46.2%) responded to the questionnaire. Table 3 shows that 53 respondents (40.8%) were belong to the age group of 36-40, 23 (17.7%) respondents were aging 31-35, 31 respondents were 41-50 years and then 15% of the respondents were older than 50 years. Most of the respondents were Doctorates in their field of study. Majority of the selected respondents are Associate Professors. In terms of working experience, 97 respondents (75%) have served less than or equal to 10 years, 20% and 5% of the respondents were followed by 11-20 years and 20-30 years.

**Table 3: Demographic Profile of the Respondents**

Particulars		Frequency	Percentage
Gender	Male	70	53.8
	Female	60	46.2
Age	25-30	8	6.2
	31-35	23	17.7
	36-40	53	40.8
	41-45	13	10.0
	46-50	18	13.8
	>50	15	11.5

Particulars		Frequency	Percentage
Academic Qualification	Professor	8	6.2
	Asso. Prof.	107	9.2
	Asst. Prof.	12	82.3
	Reader	3	2.3
Educational Qualification	PG	6	4.6
	M.Phil	22	16.9
	Ph.D	102	78.5
Yrs of Experience	1-10	97	75
	11-20	25	20
	21-30	8	5
	>30	-	-

**Source:** Computed results based on survey data.

***H<sub>0</sub><sup>1</sup>:*** There is no significant difference exist in Gender in the case of Organizational Effectiveness variables.

T-test analysis is conducted to examine the differences between gender and OE factors. The result of T-test is exhibited in table 4.

**Table 4: T-Test between Gender and OE variables**

Particulars		N	Mean	S.D	t	df	Sig. value
Cohesion	Male	70	4.07	0.690	2.171	128	0.032
	Female	60	4.032	0.580			
Mgt. System	Male	70	3.85	0.852	1.089	128	0.278
	Female	60	3.99	0.667			
Job Satisfaction	Male	70	4.04	0.854	1.015	126	0.312
	Female	60	4.19	0.808			
Overall Effectiveness	Male	70	4.06	0.995	0.421	121	0.675
	Female	60	4.00	0.672			

**Source:** Computed results based on survey data. Grouping variable - Gender. \*Significant at 5%.

Levene's test for equality of variances tests the hypothesis that the two population variances are equal. Here the F value for the factors Cohesion (3.410) and job satisfaction (12.59) and the corresponding level of significance is large (i.e.) p-value is less than 0.05. Thus the assumption of homogeneity of variance has not been violated and the equal variances assumed t-test statistic

can be used for evaluating the null hypothesis. If the significant level of levene statistic is less the p-value (0.05) for the factors like management system and Organisational Effectiveness, the assumption that the population variances are the equal variance not assumed, t-test static is used.

From the above table the analysis indicates that the p-values for the three factors are 0.278, 0.312, 0.675 are more than 0.05 so the null hypothesis is accepted. Therefore, there is no significant difference exists among the male and female faculties in the case of Organisational Effectiveness variables. Both of them felt same except in the cohesion aspect.

***H<sub>0</sub><sup>2</sup>:*** There is no significant difference exist in Age in the case of Organizational Effectiveness variables.

**Table 5. Result of ANOVA Test on Faculties Age and OE variables**

AGE		Sum of Squares	Mean	F	P
Cohesion	Between Group	2.399	0.480	1.938	0.044
	Within group	52.295	0.422		
	Total	54.695			
Management system	Between Group	3.333	0.667	1.823	0.052
	Within group	73.631	0.594		
	Total	76.964			
Job Satisfaction	Between Group	10.102	2.020	3.150	0.010
	Within group	79.530	0.641		
	Total	89.633			
Overall Effectiveness	Between Group	8.580	1.716	2.460	0.037
	Within group	86.498	0.698		
	Total	95.078			

**Source:** Computed results based on survey data. Grouping variable - Gender. \*Significant at 5%.



The result from the analysis indicates that the age of the faculties has a significant effect on all the organization effectiveness variables. The significant values are less than 0.05. Hence the age of the faculties plays an important role in affecting the satisfaction and effectiveness of the institution.

### Structural Equation Model

A SEM technique was used to test the model. AMOS22 was used for this purpose. The observed variables used to predict the latent variables in SEM were obtained by processing the data in the instrument. Results of SEM analysis indicate that the model fit for the data.

Therefore to determine the level of fit in the model, this study applied evaluation indicators such as Chi-square value (CMIN/DF), goodness of fit index (GFI), adjusted goodness of fit index (AGFI), Comparative fit index (CFI), root mean square residual (RMR) and root mean square error of approximation (RMSEA). The standard values for model fit as per the literatures are exhibits in the table below.

**Table 6: Overall Model Goodness-of-fit indication**

Goodness-of-fit measurement	Ideal Targets	Results of Testing	Model meets fit criteria
Chi-Square CMIN	The smaller the better	199.956	Yes
CMIN/DF	<3	3.071	Yes
GFI	>0.9	0.95	Yes
AGFI	>0.9	0.90	Yes
RMR	<0.08	0.07	Yes
RMSEA	<0.08	0.08	Yes
CFI	>0.9	0.91	Yes

**Source:** Computed results based on survey data.

Table 6 shows the indicators of the overall appropriateness of the model, where the GFI value is 0.95 and the AGFI value is 0.90. Rules of thumb and inferences indicated that the greater than 0.9 GFI value in this model means that the overall goodness of fit in this research was appropriate. The RMR value was 0.07, the RMSEA value was 0.08 where the smaller the value the better the overall research model. Moreover the degree of freedom of Chi-square distribution was 3.071, which was acceptable level. Hence these values indicating that the research model was a reasonable theoretical model. In other words, the questionnaire survey reasonably explained the casual relationship among the research variables. Most of the goodness of fit indicators in this study indicating that the data obtained in this study supported the theoretical model.

**Table 7: Path analysis in Structural Equation Model**

Variables	Hypotheses relationship	Unstandardised Co-efficient	P value	Tested Hypotheses	Hypothesis result
Cohesion Job Satisfaction	Positive	0.61	<0.001**	H <sub>0</sub> <sup>3</sup>	Supported
Management system Job Satisfaction	Positive	0.54	<0.001**	H <sub>0</sub> <sup>4</sup>	Supported
Job Satisfaction Overall Effectiveness	Positive	0.70	<0.001**	H <sub>0</sub> <sup>5</sup>	Supported

**Source:** Computed results based on survey data.\*\*significant at 1% level.

Path analysis is used to test the hypotheses  $H_0^3$ ,  $H_0^4$  and  $H_0^5$ . In Table 7 the first row shows that the hypothesized pathway value for cohesion in the institution and job satisfaction of the faculties, each standard deviation increase in cohesion in the institution or department will lead to 0.61 standard deviation is expected in job satisfaction of the faculties, the P-value is less than 0.001, indicating the significant level. It shows that cohesion had significant positive effect on job satisfaction. Hence,  $H_0^1$  was supported. The hypothesized pathway value for management system and job satisfaction, each standard deviation increase in management practice will lead to 0.54 standard deviation is expected in satisfaction of the faculties, the P-value is less than 0.001, indicating the significant level. It shows that Management practice had significant positive effect on Job satisfaction. Hence,  $H_0^2$  was supported. The hypothesized pathway value for satisfaction and effectiveness of the institution, each standard deviation increase in level of satisfaction will lead to 0.70 standard deviation is expected in effectiveness of the institution, the P-value is less than 0.001, indicating the significant level. It shows that the higher level of satisfaction does increase the higher level of effectiveness of the institution. Hence,  $H_0^3$  was supported.

## CONCLUSION

The study explains the link among the organisational effectiveness variables. It tells the importance of management system and cohesion and job satisfaction

in Higher learning Institutions. Because of faculties satisfaction is one indicator of effectiveness, so if the faculty member are well satisfied then the university will be more effective. Cameron who has established the concept of Organisational Effectiveness in Higher Education has given nine effectiveness dimensions. In that two have discussed in this paper, not only satisfaction of faculty member is the challenging issue, but also there are many other factors may affect Organisational Effectiveness and have to study in detail. And this study made an attempt in one single central university staff. Further researchers recommended taking few more HLIs' as the sample. Another limitation of the study is the questionnaire consists of only few questions due to time feasibility of the respondents.

## LIMITATIONS OF THE STUDY

- The sample size is limited to 130 respondents only.
- The respondent contacted belongs to Pondicherry University only.

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## PSYCHOLOGICAL CAPITAL WITH TURNOVER INTENTION

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### ABSTRACT

*Nowadays generally a person with high level of Psychological Capital performs better than a person with low level of Psychological Capital. Positive emotions can reduce turnover intention among the employees. Psychological Capital promotes positive experiences in Burnout environments. Hence, lack of psychological capital has the potential to intensify the experience of turnover intentions amongst the employees of Femina Shopping Mall. The results showed that positive emotions and psychological capital may have the potential to reduce turnover intentions amongst the employees of Femina Shopping Mall.*

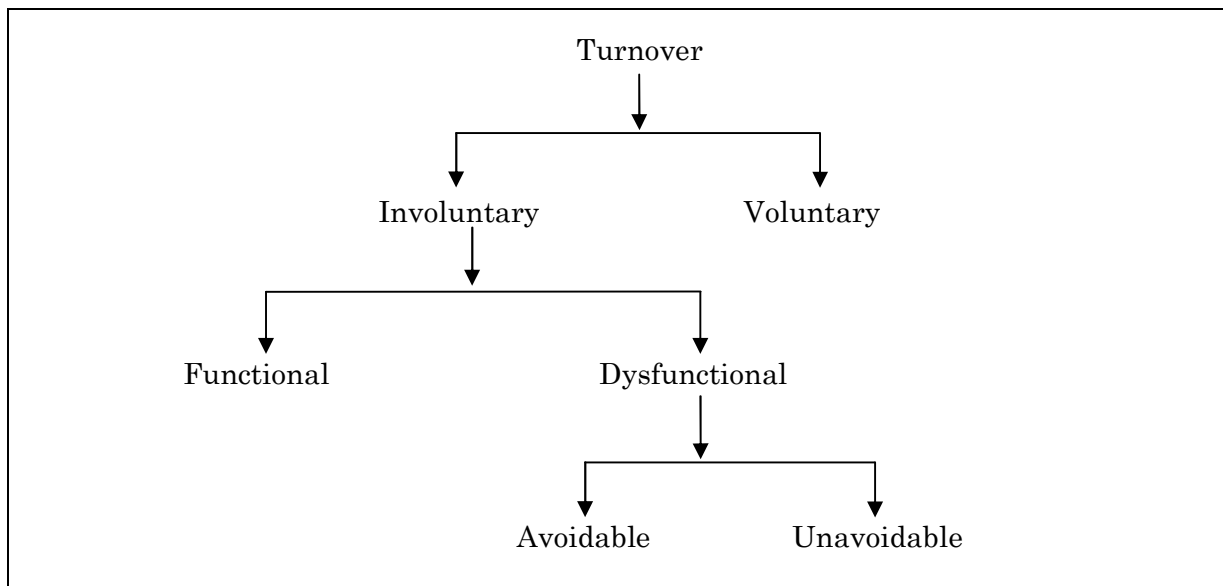
**Key words:** *Psychological Capital, Burnout, Turnover Intention*

### I. INTRODUCTION

According to Shaw et al. (1998) employees' turnover is a much studied phenomenon. But there is no standard reason why people leave organization. Abassi et al. (2000) defined Employee turnover as the rotation of workers around the labor market between firms, jobs and occupations and between the states of employment and unemployment. The term "turnover" is defined by Price (1977) as the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Turnover was viewed by Johnson (1981) as a serious problem having a strong bearing on the quality of products and services and also incurs considerable

replacement and recruitment costs. According to Fitz-enz (1987), employees leaving the organization either voluntarily by resigning the job or by involuntary turnover due to death or dismissals, layoffs and retirements are defined as Turnover. Hence, Loss of employees by any means is called as turnover (Xaba, 2003). Croasmun, Hampton and Hermann (2002) defined turnover as employees' movement out of the organization or any permanent exit further than organizational limitations. To the present study the concept of voluntary turnover intentions applied to the employees of Femina Shopping Mall, as the excessive turnover rates have created an unstable workforce, which decreases the delivery of service.

### FRAMEWORK OF STAFF TURNOVER



**Exhibit 2.1:** Framework of Staff Turnover Adapted from: Griffeth, R. and Hom, P. (2001) Retaining Valued Employees Thousand

Voluntary turnovers are classified into functional and dysfunctional turnovers. Resignation from substandard performers is regarded as functional turnovers and exit of effective performer is considered as dysfunctional turnovers. Due to its negative impact on the organization's general performance dysfunctional turnover is of greatest concern to the management. According to Taylor (1998), organization has little or no influence over dysfunctional turnover could be further distinguished as avoidable turnover which is caused by poor working condition, lower compensation, etc. and unavoidable turnovers are serious illness, death, family moves, etc. In any profession low level of employee turnover is acceptable as it counterbalances possible stagnancy, eliminates low performers, and encourages innovation with the new entry. However, high

levels of employee turnover may lead to low performance and ineptitude in organizations which results in negative effects on the profitability of organizations (Aksu, 2004; Hinkin & Tracey, 2000) and is not cost effective (Ingersoll 2001). Most of the people who leave the organization are those who are most talented as they are the ones who are likely to get an opportunity elsewhere (Hinkin & Tracey, 2000). In 2001 Curtis and Wright opined that high turnover can damage quality and customer service which provide the basis for competitive advantage, thereby inhibiting business growth. Voluntary turnover is a managerial problem that requires attention, (Hom & Kinicki, 2001). Therefore, most studies have focused on voluntary rather than involuntary turnover (Wright, 1993). In this study too focuses on voluntary form of turnover.

## II. REVIEW OF LITERATURE

Wubin and Zhaoliang (2010) found that Psychological Capital has moderating effects in the relations between turnover intentions and burnout syndrome consisting of emotional exhaustion, cynicism and reduced sense of personal accomplishment dimensions. It demonstrated that burnout syndromes lead to turnover intentions particularly for individuals low in Psychological Capital.

Perez, Mylene (2008) in the study on 'Turnover Intent' revealed that age has a negative relationship to turnover intent, indicating that the older an employee gets the less he intends to leave. Tenure also showed to be significantly correlated with the dependent variable. The longer an individual is employed, the less the individual will have intentions to leave. Apart from the other variables, job satisfaction has also shown to have the highest impact on turnover intention.

Melanie Lovie - Tremblay et al., (2011) in their study found that there is inverse relationship between age and turnover intentions. This finding attributed to the fact that older had increased job satisfaction and organizational commitment as compared with their younger peers. Apart from age differences the actual work environment also has an affect on the turnover intentions.

Khadija Al Arkoubi et al., (2011) explored some determinants of turnover intention. They proposed a model hypothesizing the existence of relationships between fairness and recognition and job satisfaction. The latter along with

commitment are perceived in this model as negatively related to the intent to quit. Not only these two factors lead to turnover intentions however there are many other factors that can lead to turnover intentions.

Ahmad, Bashir et al., (2012) concluded that job satisfaction is significantly and negatively correlated with turnover intention. Also job stress has significant negative Antecedents of Turnover Intentions: A Literature Review 1223 relationship to turnover intention. It has been evidenced that, employees experienced more job stress has more intention to quit.

Mohammed J Almalki et al., (2012) in their study revealed significant associations between turnover intention and demographic variables of gender, age, marital status, dependent children, education level, nursing tenure, organizational tenure, positional tenure, and payment per month. The PHC nurses in this study also indicated low satisfaction with their QWL and a high turnover intention. There is a significant association between QWL and turnover intention of PHC nurses. Sustaining a healthy work life for PHC nurses is crucial to improve their QWL, increase retention, enhance performance and productivity and promote safe nursing care.

Bandhanpreet Kaur, Mohindru and Dr. Pankaj (2013), concluded from the available literature that quality of work life, job stress, job satisfaction and organizational justice have an impact on the turnover intentions.

### III. OBJECTIVES

To study the impact of psychological capital on turnover intention of employees.

### IV. RESEARCH METHODOLOGY

#### 1. Research Design

For the present study the researcher has suggested how the turnover intention is related with psychological capital for that the data are called as *ex post facto* which means after the fact. For this the *Exploratory research design* is felt as suitable design.

#### 2. Population size

Population of the present study covers 400.

#### 3. Sampling Design

Here regression analysis method has been used on a sample of 272 to collect the data.

#### 4. Sample size

Sample size for the research study was 272 questionnaires were returned out of 400 distributed, which represented a response rate of 68% of the original sample. However, among those returned questionnaire, 54 responses were discarded because 7 of them were returned completely blank, 9 respondents had put the same answers on all the Likert scale items. 11 questionnaires were partially answered (i.e. some questions and/or some parts such as demographic questions were left blank). Here 218 questionnaires were selected for data collection.

### 5. DATA COLLECTION

#### i. SECONDARY DATA

1. Journals, Magazines and Newspapers.
2. Statistical reports

#### 3. Research Experts

4. Human Resource Management, Psychological Capital, Statistics related books.

The researcher also visited the library of Bharathidasan Institute of Management and IIM (Bangalore) for the literature review and discussion.

#### ii. PRIMARY DATA

A structured questionnaire was designed to gather the data required for this research. The questionnaire was written in English and translated to Tamil version, plus a covering letter. The questionnaire contained 4 item instrument created by Mobley, Horner and Hollingsworth for assessing the Turnover Intention. Response ranged by five point ordinal scaling from 1= "Strongly disagree" to 5= "Strongly agree". Higher score indicated higher intention to quit from a job.

### 6. DATA COLLECTION PROCEDURE

The human resource manager of Femina Shopping Mall was approached to obtain approval to carry out the proposed research. He discussed this with the EXCO (i.e. the board of directors), after which permission was granted to conduct the research. The company then provided the list of names and addresses of all of the employees who could be approached to participate in the study. Data were collected by way of a composite research questionnaire accompanied by a biographical information form. Questionnaires were issued to the employees and they were given a week to complete the questionnaire and return it to the researcher.

**7. HYPOTHESIS**

1. The proposed model is a good fit with study data
2. Psychological Capital can used to predict Turnover Intention.

**8. DATA ANALYSIS TOOLS**

1. Regression Analysis was used to predict turnover intention
2. For Model fit Structural Equation Modelling was used

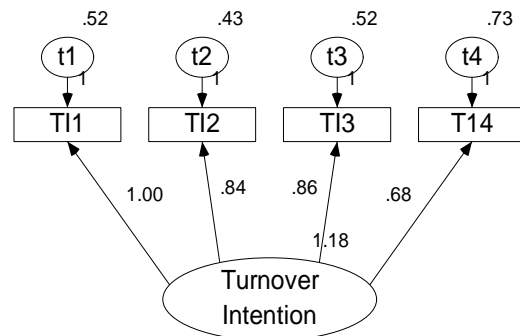
**MEASUREMENT MODEL FOR TURNOVER INTENTION  
REPORTED VALUES OF MODEL FIT FOR TURNOVER INTENTION**

Absolute Fit Measures						Incremental Fit Measures		Parsimony Fit Measures	AVE
	$\chi^2$	df	$\chi^2/df$	GFI	RMSEA	NFI	CFI	AGFI	
Criteria			<3	$\geq 0.90$	<0.05	$\geq 0.90$	$\geq 0.90$	$\geq 0.90$	$\geq 0.5$
Obtained	0.2	2	0.1	1.000	0.000	1.000	1.000	0.998	0.7

(Note:  $\chi^2$ : Chi-square; Df: degree of freedom; GFI: Goodness of fit index; RMSEA: Root mean square error of approximation; NFI: Normated fit index; CFI: Comparative fit index; AGFI: Adjusted goodness of fit index)

The individual reliability of the items is evaluated using factor loadings, factor loadings above 0.5 is acceptance. In the above table all the factor loadings are above the recommended value it shows the statements are related to the constructs. The internal consistency of all the items is ensured through construct reliability which evaluates the rigorousness with which the latent item is measured by the observable item. The AVE value should not be less than 0.5 to ensure convergent validity of the model.

**Measurement Model for Turnover Intention**



**TABLE 1.1: STATEMENT AND CODE FOR TURNOVER INTENTION**

Statements	Code
I often think about quitting my present job	TI1
I will probably look for a new job in the next year	TI2
As soon as possible, I will leave the organization	TI3
I often think of changing my job	TI4

**PSYCHOLOGICAL CAPITAL TO PREDICT TURNOVER INTENTION**

Variable	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig
Turnover Intention	0.887 <sup>a</sup>	0.787	0.786	1.844	0.000**
a. Predictors: (Constant), Psychological Capital					



**COEFFICIENTS OBTAINED FROM THE REGRESSION BETWEEN PSYCHOLOGICAL CAPITAL AND TURNOVER INTENTION**

	Standardized Coefficients	t	Sig.	Collinearity Statistics	
	Beta			Tolerance	VIF
(Constant)		65.708	0.000		
Psychological Capital	-0.887	-28.261	0.000	1.000	1.000

a. Dependent Variable: Turnover Intention

Psychological Capital is a predictor of Turnover Intention. Specifically, the results showed that Psychological Capital is a predictor (R squared = -0.887 and  $p < 0.001$ ) of Turnover Intention which is statistically significant ( $p < 0.01$ ). The model as a whole contributed to 78.7% (R squared value) of the variance in Turnover Intention. Therefore, it could be concluded that Psychological capital predicts Turnover Intention.

**9. FINDINGS**

1. A negative relationship was found between Psychological relationship and turnover intention.
2. The proposed model explained the research hypothesis and also fits with study data.
3. The fit indices of SEM are reported indicate the proposed model was a good fit.

**10. SUGGESTIONS**

1. Training programs targeting at developing the psychological capital of employees in order to reduce job burnout and turnover intentions.
2. It is recommended that the employers should develop psychological capital through training programs to facilitate efficiency and positive well-being amongst employees which in turn are expected to contribute to positive work-related outcomes.
3. It will be useful in emplacing on optimism during training interventions.

**CONCLUSION**

The present study found that Psychological Capital promote the happiness amongst the employees and Suggested that when Psychological Capital is developed among employees can promote happiness and in the end may have the potential to lighten turnover intentions among the employees. Understanding the problem and finding an appropriate solution by providing training programs to develop psychological capital among employees. Thinking ahead to reduce turnover intentions amongst employees of Femina Shopping Mall and possible other job related fields.

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## A STUDY ON IMPACT OF DEMOGRAPHIC VARIABLES AND JOB SATISFACTION AMONG THE COLLEGE TEACHERS OF ARTS AND SCIENCE (AUTONOMOUS) COLLEGES IN TIRUCHIRAPPALLI CITY

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### ABSTRACT

*Unlike other institutions in the universe educational institutions are evergreen irrespective of states and countries. In the global education industry, India plays a vital role as educational center. In India, there are more than 1.4 million schools and more than 35000 higher education institutes are present. India's higher education system is one of the largest systems in the world. For our nation's future the most important group of professionals are the college teachers. The faculty members are not fully sincere and their commitment towards their profession is lacking to great extents. They routinely engage in dishonest acts without feeling guilt about their behavior. Individuals sometimes disengage from their moral responsibilities irrespective of their job satisfaction and exhibit counterproductive work behavior. This requires a detail probe into the demographical factors that has an impact on the Job Satisfaction. This paper focusses on the impact of demographic variables and job satisfaction among the college teachers of Arts and Science (Autonomous) Colleges in Tiruchirappalli city.*

**Key words:** *General Working Conditions, Pay and Promotion, Job Satisfaction, Skills and Abilities, Work Activities and Work Relationships*

### I. INTRODUCTION

Every institution wishes to have employees who perform their duties in perfect manner, take up responsibilities and who are efficient and effective in completing their tasks without engaging in harmful activities that could cause damage to the institution or to them or to the students. Managing the behavior of employees is a major concern. Employee behavior at workplace has remained an integral part of Industrial

Psychology. Job satisfaction is one of the most vital but contentious issues in industrial Psychology and behavioral management. According to Brayfield and Rothe (1951), job satisfaction refers to the individual's attitude (feeling) toward his work. Locke (1976) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". According to Hugh J. Arnold (1983), job satisfaction is "the amount of

overall positive effect (of feeling) that individuals have towards their jobs”.

Chen & Spector, 1992; Mount, Ilies & Jhonson, 2006; Penny & Spector, 2005 focused on job satisfaction highlighted that emotional response to a range of issues related to work, has a direct effect on CWB. The employees who are not satisfied in their workplace initiate counterproductive work behavior. Hollinger, 1986; Mangione & Quinn, 1975 identified that there has been significant relationships noted between job satisfaction and dimensions of counter productivity. Dalal (2005) in his meta-analysis and Judge, Scott, and Ilies (2006) in a longitudinal field have shown that employees engaged much more in deviant behaviors when they were less satisfied with their jobs.

## II. REVIEW OF LITERATURE

Ch. Qayyum (2013) conducted a study to compare the level of job satisfaction among University teachers. Results reported a significant difference in the level of job satisfaction among lecturer, assistant professor, associate professor and professor. It was revealed that there is a significant difference in the level of job satisfaction among visiting, contract and permanent teachers.

Rashid Saeed et al. (2014), in his study found promotion, pay, fairness and working condition to be the key factors that contribute to employee job satisfaction. It was concluded that money and compensation play an important role in the job satisfaction.

Hauff, Sven & Richter, Nicole Franziska & Tressin, Tabea (2015)

International research on job satisfaction suggests that the relationship between job characteristics and job satisfaction differs across countries. Findings indicate that some job characteristics' impacts vary significantly between countries, while others prove to be independent of national context. These differences are indeed partially, significantly moderated by individual dimensions of culture.

Azman Ismail & Mohd Ridwan Abd Razak (2016) findings demonstrated that the ability of administrators to provide adequate intrinsic satisfaction and extrinsic satisfaction may lead to greater employee job satisfaction.

Cheryl Carleton & Mary Kelly (2016) Studies suggest that there is significant growth potential for workers in alternative work arrangements in the years ahead. This study explored a variation in overall happiness and job satisfaction by work arrangement, by occupation, and by gender. Significant differences in overall happiness and job satisfaction are found for each of these groups. The growth in alternative work arrangements may stem in part from individual's needs which are not met in more traditional jobs and is reflected in the impact they have on happiness and job satisfaction.

## III. Objective

To study the impact of demographic variables on Job Satisfaction among the college teachers of Arts and Science (Autonomous) Colleges in Tiruchirappalli city.

**IV. METHODOLOGY****a. RESEARCH DESIGN**

For this the Exploratory research design is felt as suitable design

**b. SAMPLING TECHNIQUE**

For the present study stratified random sampling method would be most suitable. In this method, the entire population shall be divided into smaller homogeneous groups or strata and then samples shall be drawn randomly from each group and then data shall be collected.

**c. SAMPLE SIZE**

For the present study the sample size is 450.

**d. COLLEGE SELECTION**

Five autonomous colleges were selected for the present study where both male and female staffs were present.

**e. DATA COLLECTION**

Thus, the study requires both primary and secondary data.

**1. SOURCES OF SECONDARY DATA**

1. Journals, Magazines and Newspapers.
2. Statistical reports
3. Research Experts
4. Organizational Behavior, Counter productive work behavior, Statistics related books.

The researcher also visited the library of INDIAN INSTITUTE OF MANAGEMENT, Bangalore for the literature review and discussions.

**2. SOURCES OF PRIMARY DATA**

Primary data was collected from the college teachers of selected Arts and

Science (Autonomous) Colleges in Tiruchirappalli city by using the following scale.

For measuring the Job Satisfaction an 18 item scale developed by Avallone & Paplomatas was used. The items were intended to examine the worker's perception about their wellbeing and unease in the work place. Response choices ranges from 1 (Never) to 5 (Always).

**f. HYPOTHESIS****i. RESEARCH HYPOTHESIS**

1. There is a significant difference between educational qualification of the respondents and their job satisfaction.
2. There is a significant relationship between age of the respondents and their job satisfaction.
3. There is a significant association between gender of the respondents and their job satisfaction.
4. There is a significant relationship between the marital status of the respondents and General Working Conditions, Work Activities, Work Relationship, Use Skills and Abilities, Pay and Promotion
5. There is a significant relationship between marital status of the respondents and their overall job satisfaction.

**ii. NULL HYPOTHESIS**

1. There is no significant difference between educational qualification of the respondents and their job satisfaction.

2. There is no significant relationship between age of the respondents and their job satisfaction.
3. There is no significant association between gender of the respondents and their job satisfaction.
4. There is no significant relationship between the marital status of the respondents and General Working Conditions, Work Activities, Work Relationship, Use Skills and Abilities, Pay and Promotion
5. There is no significant relationship between marital status of the respondents and their overall job satisfaction.

## V. DATA ANALYSIS

### a. TOOLS USED

1. One way ANOVA was used to test the difference between educational qualification of the respondents and their job satisfaction.
2. Regression Analysis was used to test the relationship between age of the respondents and their job satisfaction.
3. Chi-Square Test the association between gender of the respondents and their Job Satisfaction.
4. Karl Pearson co-efficient correlation was used to study the relationship between marital status of the respondents and their Job Satisfaction.

### b. ANALYSIS

#### Difference between Educational Qualification of the respondents and their Job Satisfaction

	Mean	Standard Deviation	SS	df	MS	Statistical Inference
<b>General Working Conditions</b>						
Between groups			6.038	4	1.510	F = 0.212 0.932 > 0.05 Not significant
PG (10)	11.3000	2.26323				
M.Phil (352)	11.6080	2.67727				
PhD (78)	11.7436	2.51972				
NET/SET (6)	10.8333	4.02078				
Post Doctoral Fellowship (4)	11.7500	3.30404				
Within groups			3164.453	445	7.111	
<b>Pay and Promotion Potential</b>						
Between groups			84.983	4	21.246	F = 0.999 0.408 > 0.05 Not significant
PG (10)	16.5000	4.69633				
M.Phil (352)	15.0227	4.60082				
PhD (78)	15.4359	4.65314				
NET/SET (6)	13.5000	5.39444				
Post Doctoral Fellowship (4)	18.2500	2.87228				
With in groups			9465.748	445	21.271	

	Mean	Standard Deviation	SS	df	MS	Statistical Inference
<b>Work Relationships</b>						
Between groups			5.442	4	1.361	F = 0.937 0.912>0.05 Not significant
PG (10)	8.6000	2.01108				
M.Phil (352)	8.8864	2.37835				
PhD (78)	9.0000	2.25630				
NET/SET (6)	8.1667	2.92689				
Post Doctoral Fellowship (4)	9.2500	1.25831				
Within groups			2461.438	445	5.531	
<b>Use Of Skills And Abilities</b>						
Between groups			11.264	4	2.816	F = 0.344 0.848>0.05 Not significant
PG (10)	8.7000	2.75076				
M.Phil (352)	8.6534	2.88612				
PhD (78)	8.7949	2.81627				
NET/SET (6)	7.5000	2.42899				
Post Doctoral Fellowship (4)	8.0000	2.00000				
Within groups			3644.034	445	8.189	
<b>Work Activities</b>						
Between groups			35.618	4	8.905	F = 0.937 0.442>0.05 Not significant
PG (10)	9.8000	2.34758				
M.Phil (352)	9.2727	3.07912				
PhD (78)	9.4487	3.05213				
NET/SET (6)	8.6667	4.76095				
Post Doctoral Fellowship (4)	12.0000	2.58199				
Within groups			4228.046	445	9.501	
<b>Overall Job Satisfaction</b>						
Between groups			351.615	4	87.904	F = 0.481 0.750>0.05 Not significant
PG (10)	54.9000	12.51177				
M.Phil (352)	53.4432	13.62364				
PhD (78)	54.4231	12.98903				
NET/SET (6)	48.6667	17.31666				
Post Doctoral Fellowship (4)	59.2500	8.88351				
Within groups	53.6333	13.48384				
			81282.885	445	182.658	

The above table reveals that the calculated value greater than table value ( $P > 0.05$ ). So the research hypothesis is rejected and the null hypothesis is accepted. Therefore, it is concluded that

there is no significant difference between educational qualification of the respondents and their overall perception about their job satisfaction.

**Relationship between Age of the respondents and Job Satisfaction**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	203.810	1	203.810	0.899	0.343 <sup>b</sup>
Residual	101517.301	448	226.601		
Total	101721.111	449			

a. Dependent Variable: Job Satisfaction  
 b. Predictors: (Constant), Age

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	64.886	1.957		33.148	0.000
Age	-0.570	0.601	-0.045	-0.948	0.343

a. Dependent Variable: Job Satisfaction

The above table reveals that the calculated value greater than table value ( $P > 0.05$ ). So the research hypothesis is rejected and the null hypothesis is accepted. Therefore, it is

concluded that there is no significant relationship between educational qualification of the respondents and their overall perception about their job satisfaction.

**Association between Gender of the respondents and their Job Satisfaction**

		Male 260 (100%)	Female 190 (100%)	Total 450 (100%)	Statistical inference
General Working Conditions	Low	97 (21.6%)	69 (15.3%)	166 (36.9%)	$\chi^2 = 0.046$ $0.454 > 0.05$ Not Significant
	High	163 (36.2%)	121 (26.9%)	284 (63.1%)	
Pay and Promotion Potential	Low	123 (27.3%)	91 (20.2%)	214 (47.6%)	$\chi^2 = 1.015$ $0.489 > 0.05$ Not Significant
	High	137 (30.4%)	99 (22.0%)	236 (52.4%)	



		<b>Male 260 (100%)</b>	<b>Female 190 (100%)</b>	<b>Total 450 (100%)</b>	<b>Statistical inference</b>
<b>Work Relationships</b>	<b>Low</b>	111 (24.7%)	92 (20.4%)	203 (45.1%)	$\chi^2 = 0.250$ $0.133 > 0.05$ Not Significant
	<b>High</b>	149 (33.1%)	98 (21.8%)	247 (54.9%)	
<b>Use of Skills and Abilities</b>	<b>Low</b>	122 (27.1%)	97 (21.6%)	219 (48.7%)	$\chi^2 = 0.749$ $0.221 > 0.05$ Not Significant
	<b>High</b>	138 (30.7%)	93 (20.7%)	231 (51.3%)	
<b>Work Activities</b>	<b>Low</b>	111 (24.7%)	81 (18.0%)	192 (42.7%)	$\chi^2 = 0.000$ $0.534 > 0.05$ Not Significant
	<b>High</b>	149 (33.1%)	109 (24.2%)	258 (57.3%)	
<b>Overall Job Satisfaction</b>	<b>Low</b>	124 (27.6%)	94 (20.9%)	218 (48.4%)	$\chi^2 = 0.139$ $0.390 > 0.05$ Not Significant
	<b>High</b>	136 (30.2%)	96 (21.3%)	232 (51.6%)	

The above table reveals that the calculated value greater than table value ( $P > 0.05$ ). So the research hypothesis is rejected and the null hypothesis is accepted. Therefore, it is concluded that there is no significant association between gender of the respondents and their overall perception about their job satisfaction.

#### **Relationship between Marital Status of the Respondents and their Job Satisfaction**

<b>Age</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>R value</b>	<b>Statistical inference</b>
General Working Conditions	14.7978	3.29290	0.591**	$0.321 > 0.05$ Not significant
Pay and Promotion	17.3444	4.97826	0.625**	$0.733 > 0.05$ Not significant
Work Relationship	10.4778	2.85518	0.576**	$0.967 > 0.05$ Not significant
Use Skills and Abilities	10.2711	3.18086	0.504**	$0.752 > 0.05$ Not significant

<b>Age</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>R value</b>	<b>Statistical inference</b>
Work Activities	10.2644	3.14091	0.760**	$0.122 > 0.05$ Not significant
Overall Job Satisfaction	63.1556	15.05159	0.828**	$0.000 > 0.05$ Not significant

The above table reveals that the calculated value is greater than the table value ( $P > 0.05$ ). So the research hypothesis is rejected and the null hypothesis is accepted. Therefore, it is concluded that there is no significant relationship between the marital status of the respondents and General Working Conditions, Work Activities, Work Relationship, Use Skills and Abilities, Pay and Promotion.

The above table reveals that the calculated value less than table value ( $P < 0.05$ ). So the research hypothesis is accepted and the null hypothesis is rejected. Therefore it is concluded that there is a significant relationship

between marital status of the respondents and their overall job satisfaction.

## VI. FINDINGS

1. There is no significant difference between educational qualification of the respondents and their overall perception about their job satisfaction
2. There is no significant relationship between educational qualification of the respondents and their overall perception about their job satisfaction
3. There is no significant association between gender of the respondents and their overall perception about their job satisfaction.
4. There is no significant relationship between the marital status of the respondents and General Working Conditions, Work Activities, Work Relationship, Use Skills and Abilities, Pay and Promotion.
5. There is a significant relationship between marital status of the respondents and their overall job satisfaction.

## VII. SUGGESTIONS

1. Regular training programmes may be organized to empower teachers with latest developments.
2. Formal meetings are to be arranged on regular basis by the higher authorities to know their grievances,
3. Any suggestion from teacher is to be considered and it should be valued.
4. Career Development opportunities are to be provided by the institution.
5. Sufficient freedom is to be given to the teachers in decision making.
6. workshops may also be organized to enrich and equip the teachers.

## VIII. LIMITATIONS OF THE STUDY

1. Due to cost and time constraints the geographical scope of the study was restricted to Tiruchirapalli city and only the Autonomous colleges in the city were selected.
2. Focus is mainly on in-depth probing and is purely dependant on the data imparted by the respondents which may be biased. The generalizations drawn will be only indicative and not conclusive.

## IX. CONCLUSION

This current study helps in designing of jobs and human resource systems by Considering justice, autonomy, and employees' feelings. The results obtained in this study would help in controlling the counterproductive behavior which may result in harmonious and pleasant work environment as the roughness between the management and employees will reduce.

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## A STUDY ON TIME MANAGEMENT AMONG STUDENTS IN COLLEGES WITH REFERENCE TO KUMBAKONAM

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### ABSTRACT

*This research paper is based upon managing the sufficient time among college students. The assignments, implements and new innovation are way to managing time. Commonly the students have an oscillating mind and more carelessness. Managing time is essential for students. Time is unavoidable on the part of our life. Time management is one of the important goals to getting success for students. In time management students can realize how to use their time effectively and efficiently and how to manage the time.*

**Key Words:** Time; Time management; students;

### INTRODUCTION

#### Time Management

Time management is the process of planning and exercising conscious control over the amount of time spent on specific activities especially to increase effectiveness, efficiency or productivity. To manage a time finds the freedom from deadline pressure and from stress. In general you will be more productive, procrastinate less and have more time to relax which helps further decrease stress and anxiety. It's much more likely that they are using their time more effectively and practicing time management.

#### Definition

"Time management" is the process of organizing and planning how to divide your time between specific activities. Good time management enables you to work smarter – not harder – so that you get more done in less time, even when time is tight and pressures are high.

Failing to manage your time damages your effectiveness and causes stress.

### COLLEGE

The government college sector is 46 is relatively young but offers an areas of fine higher educational options in various streams namely Arts, Commerce and Computer Applications with honors in selected subjects.

Career education has colleges and Universities. It is private sector colleges and universities also known as acronym APSCU before that it was called the career college association but changed its name.

### CAUSES OF TIME MANAGEMENT

- The students are getting so absent mindedness.
- They are procrastination.
- Disorganization.
- Ineffective delegation.
- Low energy depression.
- Being reactive rather proactive.

- Falling to begin with vision/ plan and communicating it to others.
- Failure to focus on the first thing priorities.

### **OBJECTIVES**

- To study about factors affecting the time among students.
- To know the values and importance of time management on students.
- To know the problems facing due to time on students.

### **MANAGING TIME IN COLLEGE**

- Identify committed time record those things you must do or will do and record the times attached to each activity.
- Identify the personal time.
- Estimate study time
- Establish a study plan
- Revise your plan
- The dates and your goals and referring often to your calendar will help you keep focused on your goals.
- To take weekly priority list the specific chapters and pages then review test schedules and long term assignments and specify time for preparation.
- To take a semester plan.
- The schedule allots time for classes, studying, personal care, eating, sleeping, recreation etc.,

### **Time Management for Students**

Most students find that their greatest challenge in adjusting to college life and to succeeding in the classroom is in managing their time effectively. This is especially true for community college students who often work long hours.

Adult students deal with the additional issues of child care and family and home responsibilities.

Even though attending class and completing assignments is a top priority for most students, many find that they are not allowing enough time for their studies. On the average, students should spend about 2 hours of study for each hour of class time.

### **PROS**

- Greater productivity and efficiency.
- A better professional reputation.
- Less stress.
- Increased opportunities for advancement.
- Greater opportunities to achieve important life and career goals.

### **CONS**

- Missed deadlines.
- Inefficient work flow.
- Poor work quality.
- A poor professional reputation and a stalled career.
- Higher stress levels.

### **TIME MANAGEMENT GOALS FOR STUDENTS**

**The first goal** – Time to study what is taught by teachers in college.

**Second goal** – Time for class homework

**Third Goal** – Preparation for upcoming exams

**Fourth Goal** – Time for playing games, watching TV & social media

**Fifth Goal** – Time for physical activities / Exercise / Yoga

## **FACTORS AFFECTING THE TIME ON STUDENTS**

### **1) Time Is Your Life**

It is essential that you become aware at every instance. Time has become our most precious commodity. We suffer from a lack of time. Today more people complain about not having enough time than not having enough money. The amount of time you spend in any activity fashions the quality of your work, your relationships, and your comfort. The number of hours in a day is the same for everyone, but some manage to use them much better than others. It is crucial to be mindful of where you spend your time and to evaluate the results of your time investment.

### **2) Poor Time Management is a Major Source of Stress**

Time pressure has become the curse of our time. It is a major source of stress and the origin of a multitude of ills and dissatisfactions. The diabolical triangle with its 3 poles of objectives, quality and duration imprisons us permanently in inevitable constraints. If we want to improve quality, we need more time or we have to reduce the number of objectives. If we want to increase the number of things we want to accomplish, quality may suffer or we'll be short on time. If we are given less time, there is pressure on the quantity and quality of our production. Yet, despite these obvious and ever-present constraints, today's demand at the workplace is to accomplish more, better, faster and cheaper, inevitably leading to more stress. Treating

everything as urgent, rushing from one activity to another all day long, not enjoying anything and without ever feeling satisfied is a straight path to tension and ultimately to burnout, the disease of our century (Huffington, 2015). It is vital to find some pleasure in our work. Our productivity, our commitment to contribute to the success of our company and our wellbeing depend on it. The feeling of time starvation has taken on gigantic proportions. It is partly a matter of perception, but there is also much reality to it. We are inundated by a flow of information that never stops, day or night. Absorbing this constant onslaught, sorting out what is relevant, is time consuming, distracting and taking our focus away from the objectives that really matter.

### **3) Work-Life Balance**

"Don't confuse having a career with having a life." Hillary Clinton Achieving a satisfactory work-life balance can be challenging these days. Some have even given up on this concept, believing it has become illusory. Yet, in order to stay healthy and productive, it is indispensable for our body and mind to get a rest, to change pace and achieve a balance between time spent at work and time engaging in other activities, such as leisure and sports, spending time with our family and friends and getting enough sleep. Beyond a certain number of hours at work, the law of diminishing returns imposes itself. The same is true for long uninterrupted periods without a pause. The hours spent at work are not a good indication

of performance. What counts are the achieved results. By far the biggest threat to this balance is staying connected – by choice or imposed by others – to our phones, tablets and computers.

#### 4) Take a ways

It's hard to overestimate the importance of time management. It profoundly affects our performance and wellbeing every day in our personal and professional life. It is crucial to be aware of where you spend your time and to assess the results of your time investment. Today's constant demand to do more, better, in less time, is a major source of stress and burnout. Distinguishing the importance and urgency of a task is essential. Urgency, usually decided by others, too often trumps importance to the detriment of achieving significant results.

### VALUES AND IMPORTANCE OF TIME MANAGEMENT ON STUDENTS

Time management is important for students to do the study with focus. Time management is important for students to get high marks. Student's success in studies depends much on managing time efficiently. The habits and morals they acquire during schools time and home will stick with them throughout future.

Students get a minimum of one year time to pass one class. One whole year's time students spend on completing syllabus, doing homework, giving exams. Some students only start studying seriously when the exam dates are near. If students manage their time for

studying as early as they begin a new class and study regularly by the following timetable then it helps them to accomplish more in the class than other students.

During exams, students need to complete the attempted question paper. Within that time they have to prove what they learned in the whole year. Students need to understand what questions require more time. How can all 10 or 5 question be answered in 3 hours time?

Today student's time is consumed by various things. Such as heavy load of homework, family gets together, gadgets, Internet, games and TV. Everything looks interesting and important when we're students. But when the exam comes students and parents start getting stress. Competition to get more marks increases stress in students and parents. But some students are still happy and confident to perform best and parents don't even feel any stress.

### PROBLEMS DUE TO TIME MANAGEMENT FOR STUDENTS

#### Low motivation

Low motivation is one of the biggest problems you may have to tackle during your education.

You are tired and stressed, with too much to do.

There are other, more interesting things to do.

You're not in the best of health, or not sleeping.

You're worrying about failure.

## **Distractions**

There are so many external stimuli these days that it's little wonder that many students feel distracted. Social media, friends, phone, television, video games and outings all have a part to play in wreaking havoc on students' ability to focus on studying. If you feel your productivity is suffering from a multitude of distractions, it's time to change your working environment to one more conducive to studying. Creating the right environment for learning should be a relatively easy solution that will help you overcome the power of all these external distractions. Eliminate the things you know to be your weaknesses from your workspace.

## **Difficulty Concentrating**

Procrastination is a symptom of lack of concentration (among other things) if you find yourself constantly checking Facebook or texting when you know you're meant to be working, it's a sure sign that you need to be taking steps to improve your concentration levels.

## **Enjoy the Subject You're Studying**

Not liking the teacher of this subject, or having an uninspiring teacher, can also lead to a dislike of the subject itself. A change of mindset will be necessary to overcome this problem. You need to be able to see the bigger picture, and how that problem subject fits into it.

## **Struggle with Time Management**

Studying at any level requires good time management, and if you find yourself struggling to meet deadlines, or

you feel overwhelmed with work, or you frequently end up having to stay up late into the night to finish off a piece of homework, this is a sign that you need to work on your time management skills.

## **SUGGESTION**

Students have to do their work at the correct time and manner. They should use the time very sufficiently. They have to put a time schedule to manage the time usefully. Time management shapes the student's mind into the direction of discipline and sense of duty. Limitation of time allot for gadgets, playing games and watching Television.

## **CONCLUSION**

Time is precious thing in every human life. If we lose the time once we suffer our life. Whenever we got the opportunity in college suddenly we will capture it otherwise spoil our future. Improper time management leads to stress. In this time management students come to know the values and importance of time and managing the time properly. They are facing the problems of time management during examination, procrastination, oscillating mind and distraction etc. Finally they have some obligations surely do that work with proper time schedule and use the time efficiently.

## **REVIEW OF LITERATURE**

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## MARKETING PRACTICES OF ENTREPRENEURS OF SMALL ENTERPRISES IN THANJAVUR DISTRICT

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### ABSTRACT

*This paper brings some business practices of the women entrepreneurs in Thanjavur district of Tamil Nadu. Socio – economic background of the women is also taken into consideration and it is also linked with their business. As the women entrepreneurs form an integral part of industrial scene, it is necessary to study their position in the industrial development. In this research, it is felt very much that the women entrepreneurs are in a position to seek appropriate training programmes and the bank finance my further be extended. And also, the governmental efforts to purchase their products are also required.*

**Key Words:** Women entrepreneur, Motivating factor, family system

### Introduction

Small enterprises are the firms, having more than Rs.25 lakh and up to Rs.5 crores in Plant and Machinery in the case of manufacturing enterprises and the firms having more than Rs.10 lakhs and up to Rs.2 crores in equipment in the case of service enterprises. They form an integral part in the Micro, Small and Medium (MSME) sector. After the enactment of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, small industries came to the purview of the Act. They take an important role in entrepreneurial development of India for the last two decades.

### Importance of the Study

The Micro, Small and Medium Enterprises (MSME) sector has been an integral component of the industrial sector. The SMME sector has been

accorded special status and importance in the Five-Year Plans since inception in view of the advantages it offers for better utilisation of resources of capital and skill at the local level. The continuous support provided to the sector in the form of incentives, infrastructural facilities and other assistance in the industrial policy resolutions has facilitated the sector to acquire a place of prominence in the socio-economic development of the country.

### Statement of the Problem

The Small Enterprises face difficulty in marketing for their businesses. Currently, these enterprises are facing challenges at every stage of their operation, whether it is buying of raw materials, manufacture of products, marketing of goods or raising of finance. These industries are, not in a position to secure the internal and external

economies of scale. (A.Selvakumar and Dr. J.A. Arul Chellakumar, 2010). In India, the government has taken several initiatives at both the national and the international levels to improve the availability of finance. However, there are still certain impediments that the units face that are required to be addressed by the government.

In the light of these aspects, it is inferred that the every nook and corner of the business functions of the small enterprises is the problem to the units. Small Enterprises functioning in Thanjavur district are not exceptions to this.

**Objectives of the Study**

1. To ascertain the socio economic factors of the women entrepreneurs.
2. To analyse their business practices of them.
3. To give suitable suggestions for their development.

**Research Methodology**

This is an empirical survey, based on primary and secondary data. For this study, two neighbouring districts of Tamil Nadu, Karur and Namakkal districts were selected as the geographical area. As these districts are industrially backward areas, it is necessary to provide all supports to the industrial by the government.

From the lists of entrepreneurs obtained from the District Industrial Centers, it was found out that there are 184 women entrepreneurs in the two districts. Among them, it was possible to contact 120 women entrepreneurs easily and they were willing to open their

minds towards their business. So, 65% samples (120 out of 184) constitute the size of sample for this study.

A well defied questionnaire was used to collect their opinions of those women. The data, so collected were analysed and appropriate inferences were made.

**Analysis of data  
Demographic Profile**

The number of sample women entrepreneurs is 120. They are of different features as follows: (1) Nativity - From rural area 76 women, from semi urban area 26 and urban area 18. (63%, 22% and 15% respectively). (2) Marital Status – 78 women married (65%) and 22 unmarried (35%). (3) Religious status – Women from Hindu 67(56%), from Muslim 19 (16%), from Christian 24 (20%) form others 10 women (8%). (4) Family system – From Independent Family 82 women (68%) and from Joint Family 18 women (32%). (5) Trained women 42 (35%) and untrained women 78 (65%).

**Table No.1  
Motivating Factor**

Sl. No.	Motivating Factor	No. of Respondents	Per cent
1.	Financial necessity	43	36
2.	Unemployment problem	37	31
3.	Business family	24	20
4.	Encouragement of family	16	13
	Total	120	100

Source: Primary data

Financial necessity is the major factor to motivate the 365 respondents and they constitute majority. Next, unemployment problem is the factor to 31% women. As their business family is the factor to 20% women, encouragement of family is the factor to 13% women.

**Table No.2**  
**Nature of business**

S. No.	Nature of business	No. of Respondents	Per cent
1.	Service industry	43	36
2.	Trading business	52	43
3.	Manufacturing activities	25	21
	Total	120	100

**Source:** Primary data

As far as the nature of business is concerned, 43% women undertake service industry. 36% of the women engage trading business. Only 21% resorts manufacturing activities

**Table No.3**  
**Place of Business unit**

S. No.	Place of Business unit	No. of Respondents	Per cent
1.	Rural areas	62	52
2.	Semi-urban areas	46	38
3.	Urban areas	12	10
	Total	120	100

**Source:** Primary data

52% women entrepreneurs have set up their business in rural areas. 38% women established it in semi-urban areas. Only 10% have set up their business unit in urban areas.

**Table No.4**  
**Area covered**

S. No.	Area covered	No. of Respondents	Per cent
1.	Local market only	48	40
2.	District level market	36	30
3.	State level	24	20
4.	National level	12	10
	Total	120	100

**Source:** Primary data

40% women cover their business in local market only. 30% cover district level market. 20% women cover the state level market. Only 10% extend their market at national level.

**Table No.5**  
**Method of sales**

S. No.	Perception towards bank loan	No. of Respondents	Per cent
1.	Direct sales to customers	52	43
2.	Through middle men	34	28
3.	Through commission agents / brokers	34	29
	Total	120	100

**Source:** Primary data

43% women adopt direct sales to customers in their business. 28% women market their products through middle men. 29% adopt sales through commission agents / brokers.

**Table No.6**  
**Type of Governmental Assistance required**

S. No.	Perception towards bank loan	No. of Respondents	Per cent
1.	Subsidy	59	49
2.	Government may purchase their products	37	31
3.	Information service	24	20
	Total	120	100

**Source:** Primary data

49% of them demand for subsidy from the government. 31% expect that the government may purchase their products. 30% of them expect any information service from the government.

**Findings**

1. Among the 120 women entrepreneurs, majority women entrepreneurs (63%) have come from rural areas. Majority respondents (65%) are the married women. 56% of women entrepreneurs belong to Hindu; M.B.C category women entrepreneurs are of majority group (37%);
2. Majority women entrepreneurs (68%) live in independent family; remaining 32% women are in joint family.
3. Majority respondents (65%) do not have any training at all. Only 35% have undergone training.
4. As far as the nature of business is concerned, 43% women undertake service industry. 36% of the women engage trading business. Only 21% resorts manufacturing activities

5. 52% women entrepreneurs have set up their business in rural areas. 38% women established it in semi-urban areas. Only 10% have set up their business unit in urban areas.
6. 40% women cover their business in local market only. 30% cover district level market. 20% women cover the state level market. Only 10% extend their market at national level.
7. 43% women adopt direct sales to customers in their business. 28% women market their products through middle men. 29% adopt sales through commission agents/ brokers.
8. 49% of them demand for subsidy from the government. 31% expect that the government may purchase their products. 30% of them expect any information service from the government.

**Conclusion**

The survey has disclosed that the women entrepreneurs are undertaking their business with courage and positive attitude. Majority of them are first generation entrepreneurs so that they need proper entrepreneurial training in their lines of business. And, free subsidies may further be granted to them. These are the immediate requirement to them for their success and survival.

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#### **Web Sites**

[www.womenentpreneur.in.com](http://www.womenentpreneur.in.com)

[www.womenentrepreneurship.com](http://www.womenentrepreneurship.com)

## MARKETING PROBLEMS OF WOMEN ENTREPRENEURS IN THANJAVUR DISTRICT, TAMIL NADU

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### ABSTRACT

*This paper brings some marketing difficulties faced by the women entrepreneurs in Thanjavur district of Tamil Nadu. Socio – economic background of the women is also taken into consideration and it is also linked with their difficulties in their business. As the women entrepreneurs form an integral part of industrial scene, it is necessary to study their position in the industrial development. For this purpose, the paper takes their personal variables as well as research variable i.e., marketing problems. In this research it is felt very much that the women entrepreneurs are in a position to seek appropriate training programmes and the bank finance may further be extended. And also, the governmental efforts to purchase their products are also required.*

**Key Words:** *Women entrepreneur, Motivating factor, family system, Means of transport.*

### Introduction

Women entrepreneurs take an important role in entrepreneurial development of our country for the last two decades. Their entry is regarded as a sign of development of women sector in society and it is inferred that our Socio-economic goals are going in the right path.

According to V.K. Somasundaram, 'First time in the Indian Planning history, a chapter on women and develop was included in the Sixth Five Year Plan (1980-85) with an idea of developing a multi point programme strategy relating to women employment and entrepreneurship'. Then the women entrepreneurship has been a policy issue to all the State Governments and banking sector started its role for industrial financing to them. Now the

number of women entrepreneurs is increased to some extent.

### Statement of the Problem

Status of women is still in developing stage in our country. And many of women are eager to work as employees in any organisation. Only a small percent of women have undertaken own business. This phenomenon is also due to some peculiar characteristics such as business family, need for economic independence, absence of support from male members of the family, unemployment etc. However, this situation changes slowly and women entrepreneurs are emerging. But, their survival and success are not easy and they have to struggle a lot than the men entrepreneurs. As they are females, they have to meet some problems from their

family and society. So, the present study takes their problems especially marketing problems in Namakkal and Karur districts.

### Objectives of the Study

1. To ascertain the socio economic factors of the women entrepreneurs.
2. To analyse their marketing practices of them.
3. To identify their problems in marketing function and
4. To give suitable suggestions for their development.

### Hypothesis of the study

**Hull Hypothesis (H<sub>0</sub>):** There is no significant relationship between the family system of women entrepreneurs and the motivating factors.

### Methodology

This is an empirical survey, based on primary and secondary data. For this study, Thanjavur district of Tamil Nadu, was selected as the geographical area. As the district is industrially backward areas, it is necessary to provide all supports to the industrial by the government.

From the lists of entrepreneurs obtained from the District Industrial Centers, it was found out that there are 184 women entrepreneurs in the two districts. Among them, it was possible to contact 120 women entrepreneurs easily and they were willing to open their minds towards their business. So, 65% samples (120 out of 184) constitute the size of sample for this study.

A well defied questionnaire was used to collect their opinions of those

women. The data, so collected were analysed and appropriate inferences were made.

Chi-square test has been applied to test the hypothesis.

### Analysis of data

**Table No.1**

#### Nativity of women entrepreneurs

S. No.	Nativity	No. of Respondents	Per cent
1.	Rural area	76	63
2.	Semi Urban area	26	22
3.	Urban area	18	15
	Total	120	100

**Source:** Primary data

Among the 120 women entrepreneurs, 63% have come from rural areas. 22.5% come from semi-urban areas. Only 17% belong to urban areas.

**Table No.2**

#### Marital Status

S. No.	Marital Status	No. of Respondents	Per cent
1.	Married	78	65
2.	Unmarried	22	35
	Total	120	100

**Source:** Primary data

Majority respondents (65%) are the married women. Only 35% are not married.

**Table No.3**

#### Religious status

S. No.	Community Status	No. of Respondents	Per cent
1.	Hindu	67	56
2.	Muslim	19	16
3.	Christian	24	20
4.	Others	10	8
	Total	120	100

**Source:** Primary data



56% of women entrepreneurs belong to Hindu; 20% belong to Christian. Muslims are of 16%. Others are in 9%.

**Table No.4**  
**Community Status**

S. No.	Community Status	No. of Respondents	Per cent
1.	B.C	36	30
2.	M.B.C	44	37
3.	S.C	16	13
4.	S.T	12	10
5.	Forward Community	12	10
	Total	120	100

**Source:** Primary data

MBC category women entrepreneurs are of majority group (37%); B.C category has 30% women entrepreneurs. S.C has 13%. S.T and Forward community have equal per cent (10% respectively).

**Table No.5**  
**Family system**

S. No.	Family system	No. of Respondents	Per cent
1.	Independent Family	82	68
2.	Joint Family	18	32
	Total	120	100

**Source:** Primary data

Majority women entrepreneurs (68%) live in independent family; remaining 32% women are in joint family.

**Table No.6**  
**Training**

S. No.	Training	No. of Respondents	Per cent
1.	Yes	42	35
2.	No	78	65
	Total	120	100

**Source:** Primary data

Majority respondents (65%) do not have any training at all. Only 35% have undergone training.

**Table No.7**  
**Perception towards the training**

S. No.	Perception towards the training	No. of Respondents	Per cent
1.	Highly satisfied	21	50
2.	Not suitable to their present business	13	31
3.	Not enough to their present business	8	19
	Total	42	100

**Source:** Primary data

Out of 120 women entrepreneurs, 42 got training. The 42 women are of different opinions towards the training. Half of the women (21 out of 42) feel satisfaction. But, 13 women say that the training is not suitable to their present business. It is not enough to their present business to 8 women.

**Table No.8**  
**Motivating Factor**

S. No.	Motivating Factor	No. of Respondents	Per cent
1.	financial necessity	43	36
2.	unemployment problem	37	31
3.	business family	24	20
4.	Encouragement of family	16	13
	Total	120	100

**Source:** Primary data

Financial necessity is the major factor to motivate the 365 respondents and they constitute majority. Next,

unemployment problem is the factor to 31% women. As their business family is the factor to 20% women, encouragement of family is the factor to 13% women.

**Table No.9**  
**Major Source of Income**

S. No.	Major Source of Income	No. of Respondents	Per cent
1.	Income from husband / father	67	56
2.	Business income only	53	44
	Total	120	100

**Source:** Primary data

In respect of source income, income from husband / father is the major source of income to 56%. 44% depend business income only.

**Table No.10**  
**Nature of business**

S. No.	Nature of business	No. of Respondents	Per cent
1.	Service industry	43	36
2.	Trading business	52	43
3.	Manufacturing activities	25	21
	Total	120	100

**Source:** Primary data

As far as the nature of business is concerned, 43% women undertake service industry. 36% of the women engage trading business. Only 21% resorts manufacturing activities

**Table No.11**  
**Place of Business unit**

S. No.	Place of Business unit	No. of Respondents	Per cent
1.	Rural areas	62	52
2.	Semi-urban areas	46	38
3.	Urban areas	12	10
	Total	120	100

**Source:** Primary data

52% women entrepreneurs have set up their business in rural areas. 38% women established it in semi-urban areas. Only 10% have set up their business unit in urban areas.

**Table No.12**  
**Area covered**

S. No.	Area covered	No. of Respondents	Per cent
1.	Local market only	48	40
2.	District level market	36	30
3.	State level	24	20
4.	National level	12	10
	Total	120	100

**Source:** Primary data

40% women cover their business in local market only. 30% cover district level market. 20% women cover the state level market. Only 10% extend their market at national level.

### Findings

1. Among the 120 women entrepreneurs, 63% have come from rural areas. 22.5% come from semi-urban areas. Only 17% belong to urban areas.
2. Majority respondents (65%) are the married women. Only 35% are not married.
3. 56% of women entrepreneurs belong to Hindu; 20% belong to Christian. Muslims are of 16%. Others are in 9%.
4. M.B.C category women entrepreneurs are of majority group (37%);
5. Majority women entrepreneurs (68%) live in independent family; remaining 32% women are in joint family.

6. Majority respondents (65%) do not have any training at all. Only 35% have undergone training.
7. Out of 120 women entrepreneurs, 42 got training. The 42 women are of different opinions towards the training. Half of the women (21 out of 42) feel satisfaction. But, 13 women say that the training is not suitable to their present business. It is not enough to their present business to 8 women
8. Financial necessity is the major factor to motivate the 365 respondents and they constitute majority. Next, unemployment problem is the factor to 31% women. As their business family is the factor to 20% women, encouragement of family is the factor to 13% women.
9. In respect of source income, income from husband / father is the major source of income to 56%. 44% depend business income only.
10. As far as the nature of business is concerned, 43% women undertake service industry. 36% of the women engage trading business. Only 21% resorts manufacturing activities
11. 52% women entrepreneurs have set up their business in rural areas. 38% women established it in semi-urban areas. Only 10% have set up their business unit in urban areas.
12. 40% women cover their business in local market only. 30% cover district level market. 20% women cover the state level market. Only 10% extend their market at national level.

## Conclusion

The survey has disclosed that the women entrepreneurs are undertaking their business with courage and positive attitude. Majority of them are first generation entrepreneurs so that they need proper entrepreneurial training in their lines of business. And, free subsidies may further be granted to them. These are the immediate requirement to them for their success and survival.

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## FUNDS MANAGEMENT OF NICHOLSON CO-OPERATIVE TOWN BANK LTD., NO.8, THANJAVUR: AN ANALYSIS

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### ABSTRACT

*Nicholson Co-operative Town Bank Ltd., No.8, Thanjavur, classified under Non-Agricultural Credit Society, was registered on 9-2-1905 under the Co-operative Societies Act of 1904. The NCTB has a satisfactory performance in the deposit mobilization in the study period. So it can continue the deposit mobilization campaign for the future period in the same way. Its commendable performance is in terms of interest earning, and investments in various securities during the study period. It may be continued in future as per the policy of the bank.*

### Introduction

Co-operative banks play an important role in rural and semi urban areas in our country. They grant a large amount for agricultural credit and they extend their hands to rural mass to lift up their economic conditions.

The urban cooperative banks occupy a significant place in urban cooperative credit movement. They advance loans mostly to small traders, artisans and salary earners on personal security. They accept deposits and thus provide facilities for investments to persons of small means.

### Objective of the Paper

Major objective of this paper is to study financial performance of the Nicholson Cooperative Town Bank Limited (No.8), Thanjavur with the help of analysis of financial statements.

### The Study Unit

Nicholson Co-operative Town Bank Ltd., No.8, Thanjavur, classified under Non-Agricultural Credit Society, was registered on 9-2-1905 under the Co-operative Societies Act of 1904 and started its business on 15-2-1905. The founder of the bank was Sri. R. Swaminatha Vijaya Devar. The branch office of this bank is located at Yagappa Nagar in Thanjavur Town. It is the second urban bank, which was started at all India level. It is the only bank, which is functioning in the name of Sir. Frederick Nicholson, the father of Indian Co-operation.

### Study Period

The present study takes a five year period (2010-11 to 2014-15)

**Table 1**  
**Comparative Income Statement for the year ended 31<sup>st</sup> March 2010-11 and 2011-12**  
(Rs. in thousands)

Particulars	2010-11 Rs.	2011-12 Rs.	Increase / Decrease in Rs.	Increase / Decrease in %
<b>Income</b>				
Int. income	40,709.98	37,138.98	- 3571	-8.77
Other income	898.05	862.66	+35.39	+3.94
<b>Total Income</b>	<b>41,608.03</b>	<b>38,001.64</b>	<b>-3606.39</b>	
<b>Less: Expenditure</b>				
Int. on deposits	25,914.09	26,689.96	+775.87	+3.00
Salary	3,667.80	3,716.40	+48.6	+1.33
Repairs & Maintenance	118.19	--	--	--
Other Expenses	1,083.43	1,299.76	+216.33	+19.97
<b>Total Expenditure</b>	<b>33,014.01</b>	<b>31,706.12</b>	<b>-1307.89</b>	<b>-3.96</b>
<b>Transfer to Reserves</b>	<b>6363.52</b>	<b>3960.37</b>	<b>-2403.15</b>	<b>-37.76</b>
<b>Net Profit</b>	<b>2,230.50</b>	<b>2,335.15</b>	<b>+104.65</b>	<b>+4.69</b>

Source: Annual Report

- Interest income has a decline of 8.77% because of decline in loans and advances.
- Other income has an increase of 3.94 due to other services rendered by the bank.
- Interest on deposits has increased 3 % due to increase of deposits.
- Net profit has raised 4.69% because of efficient functioning.

**Table 2**  
**Comparative Income Statement for the year ended 31<sup>st</sup> March 2011-12 and 2012-13**  
(Rs. in thousands)

Particulars	2011-12 Rs.	2012-13 Rs.	Increase / Decrease in Rs.	Increase / Decrease in %
<b>Income</b>				
Int. income	37,138.98	37,149.10	+10.12	+0.03
Other income	862.66	893.51	+30.85	+3.58
<b>Total Income</b>	<b>38001.64</b>	<b>38,042.61</b>	<b>+40.97</b>	<b>+0.11</b>
<b>Less: Expenditure</b>				
Int. on deposits	26,689.96	21,301.44	-5,388.52	-20.19
Salary	3,716.40	3,804.71	+88.31	+2.38
Repairs & Maintenance	--	---	--	--
Other Expenses	1,299.76	687.34	-612.42	-47.11
<b>Total Expenditure</b>	<b>31,706.12</b>	<b>25,792.78</b>	<b>-5,913.34</b>	<b>-18.65</b>
<b>Transfer to Reserves</b>	<b>8,291.25</b>	<b>8,050.98</b>	<b>-240.27</b>	<b>-2.89</b>
<b>Net Profit</b>	<b>2,335.15</b>	<b>2,875.24</b>	<b>+540.09</b>	<b>+23.13</b>

Source: Annual Report

- Interest income has a decline of 0.03% because of increase in loans and advances.
- Other income has an increase of 3.58% from the other sources of income of the bank.
- Interest on deposits has declined 20.19% due to a lag in deposit mobilization.
- Net Profit has increased 23.13% and it shows the successful functioning of the bank.

**Table 3**  
**Comparative Income Statement for the year ended 31<sup>st</sup> March 2012-13 and 2013-14**

(Rs. in thousands)

Particulars	2012-13 Rs.	2013 – 14 Rs.	Increase/ Decrease in Rs.	Increase/ Decrease in %
<b>Income</b>				
Int. income	37,149.10	37,828.51	+149.41	+0.41
Other income	893.51	711.68	-181.83	-20.35
<b>Total Income</b>	<b>38,042.61</b>	<b>38,540.19</b>	<b>+497.58</b>	<b>+1.31</b>
<b>Less: Expenditure</b>				
Int. on deposits	21,301.44	23,261.76	+1960.32	+0.09
salary	3,804.71	5,725.22	+1920.51	+50.48
Other Expenses	687.34	414.26	+2726.92	+196.73
<b>Total Expenditure</b>	<b>25,792.78</b>	<b>25,610.90</b>	<b>+9818.12</b>	<b>+38.07</b>
<b>Transfer to Reserves</b>	8,050.98	9,968.59	+1917.61	+23.81
<b>Net Profit</b>	2,875.24	2,960.70	+85.46	+2.97

Source: Annual Report

- The bank has an interest income with an increase of 0.41%
- Other income has a decline of 20.35% and this shows the lag in earning income from other sources.
- Interest on deposits has increased 0.09% due to increase of deposit mobilization.
- Net Profit has increased 2.97% and it shows the successful functioning of the bank.

**Table 4**  
**Comparative Income Statement for the year ended 31<sup>st</sup> March 2013 – 14 and 2014-15**

(Rs. in thousands)

Particular	2013 – 14 Rs.	2014 – 15 Rs.	Increase/ Decrease in Rs.	Increase/ Decrease in %
<b>Income</b>				
Int. income	37,828.51	41,231.64	+3,403.13	+9.00
Other income	711.68	401.13	-310.55	-43.55
<b>Total Income</b>	<b>38,540.19</b>	<b>41,632.77</b>	<b>+3,092.58</b>	<b>+8.02</b>
<b>Less: Expenditure</b>				
Int. on deposits	23,261.76	29,783.32	+6,521.56	+28.04
salary	5,725.22	7,374.42	+1,649.2	+28.80
Other Expenses	414.26	760.61	+46.35	+10.14
<b>Total Expenditure</b>	<b>25,610.90</b>	<b>30,918.35</b>	<b>+5,307.45</b>	<b>+14.90</b>
<b>Transfer to Reserves</b>	9,968.59	8513.28	-1455.31	-14.60
<b>Net Profit</b>	2,960.70	2,201.14	-759.56	-25.65

Source: Annual Report

- The bank has an interest income with an increase of 0.41%.
- Other income has a decline of 20.35% and this shows the lag in earning income from other sources.
- Interest on deposits has increased 0.09% due to increase of deposit mobilization.

Net Profit has increased 2.97% and it shows the successful functioning.

### FINDINGS

The NCTB has a satisfactory performance in the deposit mobilization in the study period. So it can continue the deposit mobilization campaign for the future period in the same way.

Its commendable performance is in terms of interest earning, and investments in various securities during

the study period. It may be continued in future as per the policy of the bank.

Particularly the interest earned of the branch has increased every year. So it may increase in future also. In this regard, it may take all steps to recover the interest dues.

The bank has a good condition in profitability aspect also. Therefore it is expected that it will continue in the future.

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## CHALLENGES AND OPPORTUNITIES ON RETAIL MARKETING: WITH REFERENCE TO THANJAVUR DISTRICT

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### ABSTRACT

*Retailing includes all activities incidental to selling to the ultimate consumer. is selling final consumer products to householders.” So, it is clear that the retailing is the last point of distribution network and the seller (retailer) sells the goods to end consumers at small quantities. The present survey was undertaken to study about the retail business in Thanjavur district. In all eight taluks of Thanjavur district, the sample retailers were taken and the size of samples is 200. The samples were selected as per convenience sampling technique. In the case of most important problem in the retail business, majority retailer-respondents (29%) point out that the competition is the major problem.*

**Key Words:** Retailing, organized retailing, large scale retailing.

### Retailing: An Introduction

This word retail has come from a French word Retailer that means to cut off a piece. Retailing includes all activities involved in selling the products and services to the ultimate consumers. Therefore, this is said to be the last person in the channel of distribution. According to the Report of the Definition Committee of America, “Retailing includes all activities incidental to selling to the ultimate consumer”. In the words of Mc Carthy, “Retailing is selling final consumer products to householders.” So, it is clear that the retailing is the last point of distribution network and the seller (retailer) sells the goods to end consumers at small quantities.

### Evolution of Indian retail Industry

Retail Industry is standing at its point of beginning and it is waiting for

the boom. The inception of the retail industry dates back to times where retail stores were found in the village fairs, ‘melas’ or in the weekly markets. These stores were highly unorganized. The maturity of the retail sector took place with the establishment of retail stores in the locality for convenience. With the government intervention, the retail industry in India took a new shape. Outlets for Public Distribution System, Cooperative stores and Khadi stores were set up. These retail Stores demanded low investments for its establishment.

The retail industry in India gathered a new dimension with the setting up of the different International Brand Outlets, Hyper or Super markets, shopping malls and departmental stores.

### **Size and contribution of the retail industry in India**

In terms of value, the Indian Retail industry is worth \$300 billion. Its contribution to the Gross Domestic Product is about 10%, the highest compared to all other Indian Industries. The retail sector has also contributed to 8% of the employment of the country. The organised retail sector is expected to triple its size by 2010. The food and grocery retail sector is expected to multiply five times in the same time frame.

### **Review of Literature**

Rathanyake (2008) studied in his research about “customer complaining Behaviour in Retailing”, proper understanding of the dynamics of customer complaining behaviour support the retailer to treat the customers who are not satisfied with the retail Experience.

G. Hariharan (2008) in his study “profile and perception of retail consumers”, analyzed the consumers perception towards retail, in Palakkad. Visiting retail outlets has become a group activity. Most of the shoppers are influenced by as well as accompanied by colleagues, friend and relatives. Majority of the people who visit do not shop at all. The hang around meet friends, do window – shopping and spend time leisurely.

Preety Wadhwa and Lokinder Kumar Tyagi (2012) attempted to understand the current situation of Indian Retail Industry especially organized FMCG Retailing. The study has also highlighted latest development in organized

FMCG Retail Industry. The role of the key factors which can significantly contribute to beat the stiff completion and sustained the growth of organized FMCG retailing, have also been discussed in his paper. He concluded that the future of organized retailing is changing its track and marching ahead. Organized retail has a promising future as indicated in the above findings. India has huge untapped space in organized retail sector. But it is also matter of great concern that new players who are interested for entry in the organized Retail Market should have a thorough understanding of factors needed for survival and growth and plan their strategies accordingly.

### **Statement of the Problem**

Now, the retail marketing is undertaken in two categories viz., at small scale level and large scale level. The former is the practice of retail sale at small quantities and investment in the business is relatively small. In the later case, the retail sale is undertaken at large scale level, by the super markets, hyper markets, department stores, multiple or chain stores, shopping ‘maals’ and by the multinationals. (The present paper takes the small retailers’ problems only). The small scale retailers generally petty shops or stalls face so many problems such as lack of finance, poor marketing net work, lack of specialization etc. In addition to these problems, the small retail shops meet a severe competition from the large-scale retail stores. Some retailers worry that marketing is too expensive, others may find it too time

consuming. Their daily operations become a question in front of them due to their operations difficulties. Their purchasing, sales, financing, communication with the consumers etc, the routine functions are very much affected in the days of competition. These are perceived as the problem for the research.

### Objectives of the study

1. To study the marketing practices of the retailers in Thanjavur district
2. To identify major problem faced by the retailers in their business.
3. To give suitable suggestions for the development of the retail trade.

### Nature of Research

The present survey was undertaken to study about the retail business in Thanjavur district. Population of this study is the retailers of Thanjavur district. They are doing their business in various lines. The present work takes the following two types of retailers only:

- **Retailers of petty shops.** (The term petty shop refers to small shops selling newspapers, soaps, shampoos, toothpastes, cigarettes etc.)
- **Retailers of grocery shops** (The term grocery shop refers to shops selling the products for cooking purposes such as oil, rice, sugar, food grains etc.)

So, above mentioned two categories of retailers are taken into the consideration for this project.

In all eight taluks of Thanjavur district, the sample retailers were taken and the size of samples is 200. The samples were selected as per convenience

sampling technique. But, care was taken to include all types of retailers.

### Data Used

Secondary data relating to the retail marketing were collected from various books materials and web sites. The primary data were collected from the selected 200 sample retailers.

### Tool for Primary Data Collection

An interview schedule was prepared and it had wider areas to discuss with the retailers. The responses were carefully categorized and they were put into tables. In addition, they were analysed properly.

### Framework of Analysis

The primary data are classified, tabulated, and analyzed with the help of percentages. Chi square test is made at the end of the chapter.

### Limitations of the Study

1. The study covers only two categories of retailers only i.e., petty shops and grocery shops in which maximum investment in stock is Re.1 lakh.
2. The large scale retailers i.e., super markets, department stores, shopping Maals, *mega maals'* etc. are not included in this research.

### Analysis of Data

The analysis is started with the discussion of demographic profile of the retailers of the present study. The Table No. 1 presents the details in a comprehensive manner.

**Table No.1**  
**Demographic Profile**

S. No.	Gender	Number of Samples	Percentage
1.	Male	128	64
2.	Female	72	36
	<b>Total</b>	<b>200</b>	<b>100</b>
S. No.	Age	Number of Samples	Percentage
1.	20-30 years	28	14
2.	30-40 years	45	24.5
3.	40-50 years	86	43
4.	Above 50 years	41	20.5
	<b>Total</b>	<b>200</b>	<b>100</b>
S. No.	Educational qualification	Number of samples	Percentage
1.	S.S.L.C/ P.U.C/Higher Secondary	125	62.5
2.	Diploma	25	12.5
3.	Degree	50	25
	<b>Total</b>	<b>200</b>	<b>100</b>
S. No.	Monthly Income	Number of samples	Percentage
1.	Below Rs.10,000	168	84
2.	Rs.10,000-Rs.20,000	32	16
3.	Above 20,000	00	00
	<b>Total</b>	<b>200</b>	<b>100</b>
S. No.	Period of the Shop	Number of samples	Percentage
1.	Upto 5 years	54	27
2.	5-10 years	66	33
3.	10-15 years	32	16
4.	Above 15 years	48	24
	<b>Total</b>	<b>200</b>	<b>100</b>
S. No.	Investment in Merchandise (in Rs.)	No. of Samples	Percentage
1.	Upto 25,000	128	64
2.	25,000-50,000	35	17.5
3.	50,000-75,000	15	7.5
4.	75,000 -1,00,000	22	11
	<b>Total</b>	<b>200</b>	<b>100</b>
S. No.	Having servants in the shop	No. of Samples	Percentage
1.	Yes	16	8
2.	No	184	92
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary data

The above table presents the demographic characteristics of the 200 retailers in detail. In the table it is clear that the

- Males are in majority.(64%).
- 40-50 is the majority age group (43%).
- S.S.L.C/ P.U.C/Higher Secondary is the qualification to 62.5% retailer respondents.
- 84% retailer respondents earn Below Rs.10,000.
- 33% retailer respondents run the shop for the period of 10-15 years.
- 24% respondents invest in merchandise items upto Rs.25,000.
- 92% do not have any employee to their shops.

**Table No.2**  
**Major Competitor**

S. No.	Major competitor	No. of Respondents	Percentage
1.	Neighboring retailers	168	64
2.	Large retail firms	32	16
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary data

64% retailer-respondents feel that the neighbouring retailers are their major competitors in their business. But, the large retail firms i.e., super markets, departmental stores, ‘mega shopping maals’ etc. are the competitors to the rest of the sample retailers.

**Table No.3**  
**Weekly Holiday**

S. No.	Weekly Holiday	No. of Respondents	Percentage
1.	Yes	35	17.5
2.	No	165	62.5
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary data

In respect of weekly holiday, 17.5% retailer-respondents grant weekly holiday to their business in Sundays. But, the majority respondents (62.5%) do not adopt such practice in their business.

**Table No.4**  
**The Most Important Problem in the Retail Business**

S. No.	Problem	No. of Respondents	Percentage
1.	Competition	58	29
2.	Lack of Finance	36	18
3.	No Own building for the shop	32	16
4.	Bad Debts	42	21
5.	Non availability for labourers to my shop	32	16
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary data

In the case of most important problem in the retail business, 5 problems were identified by the 200 respondents. But, the opinions of the retailer-respondents are more or less equally distributed among the five problems. However, majority retailer-respondents (29%) point out that the competition is the major problem. It is a threat to their survival also. 21% retailers point out that the bad debt is the major problem. 18% retailers indicate that the lack finance.

**Findings**

- Males are in majority.(64%). 40-50 is the majority age group (43%). Educational qualification of the majority retailers is lower. Earning of

the retailers is generally lower. They are dealing in retail business for the past 10-15 years.

- 64% retailer-respondents feel that the neighbouring retailers are their major competitors in their business. But, the large retail firms i.e., super markets, departmental stores, 'mega shopping malls' etc. are the competitors to the rest of the sample retailers.
- In respect of weekly holiday, 17.5% retailer-respondents grant weekly holiday to their business in Sundays. But, the majority respondents (62.5%) do not adopt such practice in their business.
- In the case of most important problem in the retail business, majority retailer-respondents (29%) point out that the competition is the major problem. It is a threat to their survival also. 21% retailers point out that the bad debt is the major problem. 18% retailers indicate that the lack finance.

### Conclusion

The retail industry of India particularly Thanjavur district is under stiff competition within the sector as well as competition from the outsiders especially from the large retail organisations and Multinationals. As the retail business is the means for self-employment, the industry should be protected for the benefits of self-employed people. Therefore, the government should take steps to protect the industry. This industry may be announced as a preferential sector like agriculture and small-scale industry

(SSI) in getting the bank loans. This sector is divided into organized and unorganised. The unorganized sector should be encouraged by the government to convert their operations in the lines of organized way and all the small and mini retail outlets should be registered with the local body authorities. At the same time, the retailers have to devise their business strategy very carefully so that they can protect themselves in the competitive world in due course.

### Suggestions

1. The retail industry should be protected from the large retail firms and multinationals so that the government should not permit these organisations henceforth.
2. All the retailers should be under their trade unions then only they can reap common benefits.
3. Commercial banks may grant loans to the retail shops especially for the women business men, widowers and rural people.
4. The State government may treat the retail industry as the preferential sector to get loans from the nationalised banks.
5. The retail merchants may adopt measures to attract the customers in the matter of supply of goods to customers' houses also.

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## EMPLOYEE TRAINING PROGRAMME OF ARIGNAR ANNA SUGAR MILLS LIMITED, KURUGULAM, THANJAVUR DISTRICT: A STUDY

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### ABSTRACT

*Now-a-days, training is an investment because the departments such as, marketing & sales, HR, production, finance, etc depends on training for its survival. To increase the commitment level of employees and growth in quality movement (concepts of HRM), senior management team is now increasing the role of training. This work provides with an opportunity to explore in the field of training and development. The paper is immensely in locating any drawback in the present system and provides opportunity to implement effective training and development. The Arignar Anna Sugar Mills Limited, Kurugulam is selected as the study unit of the research paper. 30% sample employees (106 in number) have been selected at random for this study. The present paper concludes that the training is important for both the employees and the employees of the Mill agreed that possibility of development through training in organization.*

**Key Words:** *Training, Development, Career, Goal*

### INTRODUCTION

The HR functioning is changing with time and with this change, the relationship between the training function and other management activity is also changing. The training and development activities are now equally important with that of other HR functions. Gone are the days, when training was considered to be futile, waste of time, resources, and money. If training is not considered as a priority or not seen as a vital part in the organization, then it is difficult to accept that such a company has effectively carried out HRM. Training actually provides the opportunity to raise the profile development activities in the organization.

To increase the commitment level of employees and growth in quality movement (concepts of HRM), senior management team is now increasing the role of training. Such concepts of HRM require careful planning as well as greater emphasis on employee development and long term education. Training is now the important tool of Human Resource Management to control the attrition rate because it helps in motivating employees, achieving their professional and personal goals, increasing the level of job satisfaction, etc. As a result, training is given on a variety of skill development and covers a multitude of courses.



## REVIEW OF LITERATURE

**Sweta Banerjee (2009):** Training is an important process in the present day internal dynamics of an organization and if practiced carefully and efficiently, both management and employees can benefit from it immensely in as far as the careers and career enhancement is concerned.

**Dr. Lokeshver Singh Jodhana and Sumbul Samma (2011):** The training process is an uncertain phase in everyone's life with twists and turns. One should therefore carefully and deliberately plan a career plan leading to success. Planning for success is the strategy to achieve predetermined goals and develop a comprehensive set of plans to integrate and coordinate activities. This article presents a CAREER model for career and success planning in the modern world.

**D. Suryachandra Rae (2009):** The practice of moving from job to job is quite a common phenomenon these days. This practice is not just confined to any particular continent or nation or industry, but is spreading across the globe. The trend is highly prevalent not only among the fresher's, but among the senior professionals as well. Employee training is the only way to achieve overall development of the human resources.

## STATEMENT OF THE PROBLEM

Employees are interested in their career development in the organisation but at the same time the organisational climate does not provide the favour to thesis. In this situation, the employees get stress and they finally quit from the

organisation. If adequate opportunity is available to the employees for their career development they may continue their job in the present organisation (Buckler, B. 1998). But, many Indian organizations do not have adequate awareness towards this issue. The middle level and lower level personnel are not given sufficient opportunities for their development in their present job. In this light of the problem, the present paper is taken up in Arignar Anna Sugar Mills Limited, Kurugulam.

## OBJECTIVES OF THE STUDY

1. To analyse attitude of employees in respect of career planning and development in Arignar Anna Sugar Mills Limited, Kurugulam.
2. To examine the expectations of the employees in respect of their career planning and development and
3. To provide suggestions for effectiveness of career planning and development.

## SCOPE OF THE STUDY

This work provides with an opportunity to explore in the field of training and development. The paper is immensely in locating any drawback in the present system and provides opportunity to implement effective training and development.

## ARIGNAR ANNA SUGAR MILLS, KURUNGULAM: BRIEF PROFILE

This mills which is the unit of Tamil Nadu Sugar corporation limited located in 154.25 area in Kurugulam Melpathi Village on the Thanjavur to Pudukkottai road at a distance about

15km from Thanjavur. It is being administrated by Board of Directors of Tamil Nadu Sugar Corporation Ltd., At unit level, the executive administration is being carried out by the Chief Executive subject to the control and supervision of the Chairman Director Tamilnadu Sugar Corporation Limited.

### **RESEARCH METHODOLOGY**

The researcher used descriptive research design. The Arignar Anna Sugar Mills Limited, Kurugulam is selected as the study unit of the research paper.

### **SAMPLING**

Probability sampling technique has been used for this study. Under this sampling technique Simple Random sampling is adopted. The respondents have been selected based on Simple Random sampling.

Employees of the Arignar Anna Sugar Mills Limited, Kurugulam are the population of the study. They are classified as top level executives, middle level staff and lower cadre workers. The middle level and lower level workers are taken into consideration of the study because the top level executives are the policy makers and they manipulate the opportunities for their development easily. The middle level and lower cadre personnel are considered as the single group in this study and the total number of the personnel is 353. Out of the 353 employees, 30% sample employees (106 in number) have been selected at random for this study.

### **DATA USED AND SOURCES**

Secondary and primary data have been used in this study. Secondary

data means those data which were already collected and analyzed by someone else. Secondary data were collected from company records. The primary data are the first hand information and they were collected through Questionnaire.

### **SCALING POINTS**

Five point Likert's scale is used to study the attitude of the employees as (A) Strongly Disagree (B) Disagree (C) neither agree nor disagree (D) Agree and (E) Strongly Agree

### **QUESTIONNAIRE**

Questionnaire is the instrument to collect the primary data from the employees of the Mills. It consists of questions relating to the personal information of the employees and their attitude towards the job, superiors' approach, performance appraisal, opportunities for development and related aspects.

### **LIMITATIONS OF THE STUDY**

1. The study is concerned a period of three months (October 2014 to December 2014).
2. This paper is based on perception of employees but, their perception may vary in future. So, it is not possible that the findings claim permanency.

### **ANALYSIS AND DISCUSSION OF RESULTS**

Demographic details of the employees are given in the comprehensive table 3.1 and it is for the sample employees of 106. Percentages are given in the table.

**TABLE 1: DEMOGRAPHY OF THE EMPLOYEES**

S. No.	Variable	Sub Divisions	No. of Respondents N=106	Percent
1.	Gender	Male	69	65.1
		Female	37	34.9
2.	Age group (in years)	Less than 25	25	23.6
		26-35	35	33.0
		36-45	25	23.6
		Above 45	21	19.8
3.	Educational Status	Diploma	10	9.4
		UG	52	49.1
		PG	44	41.5
4.	Experience (in years)	Less than 2 years	14	13.2
		2-4 years	26	24.5
		4-6 years	41	38.7
		Above 6 years	25	23.6
5.	Monthly Income (in Rs.)	Less than 15000	33	31.1
		15000-25000	23	21.7
		25000-35000	29	27.4
		Above 35000	21	19.8

Source: Primary Data

The table 1 is self-explanatory in nature and there is no need to explain the things. However, the following points are noteworthy:

- Male employees are of majority (65.1%).
- 26-35 is the age group that has majority of the sample employees (33%).
- 49.1% of the employees are UG degree holders and they form majority.
- 38.7% of the employees (majority group) have the 4-6 years of work experience in the Mills.
- 31.1% of the employees get the monthly salary less than Rs.15,000.

**TABLE 2: CAREER GOALS ARE CLEAR**

S. No.	Aspects	Frequency	Percentage
1	Strongly disagree	4	3.8
2	Disagree	5	4.7
3	Neither agree nor disagree	20	18.9
4	Agree	46	43.4
5	Strongly agree	31	29.2
	<b>Total</b>	<b>106</b>	<b>100.0</b>

Source: Primary Data

From the above table, the it is known that, the career goals are clear

are as follows, 43.4% belongs to Agree, 29.2% belongs to Strongly agree, 18.9% belongs to Neither agree nor disagree, 4.7% belongs to Disagree and 3.8% belongs Strongly Disagree.

Most of the respondents are very clear with their career goals because employees agreed that possibility of career progression in organization.

**TABLE 3: POSSIBILITY OF DEVELOPMENT THROUGH TRAINING**

S. No.	Aspects	Frequency	Percentage
1	Strongly disagree	2	1.9
2	Disagree	11	10.4
3	Neither agree nor disagree	20	18.9
4	Agree	41	38.7
5	Strongly agree	32	30.2
	<b>Total</b>	<b>106</b>	<b>100.0</b>

**Source:** Primary Data

From the above table, the researcher inferred that, Possibility of Career progression in organization are as follows, 38.7% belongs to Agree, 30.2% belongs to Strongly agree, 18.9% belongs to Neither agree nor disagree, 10.4% belongs to Disagree and 1.9% belongs Strongly Disagree.

**TABLE 4: TRAINING ATTRACTS AND RETAINS THE EMPLOYEE**

S. No.	Aspects	Frequency	Percentage
1	Strongly disagree	2	1.9
2	Disagree	13	12.3
3	Neither agree nor disagree	20	18.9
4	Agree	33	31.1
5	Strongly agree	38	35.8
	<b>Total</b>	<b>106</b>	<b>100.0</b>

**Source:** Primary Data

From the above table, it is clear that, Career plan is attract and retain the employees are as follows, 35.8% belongs to Strongly agree, 31.1% belongs to Agree, 18.9% belongs to Neither agree nor disagree, 12.3% belongs to Disagree, and 1.9% belongs to Strongly Disagree.

### SUGGESTIONS

- The Mills must concentrate more on non-monetary motivation to the employees. Since, employees expect more appreciation from the line supervisors and other higher officials, it could be improved further.
- Majority of the respondents says that training is not given according to the responsibilities of person, so the Mills need to concentrate on this.
- Majority of the respondents say that there is no wide internal publicity given for training programmes. So the Mills needs to concentrate on this.

### CONCLUSION

The present paper concludes that the training is important for both the employees and organization to improve their performance. And, it is observed that the majority of the respondents are very clear with their career goals because employees agreed that possibility of development through training in organization. The company has to concentrate more on non-monetary motivation to the employees. Since, employees expect more appreciation from the line supervisors and other higher officials, it could be improved further. The training is not referred

properly by the superiors as the way to achieve career development. So, effective training can retain the employees and satisfy them which leads to increase in the performance and helps the Mill to achieve the standard competitive position.

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## ATTITUDE OF CUSTOMERS TOWARDS INTERNET BANKING IN THANJAVUR TOWN, TAMIL NADU, INDIA

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### ABSTRACT

*There are several major challenges and issues facing the e-banking industry today. However, compared with traditional over-the counter banking, Internet banking does not offer face-to face contact in what is essentially a one-to-one service relationship with the individual. Therefore, banks must deliver higher service quality in order to compete. In the light of these problems, the current study is taken up. This study takes the consumers living in Thanajvur town as the population and 200 samples were selected as per the convenience sampling technique. The present study shows that customers are more reluctant to use internet banking even it has inherent risk. Hence, banks should design the website to address security and trust issues.*

### Internet Banking: The Concept

Internet Banking (or E-banking or on line banking) refers to the deployment of banking services and products over electronic and communication networks directly to customers. The term electronic banking can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone. It has emerged as a strategic resource for attaining efficiency, control operations, productivity, and profitability. It has changed the traditional way of banking transactions. Through the e-banking customer do not visit to the bank office in order to carry out banking transaction. For instance, customers are using automated teller machines (ATM) in place of cashier tellers, and credit cards and electronic cash in place of

bank transactions (Alagheband, Parisa, 2006).

It also allows customers to submit their applications for different services make queries on their account balances and submit instructions to the bank and also electronically transfer funds to their accounts, pay bill, and conduct other banking transaction online. It relies greatly on information and communication technology (ICT) to attain its promise for 24 hours availability and faster delivery of financial services.

### Review of Literature

**Joseph et al. (1999)** investigated the influence of internet on the delivery of banking services. They found six underlying dimensions of e-banking service quality such as convenience and accuracy, feedback and complaint management, efficiency, queue management, accessibility and customization.

**Jun and Cai (2001)** identified 17 service quality dimensions of i-banking service quality. These are reliability, responsiveness, competence, courtesy, credibility, access, communication, understanding the customer, collaboration, continuous improvement, content, accuracy, ease of use, timeliness, aesthetics, security and divers features. They also suggested that some dimensions such as responsiveness, reliability and access are critical for both traditional and internet banks.

**Jayawardhena (2004)** transforms the original SERVQUAL scale to the internet context and develops a battery of 21 items to assess service quality in e-banking. By means of an Exploratory Factor Analysis (EFA) and a Confirmatory Factor Analysis (CFA), these 21 items are condensed to five quality dimensions: access, website interface, trust, attention and credibility.

**IAMAI report on online banking 2006.** 43% of online banking user haven't started online financial transaction because of security reasons, 39% haven't started because they prefer face to face, 22% haven't started because they don't know how to use, for 10% sites are not user friendly and for 2% banks are not providing the facility of internet banking. According to research 68% of the customers can not say that when they will be starting the financial transactions through internet. Maximum numbers of online banking users are male and maximum of them are in age the group of 25-35. Numbers of female users are very less i.e. 17% only. More

than 60% of the people who are having account with have accounts in 3-4 banks.

**Meuter et al. (2000)** have identified critical incidents of customer satisfaction and dissatisfaction with technology-based service encounters. Given that business-to-business transactions are the fastest growing segment of technology-driven services (Hof, 1999); Meuter and his colleagues (2000) suggested investigating what drives business customer\ satisfaction or dissatisfaction with technology driven services. According to Gönroos (1982), customers distinguish the quality of customer interactions that take place during service delivery (functional quality) and the quality of the outcome the customer receives in the service encounter (technical quality).

**The Indian Internet Banking Journey** In 2001, a Reserve Bank of India survey revealed that of 46 major banks operating in India, around 50% were either offering Internet banking services at various levels or planned to in the near future. According to a research report, (India Research, Kotak Securities, May 2000.) while in 2001, India's Internet user base was an estimated 9 lakh; it was expected to reach 90 lakh by 2003. Also, while only 1% of these Internet users utilized the Internet banking services in 1998, the Internet banking user base increased to 16.7% by mid-2000.

### **Statement of the Problem**

There are several major challenges and issues facing the e-banking industry today. First, and perhaps most important is the security concern. Customers are

certainly concerned of giving their bank account number online or paying an invoice through internet. The challenge facing e-banking industry and the e-business in general is the quality of service – including both delivery speed (i.e., short advance time required in ordering) and delivery reliability (i.e., delivery of items/services on time), which caused many e-business failures in the earlier dot.com era. The issue of customer unfamiliarity with the internet, which is prominent among senior citizens, has recently caught some attention, because these customers believe that they are left at a disadvantageous position and have become very reluctant in doing business online.

Internet banking enables individuals to obtain account data and perform such transactions as transfers and bill payments. However, compared with traditional over-the counter banking, Internet banking does not offer face-to face contact in what is essentially a one-to-one service relationship with the individual.

However, it should also be noted that there are still customers who fear to make use of Internet banking, as they are concerned with security aspects of such a system. Further, internet banking requires access to a computer and access to the Internet which is an additional cost to the client. Moreover, customers may not be IT conversant to use internet banking.

So, it is clear that the customers face practical difficulties in usage of internet banking facilities due to lack of knowledge and temporary failure of

systems. Therefore, banks must deliver higher service quality in order to compete. In the light of these problems, the current study is taken up.

### Objectives of the Study

1. To analyse reasons why the customers of State Bank of India of Thanajvur town use the internet banking.
2. To examine overall satisfaction of the customers with their age and gender.
3. To study inter net banking acceptance factors of the customers.

### Research Methodology

This is a sample survey that takes the samples form the large population to study the characteristics of the population. This study takes the consumers living in Thanajvur town as the population and 200 samples were selected as per the convenience sampling technique. A well defined questionnaire was used to collect eh opinion of the customers of internet banking. A ‘Five point Likert’s scale’ is used to measure the satisfaction. Chi square test is used with the help of software to test the hypotheses.

**Table 1**  
**Demography of the Respondents**

Variable	Sub division	No. of Customers N=200
Gender	Male	115 (57.5)
	Female	85(42.5)
Age (in years) Above 50 20 (10)	Below-20	40(20)
	20-30	77(38.5)
	30-40	46(23)
	40-50	21(10.5)
	Above-50	16(8)



Variable	Sub division	No. of Customers N=200
Qualification	Up to 12 <sup>th</sup>	47 (23.5)
	Graduates	90 (45)
	Post graduates	38 (19)
	Professionals	25 (12.5)
Income (per month)	Below 10,000	41 (20.5)
	10,000-30,000	73 (36.5)
	30,000-60,000	66 (33)
	Above 60,000	20 (10)

Source: Primary data

Table 1 presents the demographic characteristics of the 200 respondents. About 57.5 percent of the respondents are males and 42.5 percent respondents are females. Table 1 also shows that majority respondents are of 77 percent and they belong to 20-30 years of age. The highest category using online banking services are in the age group of 20-30 years. Majority of the users of e-banking services were graduates (45 percent) and were earning a monthly salary of Rs.10,000-30,000.

#### Analysis of data

The data were put in the relevant tables and then the percentage analysis was made. Finally, chi square test was used to test the hypothesis.

**Table 2**  
**Reasons for Choosing Internet Banking**

S. No.	Reason	No. of Respondents	%
1.	24 hours banking	86	43
2.	Easiness	26	13
3.	Fastness	16	8
4.	Anywhere banking	60	30
5.	Time saving	5	2.5
6.	Convenient	7	3.5
	Total	200	100

Source: Primary data

Form the above table it is clear that the '24 hours banking' is the reason that has majority of the customers (43%). At the same time, 'anywhere banking' is the second reason (supported by 30% customers) and that gives utmost usage to the customers. It is possible to open the website of the bank, search the information and make transactions from any place so that the consumers feel free and their banking transaction becomes very easy.

### TESTING THE HYPOTHESES

#### TEST – 1. AGE OF THE CUSTOMERS AND OPINION ON OVERALL SATISFACTION ON INTERNET BANKING EXPERIENCE

##### Null hypothesis (H<sub>0</sub>)

There is no significant relationship between age of the customers and satisfaction towards overall internet banking experience.

**Table No.3**

#### Age and overall internet banking experience - cross tabulation

Age	Satisfactory Level					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Below-20	9	13	10	6	2	40
20-30	35	21	15	5	1	77
30-40	9	16	10	8	3	46
40-50	4	8	5	2	2	21
Above-50	6	4	4	2	0	16
Total	63	62	44	23	8	200

**Table No.4**  
**Chi-square test**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.738	16	.282
Likelihood Ratio	19.418	16	.248
Linear-by-Linear Association	.319	1	.572
N of Valid Cases	200		

Degrees of Freedom = 16

Chi Square Value = 18.738

Table Value = 19.418

At 5% level of significant.

Since the calculated value is less than the table value, the null hypothesis is accepted. Hence there is no significant relationship between the age and overall internet banking experience.

### Findings

About 57.5 percent of the respondents are males and 42.5 percent respondents are females. Table 1 also shows that majority respondents are of 77 percent and they belong to 20-30 years of age. The highest category using online banking services are in the age group of 20-30 years. Majority of the users of e-banking services were graduates (45 percent) and were earning a monthly salary of Rs.10,000-30,000.

The '24 hours banking' is the reason that has majority of the customers (43%). At the same time, 'anywhere banking' is the second reason (supported by 30% customers) and that gives utmost usage to the customers. It is possible to open the website of the bank, search the information and make transactions from any place so that the consumers feel free and their banking transaction becomes very easy.

There is no significant relationship between the age and overall internet banking experience.

### Conclusion

The internet banking experience leads the customers to a benefit at the large extent in the form of convenience, anytime and anywhere banking, fastness and convenience. The attraction arises to the customers from these benefits and so that the a large number of customers will get the internet banking in future. The present study shows that customers are more reluctant to use internet banking even it has inherent risk. Hence, banks should design the website to address security and trust issues. The recommendations to the banks are that they have to increase the level of trust between banks' website and customers. From the above, this can be concluded that there is an urgent need of spreading the awareness among the common people. The small business men, the farmers, the housewives, the person's working in unorganized sector be convinced to use banking and e-banking services. They should feel that their money is more safe and secure with the banks.

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## A STUDY ON CUSTOMER PERCEPTION TOWARDS BROADBAND OF THE BSNL, THANJAVUR

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### ABSTRACT

*This is the era of internet. It has opened a new way to everyone's life. It has created an entertainment environment as well as attractive business opportunity in all fields. The BSNL has to face a stiff competition in the internet service providing market. Many private service providers have entered into the market. So, the BSNL has to be very careful and it should design marketing plan. The present survey was carried on a limited scale in Thanjavur telecom circle. This study helps to explain some important issues on internet services of the BSNL. The study concludes that it is not meant for mere communication and entertainment service but it is the appropriate technology to fulfill informational needs in the era of Information Technology. The customers should have adequate awareness towards the full usage of the BSNL broadband services.*

**Key words:** *Broadband, internet, awareness.*

### Introduction

Bharat Sanchar Nigam Limited (BSNL), a Public Sector Undertaking of Government of India, is the largest Telecom Service Provider in India having countrywide presence with over 120 million customers. It is also the largest ISP and presently offering Broadband Service on wireline, fibre & wireless to its customers. The Broadband network of BSNL is currently operating across the nation.

The broadband network of BSNL (Deployed under the project "National Internet Backbone-II") comprises the managed MPLS backbone and the broadband access. The backbone network carries broadband and narrowband Internet traffic, content based service traffic, Virtual Private Network (VPN)

traffic, IP TAX traffic, etc. The two layers of the MPLS backbone are the CORE & the EDGE networks. The CORE Network comprises the routers connected with the high speed STM-16 transmission links whereas the EDGE network comprises the EDGE routers connected to the CORE routers through the Gigabit Ethernet or STM-16 links. This layer aggregates customer traffic, enforces QOS and extends managed access to the customers. This layer provides the customer access through three mechanisms: (a) Dialup, (b) Dedicated access, and (c) broadband access.

Broadband is defined in the Broadband Policy 2004 as "An always on data connection that is able to support interactive services including Internet access and has the capability of the

minimum download speed of 256 kilo bits per second (kbps) to an individual subscriber from the Point of Presence (POP) of the service provider intending to provide Broadband service where multiple such individual Broadband connections are aggregated and the subscriber is able to access these interactive services including the Internet through this POP. The 2 interactive services will exclude any services for which a separate license is specifically required, for example, real-time voice transmission, except to the extent that it is presently permitted under ISP license with Internet Telephony”.

### **Importance of the Study**

This is the era of internet. It has opened a new way to everyone's life. It has created an entertainment environment as well as attractive business opportunity in all fields. This sector has emerged a separate business field, in which crores and crores have been invested (Jagadeesh K. Titler, 2010) Nowadays, market research is important to all internet providers. All net service providing companies try to attract customers so that many concessions and price cuts are announced frequently. As the internet service through cell phones is the modern version of telecom sector, a market survey among the users gains an important place. Thus, the present study is important to the BSNL, being the large public sector telecom company in India.

### **Statement of the Problem**

The BSNL has to face a stiff competition in the internet service

providing market. Many private service providers have entered into the market. So, the BSNL has to be very careful and it should design marketing plan. However, it is not an easy task. The customers have many options so that they may switch over to other service providers. This is a high risk of the part of the BSNL. The present study takes these issues as the research problems.

### **Objectives of the Study**

Following are the objectives of the study:

1. To know the awareness of the customers towards the usage of the BSNL broadband.
2. To examine the most attractive factor in view of the customers towards the BSNL broadband.
3. To know the expectation of the customers.

### **Research Methodology**

The present survey was carried on a limited scale in Thanjavur telecom circle. This study helps to explain some important issues on internet services of the BSNL. Before undertaking the survey wholly, a pilot study was undertaken among some internet service customers of the BSNL and some net cafes in order to know the scope and possibilities of the survey. On the basis of experiences gained from such pilot study, the objectives were framed.

### **Data Used**

Both primary data and secondary data were collected and used in this research work. The primary data were collected in the form of their opinions

through a questionnaire. The secondary data were collected from internet, books and records.

### Population and samples

The internet consumers of the BSNL constitute the population of this survey. Thanjavur telecom circle has more than 20,000 intent subscribers. 200 samples were selected as per the convenience sampling technique. But, care was taken to include all types of customers in the sampling frame. A questionnaire was designed, after a pre testing among 50 users of the BSNL broadband internet, to collect the primary data from the selected sample customers.

The data collected for the study were analysed properly and calculations were made in order to draw meaningful interpretations from such analysis.

### Analysis of Data

The following section deals with the analysis of the primary data that have been collected through a structured questionnaire.

### Demographic Profile of the Sample Customers

The 200 sample customers are classified into different features such as gender, age, income etc. The sample customers represent each group as follows: Gender (male-58%, female-42%); Age group in years (upto 20-14%, 20-40-73%, 40-60 - 8%, Above 60-5%); Marital status - (married - 41%, unmarried - 59%); Educational status (Upto school final - 13%, Diploma/Degree-43%, P.G

Degree-34%, Professional Degree-10%), Occupation (Employee-27%, Business - 23%, Profession - 10%, students - 40%), Annual income (in Rs.) (Upto 5 lakhs - 5%, 5-10 lakhs - 41%, 2-3 lakhs - 24%, Above 10 lakhs - 30%).

### Discussion and Results

**Table No. 1**  
**Source of Awareness towards the BSNL Broadband**

S. No.	Source	No. of Respondents	%
1	Through advertisements	114	57
2	Through my friends/ relatives	26	13
3	Through news from media	60	30
	<b>Total</b>	<b>200</b>	<b>100</b>

*Source: Primary Data*

From the above table, it is clear that the majority respondents (57%) have awareness towards the BSNL Broadband services through the advertisements made by the BSNL. The advertisements of the BSNL have made a strong influence on the customers. 30% respondents got such awareness through the news from the media. 13% got such awareness through their friends / relatives.

**Table No. 2**  
**Nature of Feeling**

S. No.	Feeling	No. of Respondents	%
1	Prestige	58	29
2	Convenience	142	71
	<b>Total</b>	<b>200</b>	<b>100</b>

*Source: Primary Data*

In the case of nature of feeling of the 200 respondents, majority of them (71%) feel convenience from using the BSNL broadband services so that they are interested in usage of the BSNL broadband in their daily life. But, 29% feel prestige in this regard and it is sure that the BSNL broadband is a status symbol to them.

**Table No. 3**  
**Awareness towards the Usage of All Facilities**

S. No.	Awareness	No. of Respondents	%
1	Knowing to some extent	74	37
2	Knowing to the maximum extent	68	34
3	No such awareness	58	29
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Primary Data

37% respondents have known the usage of all facilities of the BSNL broadband service to some extent only and they are the majority group. 34% have known them to the maximum extent. 29% customers use the BSNL broadband service without enough awareness towards the usage.

**Table No. 4**  
**The Most Attractive Factor in the BSNL broadband service**

S. No.	Attractive Factor	No. of Respondents	%
1	Speed of downloading	62	31
2	Rental plans	40	20
3.	Billing system	28	14
4.	Concessions/offers	28	14
5.	Videos and music downloads	28	14
6.	Real-time multiplayer gaming	14	7
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Primary Data

In the case of most attractive factor in the BSNL broadband service, majority of the respondents (31%) point out the download speed. Next, 20% respondents mention it as the rental plans. Concessions / offers announced by the BSNL are the attractive factors to 14% respondents. Videos and music downloads are the attractive plus points top another 14% of the respondents. The real time multiplier gaming is in the last place (7%).

**Table No. 5**  
**Further Expectation from the BSNL**

S. No.	Expectation	No. of Respondents	%
1	High Quality	26	13
2	Reduction in tariff	154	77
3.	More facilities	18	9
4.	Better Service	42	21
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Primary Data

In the matter of further expectation, 77% respondents demand reduction in tariff towards the BSNL broadband services. 21% expect better services from the BSNL in the form of customer care, free information etc. 13% expect further quality in the services. Only 9% say as the more facilities.

**Table No. 6**  
**Awareness towards the tariff for each facility**

S. No.	Awareness	No. of Respondents	%
1	Knowing to some extent	98	49
2	Knowing to the maximum extent	30	15
3.	No such awareness	72	36
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Primary Data

Majority customers (49%) have known about the tariff to some extent only. 15% are the minority group and they have adequate knowledge in this regard. But, 36% do not have any such awareness wholly and they ignore this aspect; they are ready to pay whatever may be the tariff.

**Table No. 7**  
**Often Used Facility**

S. No.	Facility	No. of Respondents	%
1.	Video calling	72	36
2.	Internet connectivity	20	10
3.	Mobile email	48	24
4.	Multimedia services	30	15
5.	Videos and music downloads	24	12
6.	Real-time multiplayer gaming	6	3
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Primary Data

36% respondents are using the video calling as the most often used facility of the BSNL broadband services. 24% use the mobile e-mail. Multimedia is such type of the facility to 15%. Video and music downloads are used by the 125 customers. Real time multiplayer gaming is a high technology oriented to some extent so that is was used by the minority customers (3%).

### Findings

1. Majority respondents (57%) have awareness towards the BSNL broadband services through the advertisements made by the BSNL. The advertisements of the BSNL have made a strong influence on the customers.

2. In the case of nature of feeling of the 200 respondents, majority of them (71%) feel convenience from using the BSNL broadband services so that they are interested in usage of the BSNL broadband services in their daily life.
3. 37% respondents have known the usage of all facilities of the BSNL broadband services to some extent only and they are the majority group.
4. In the case of most attractive factor in the BSNL broadband services, majority of the respondents (31%) point out the download speed.
5. In the matter of further expectation, 77% respondents demand reduction in tariff towards the 3G services. 21% expect better services from the BSNL in the form of customer care, free information etc. 13% expect further quality in the services. Only 9% say as the more facilities.
6. Majority customers (49%) have known about the tariff to some extent only.
7. 36% respondents are using the video calling as the most often used facility of the BSNL broadband services.

### Conclusion

As the BSNL broadband services is a modern technology it may be a business in the hands of private cellular service providers but the BSNL, being the public sector telecommunication organisation, may use it as the means of information sharing in our growing economy. Its usage and coverage may be handled by the BSNL to cover socio –



economic goals of our economy. It is not meant for mere communication and entertainment service but it is the appropriate technology to fulfill informational needs in the era of Information Technology. The customers should have adequate awareness towards the full usage of the BSNL broadband services.

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## WOMEN'S ECONOMIC EMPOWERMENT THROUGH SELF HELP GROUPS IN THANJAVUR: A STUDY

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### ABSTRACT

*The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG consists of 12 to 20. The linkages of SHGs of Thanjavur district with banks aims at using the intermediation of SHGs between banks and the rural poor for cutting down the transaction costs for both banks and their rural clients. women's empowerment comes reality through the SHGs in Thanjavur district with eh helps of banks and NGOs. This tendency continues so that it is sure that the economic empowerment of women is a growing phenomena.*

**Key Words:** *Self Help Group, NGO, women empowerment*

### Self help group: An Introduction

Self-Help Group (SHG) is a small voluntary association of poor people with the age group of 18 to 60, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG consists of 12 to 20. A self help group consists of 12 to 20 members, in which one member is called animator who is a head of the self help group and two members are called representatives in the self help group and rest of the members are ordinary members of the self help group.

### SHGs and Empowerment of Women

The following are different aspects of women empowerment: Participation

of women in democracy (political empowerment); education of girls (Social Empowerment); eradication of gender barriers in employment (economic empowerment); and land rights and legal machinery (legal empowerment). Each aspect of empowerment of women is discussed below:

### Economic Empowerment of Women

Economic independence or access to an inherited or self-generated income is considered the major means of empowerment of women. The Equal Remuneration Act, 1976 (India) was a major step towards protective legislation and establishing the principles of equality, as it provides for equal remuneration to men and women workers and prevention of discrimination against women in the matter of employment. (Siddhartha Dash, 2004). According to the New Policy Initiative known as "Vision 2000: Policy for the Advancement of Women in Tamil

Nadu," each and every project and programme in Tamil Nadu was decided to be designed in a manner that will re-define the roles of women and men, such that it will enable them to work as equal partners. (Kiran Chadha, 2008).

Self-Help-Group's main activity is the establishment of savings and credit. Savings encourages people to plan and for future needs. The group members have open discussions and think about various options (Dr. M. Shaque, 2001). Such discussions help in strengthening the analytical and problem solving skills of the members. Enterprising attributes are initiative, creativity, flexibility, leadership, independence, problem solving, persuasive, calculated risk-taking, need for achievement, hard work and learning from mistakes.

#### Profile of the Study Area (Thanjavur District) and SHGs

Thanjavur district has been selected for this study. Thanjavur District is the

Rice Bowl of Tamil Nadu. The Big Temple in the city of Thanjavur and the other famous shrines in the district are known all over the world.

The district has 3 municipalities, 14 Panchayat unions, 22 town panchayats and 589 village panchayats. Population as per Census 2001: Men 10,91,557; Women 11,13,818; Total 22,05,375.

There are 3 revenue divisions. The district has 8 taluks. Agriculture is the main activity in the District. Paddy, Sugarcane, Coconut, Plaintain are the major crops in the District.

As the district is agricultural region and now it transforms into industrial zone in the last two decades, demand for capital has increased enormously. It has resulted in emergence of SHGs also. So, Thanjavur district is also an appropriate geographical area for studying the performance of the SHGs. Following table shows the strength of the SHGs in Thanjavur district.

**Table 1.1**  
**Details of SHGs in Thanjavur District in 2015-16**

S. No.	Name of the block	No. of village Panchayat	No. of SHGs	No. of town panchayat	No. of SHG	Municipalities	No. of SHG	Total
1.	Thanjavur	61	1,993	1	158	1	1252	3,403
2.	Buhalur	42	1,037	1	83	-	-	1,120
3.	Thiruvaiyaru	41	980	2	146			1,126
4.	Orathanadu	58	1,955	1	166			2,121
5.	Thiruvonam	31	659	0	0			659
6.	Kumbakonam	46	841	3	83	1	283	1,207
7.	Thiruvaidaimaruthur	48	782	5	253			1,035
8.	Thiruppanadal	48	782	5	253			892
9.	Papanasam	34	697	2	99			786
10.	Ammappettai	45	863	2	210			1,073
11.	Pattukkottai	43	812	1	102	1	218	1,132
12.	Madukkur	33	596	1	106			702
13.	Peravurani	26	349	1	122			471
14.	Sedubava Chathram	37	586	1	43			629
	Total	589	12,916	22	1,697	3	1,753	16,366

**Source:** Records of the SHGS in Thanjavur district

The above table shows the break up details of the women's SHGs and the number of women in Thanjavur district. Thanjavur is the block that has more number of SHGs (158 out of 1,765).

### **The Linkage of SHGs with Banks**

The linkages of SHGs of Thanjavur district with banks aims at using the intermediation of SHGs between banks and the rural poor for cutting down the transaction costs for both banks and their rural clients. The objective of the linkage programme could be:

- to evolve supplementary credit strategies for meeting the credit needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the strength of technical and administrative capabilities and financial resources of the formal financial institutions.
- to build mutual trust and confidence between bankers and the rural poor.
- to encourage banking activity, both on the thrift and credit sides, in a segment of the population that formal financial institutions usually find difficult to reach.

There could be different models of the linkage between SHG and banks:

The bank gives direct assistance to the SHG and the SHG promoting institution (SHGI), usually an NGO, provides training and guidance to the SHG and generally keeps a watch to ensure its satisfactory functioning.

There is another way that places the NGO or SHGI as a financial intermediary between the bank and a number of SHGs. The linkage between the bank and the SHGs in this case is

indirect. The NGO accepts contractual responsibility for repayment to the bank.

### **The Financial Scheme**

The financial scheme under the Linkage Programme could be based on the following broad principles:

- Savings first, no credit without saving.
- Saving as partial collateral
- Bank loans to the group, for lending to members
- Credit decisions for lending to members by the group
- Interest rates and other terms and conditions for loans to members to be decided by the group
- Joint liability as a substitute for physical collateral
- Ratio between savings and credit contingent upon credit worthiness of the group; increasing with good repayment record.
- Small loans to begin with.

### **Details of Bank Loan to the SHGs**

All commercial banks, cooperative banks and scheduled banks grant loan to the SHGs through the NGOs. The present study takes the two banks i.e., Indian Overseas Bank and Stat Bank of India during the 5 year period (2005-06 to 2009-10).

**Table 1.2**

### **Details of Bank Loan granted by the IOB (all branches of Thanjavur district) to the SHGs**

Year	No. of SHGs	Loan Amt. (in Rs.)	Recovery (in Rs.)	Dues (in Rs.)
2011-2012	126	1,02,497.66	90,199.75	12,297.91
2012-2013	126	78,747.03	62,210.15	16,536.88
2013-2014	109	1,02,794.88	86,347.60	16,447.28
2014-2015	67	72,323.22	62,921.20	9,402.02
2015-2016	37	48,528.85	25,235.00	23,293.85

**Source:** Bank Records

The loan amount granted by the branches of the IOB in Thanjavur district during the period of 5 years has wider fluctuations. This is due to the government's monetary grant to the development of the SHGs. At the same time, the recovery is not remarkable because of heavy over dues especially 2014-15.

**Table 1.3**  
**Details of Bank Loan granted by the SBI (all branches of Thanjavur district) to the SHGs**

Year	No. of SHGs	Loan Amt. (in Rs.)	Recovery (in Rs.)	Dues (in Rs.)
2011-2012	138	1,60,90,658.00	69,02,163	91,88,495.00
2012-2013	122	1,44,92,392.00	56,18,787	88,73,605.00
2013-2014	158	2,30,77,500.00	99,94,828	1,30,82,672.00
2014-2015	248	2,18,05,595.00	1,07,92,502	110,13,093.00
2015-2016	272	4,99,09,155.00	1,71,83,527	3,27,25,628.00

**Source:** Bank Records

The State Bank of India has made its commendable role in granting the loans to the SHGs. While comparing with the Indian Overseas Bank, the SBI has achieved its performance in terms of loan disbursement and recovery.

### **Role of NGOs in development of women self help groups in Thanjavur District**

The Non-Government Organizations are called NGOs, which are promoting women self help groups by supporting the financial assistance of NABARD, Banks and state government. In the micro-finance programmes sponsored by the government, promotional agencies of

NABARD and external funding agencies, NGOs are preferred organisations to implement the programme to number of women SHGs. The micro-finance groups formed by them had the potential to adopt the strategy of micro-finance as an instrument of poverty alleviation and empowerment. NGOs have popularised the concept of micro-finance in India. Of the estimated number of 30,000 NGOs in India, most have introduced micro-finance as one of the activities in their overall programme aimed at an improvement in life style of women by economically, socially and politically (V. Shanmuga Sundaram, 2010). Most of the SHG's are being promoted with facilitation of NGO's and other formal agencies. The field survey also reveals that more than half of the SHG's were promoted by NGO's. As per Tamilnadu government order in Rural development dated 05.09.2007, 437 NGOs are registered.

### **CONCLUSION**

RBI and NABARD have tried to promote 'relationship banking' i.e. improving the existing relationship between the poor and bankers with the social intermediation by NGOs. The Indian model is predominantly "linkage model", which draws upon the strengths of various partners - NGOs (who are the best in mobilizing and capacity building of poor) and bankers (whose Strength is financing). Thus a nutshell, the SHG Linkage programme offers a win-win situation for the credit delivery system comprising banks of all types.

There are a multitude of Non-Governmental Organizations who can be

virtually found in all villages and blocks of India. Most of these NGOs have similar origin in that they started off as social service and welfare organization with a focus on helping the poor and needy in times of disaster, famine or epidemic. (V.Shanmuga Sundaram, 2010). The emphasis, therefore, was mainly on social and welfare activities like housing, health, education, safe drinking water, sanitation, etc. However, with the growing popularity of micro credit in India, these NGOs have also taken up micro credit activity as a part of their overall service strategy. While some have adopted micro credit as their core activity, a large number of such institutions, have adopted multiple operations with a limited investment in micro credit.

Thus, women's empowerment comes reality through the SHGs in Thanjavur district with eh helps of banks and NGOs. This tendency continues so that it is sure that the economic empowerment of women is a growing phenomena.

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## CUSTOMER PERCEPTION TOWARDS 3G MOBILE SERVICE OF THE BSNL: A CASE OF THANJAVUR TELECOM DISTRICT

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### ABSTRACT

*As the 3G is an advanced version, it is introduced by the BSNL introduces it recently. The consumers are interested in it. But, the cost of such technology is high because, a new type of hand set is required for this. The 3G services are in growing stage and it is felt that the services are costly. In the light of these problems, the present survey is taken up. The survey was carried on a limited scale in Thanjavur telecom district. 200 samples were selected as per the convenience sampling technique. The paper concludes that the 3G service is not meant for mere communication and entertainment service but it is the appropriate technology to fulfill informational needs in the era of Information Technology. The customers should have adequate awareness towards the full usage of the 3G services.*

### Introduction

3G is a recently developed technology in the mobile phone sector and now this has gained more popularity and support among the consumers. B.S.N.L is the pioneer in this field. 3G is the next generation of mobile communications systems but it reaches the present generation. It enhances the services such as multimedia, high speed mobile broadband, internet access with the ability to view video footage on the mobile handset. With a 3G phone and access to the 3G network, anyone can make video calls, watch live TV programmes, access the high speed internet, receive emails and download music tracks, as well as the usual voice call and messaging services like person to person video, live streaming, downloadable video of entertainment,

news, current affairs and sport content and video messaging. 3G enables people to simultaneously use speech and advanced data services. The service is also backed with the technology to offer higher quality in voice call as well as a wide range of data services.

### Importance of Study

This is the era of mobile phones. The phones have opened a new way to every day life. They have created an attractive business opportunity in all fields. This sector has emerged a separate business field, in which crores and crores have been invested (Jagadeesh K. Titler, 2010) Nowadays, market research is important to every cell phone company. All mobile phone companies try to attract customers so that many concessions and price cuts are

announced frequently. As the 3G mobile phone service is the modern version of the cellular phone sector, a market survey among the users gains an important place.

### **Statement of the Problem**

As the 3G is an advanced version, it is introduced by the BSNL introduces it recently. The consumers are interested in it. But, the cost of such technology is high because, a new type of hand set is required for this. In addition, the tariff is relatively higher while comparing with the ordinary services. And, it is required that a through computer knowledge is also required to avail all the facilities of the 3G. In this context, as the new type of technology, the 3G cellular services gains attention to the urban mass particularly younger generation (Jiwani K. Bhagahur, 2010). What about the support from the rural mass and semi urban areas for this type of modern service? Still it is a question. At the same time, even in the urban areas, the usage of 3G is mostly seen among the youth particularly students community. So, the 3G services are in growing stage and it is felt that the services are costly. In the light of these problems, the present survey is taken up.

### **Objectives of the Study**

1. To analyse the customer feedback towards the 3G services
2. To give suitable suggestions to the BSNL to improve customer satisfaction.

### **Methodology**

The survey was carried on a limited scale in Thanjavur telecom district. This study helps to explain some important issues on 3G services of the BSNL. Before undertaking the survey wholly, a pilot study was undertaken among some 3G mobile service customers of the BSNL and some cell phone shops in order to know the scope and possibilities of the project. On the basis of experiences gained from such pilot study, the objectives were framed.

### **Data Used**

Both primary data and secondary data were collected and used in this project work. The primary data were collected in the form of their opinions through a questionnaire. The secondary data were collected from internet, books and records.

### **Population and samples**

The 3G mobile consumers of the BSNL constitute the population of this survey. Thanjavur telecom district has more than 20,000 3G subscribers. 200 samples were selected as per the convenience sampling technique. But, care was taken to include all types of customers in the sampling frame. A questionnaire was designed, after a pre testing among 50 users of 3G, to collect the primary data from the selected sample customers.

The data collected for the study were analysed properly and calculations were made in order to draw meaningful interpretations from such analysis. Chi square test was used to test the hypotheses.



### Limitations of the Survey

1. This study covers Thanjavur telecom circle only.
2. The paper is based on the opinions of the sample consumers and there are some possibilities for changing their opinions in due course. So, the findings of the study may vary in passage of time.

### Demographic Profile of the Sample Customers

The 200 sample customers are classified into different features such as gender, age, income etc. The sample customers represent each group as follows: Gender (male-58%, female-42%); Age group in years (upto 20-14%, 20-40-73%, 40-60-8%, Above 60-5%); Marital status- (married-41%, unmarried-59%); Educational status (Upto school final-13%, Diploma/Degree-43%, P.G Degree-34%, Professional Degree-10%), Occupation (Employee-27%, Business-23%, Profession-10%, students - 40%), Annual income (in Rs.) (Upto 5 lakhs - 5%, 5-10 lakhs - 41%, 2-3 lakhs - 24%, Above 10 lakhs - 30%).

### Discussion and Results

**Table No. 1**  
Source of Awareness

S. No.	Source	No. of Respondents	%
1	Through advertisements	114	57
2	Through my friends/ relatives	26	13
3	Through news from media	60	30
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary Data

From the above table, it is clear that the majority respondents (57%) have awareness towards the BSNL 3G services through the advertisements made by the BSNL. The advertisements of the B.S.N.L have made a strong influence on the customers. 30% respondents got such awareness through the news from the media. 13% got such awareness through their friends / relatives.

**Table No. 2**  
Nature of Feeling

S. No.	Feeling	No. of Respondents	%
1	Prestige	58	29
2	Convenience	142	71
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary Data

In the case of nature of feeling of the 200 respondents, majority of them (71%) feel convenience from using the 3G services so that they are interested in usage of the 3G services in their daily life. But, 29% feel prestige in this regard and it is sure that the 3G service mobile is a status symbol to them.

**Table No. 3**  
Awareness towards the Usage of All Facilities

S. No.	Awareness	No. of Respondents	%
1	Knowing to some extent	74	37
2	Knowing to the maximum extent	68	34
3	No such awareness	58	29
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary Data

37% respondents have known the usage of all facilities of the 3G service to some extent only and they are the majority group. 34% have known them to the maximum extent. 29% customers use the 3G mobile phone without enough awareness towards the usage.

**Table No. 4**

**The Most Attractive Factor in the 3G**

S. No.	Attractive Factor	No. of Respondents	%
1	Video calling	62	31
2	Internet connectivity	40	20
3.	Mobile email	28	14
4.	Multimedia services	28	14
5.	Videos and music downloads	28	14
6.	Real-time multiplayer gaming	14	7
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Primary Data

In the case of most attractive factor in the 3G services, majority of the respondents (31%) point out the video calling. Next, 20% respondents mention it as the internet connectivity. The mobile e-mail, multimedia services, videos, and music down loads have equal support of respondents (14% each). The real time multiplier gaming is in the last place (7%).

**Table No. 5**

**Further Expectation from the BSNL**

S. No.	Expectation	No. of Respondents	%
1	High Quality	26	13
2	Reduction in tariff	154	77
3.	More facilities	18	9
4.	Better Service	42	21
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Primary Data

In the matter of further expectation, 77% respondents demand reduction in tariff towards the 3G services. 21% expect better services from the BSNL in the form of customer care, free information etc. 13% expect further quality in the services. Only 9% say as the more facilities.

**Findings**

1. Majority respondents (57%) have awareness towards the BSNL 3G services through the advertisements made by the BSNL. The advertisements of the B.S.N.L have made a strong influence on the customers.
2. In the case of nature of feeling of the 200 respondents, majority of them (71%) feel convenience from using the 3G services so that they are interested in usage of the 3G services in their daily life.
3. 37% respondents have known the usage of all facilities of the 3G service to some extent only and they are the majority group.
4. In the case of most attractive factor in the 3G services, majority of the respondents (31%) point out the video calling.
5. In the matter of further expectation, 77% respondents demand reduction in tariff towards the 3G services. 21% expect better services from the BSNL in the form of customer care, free information etc. 13% expect further quality in the services. Only 9% say as the more facilities.

**Conclusion**

As the 3G mobile services is a modern technology it may be a business in the hands of private cellular service providers but the BSNL, being the public sector telecommunication organisation, may use it as the means of information sharing in our growing economy. Its usage and coverage may be handled by the BSNL to cover socio – economic goals of our economy. It is not meant for mere communication and entertainment service but it is the appropriate technology to fulfill informational needs in the era of Information Technology. The customers should have adequate awareness towards the full usage of the 3G services.

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## THE NECESSITY OF HR PRACTICES IN SCHOOL

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### ABSTRACT

*The necessity for schools to implement human resources management (HRM) is increasingly acknowledged. Specifically, HRM holds the potential of increasing student outcomes through the increased involvement, empowerment and motivation of teachers. In educational literature however, little empirical attention is paid to the ways in which different HRM practices could be bundled into a comprehensive HRM system and how HRM could best be implemented to attain positive teacher and student outcomes (process). Regarding the content and following the 'AMO theory of performance'. It is argued that HRM systems should comprise (A) ABILITY (M) MOTIVATION (O) OPPORTUNITY.*

*Enhancing HRM practices regarding the process and based on HRM system strength literature it is argued that when teachers perceive HRM as distinctive and consistent and if they perceive consensus this will enhance teachers and schools performance by combining insights from educational studies on single HRM practices with HRM theories. The paper also seeks to identify the necessity of HR practices in school.*

### INTRODUCTION

A human resource manager in education is unique and very different than other organization. It will more understand it we define who these human resource managers in education are in education there are principals their deputies, head of the department, teachers, parents, guardians and so on. Their core responsibilities are to manage nature, educate and prepare the prospective human resources of the society. These prospective human resources are the students who will lead the country, society and family. Their innovation will take the country in its great height. The people who are responsible to develop these prospective

human resources are the greatest persons of the country and society. Their jobs are really unique and can be graded as very important human resource managers of the country.

The school leaders are not only facing the pressure in reforming and sanctions, but also facing difficult contextual challenges as they work to ensure that all students achieve at levels mandated by no child left behind requirements. In addition principals must find teachers who are highly qualified, committed and prepared to face the challenges of today's classrooms. The related investigation shows that nearly 60 percent of a school's impact on student achievement is attributable to

principal; and teacher effectiveness. These are the most important in-school factors driving school success with principals accounting for 25 percent and teachers 33 percent of a school's total impact on achievement. School principals as the key factors in education and how principal leadership can be effectively responsive to these waves of education reforms inevitably becomes an important concern in policy formulation, public debate and global communities. In the school system the principal; as an administrator influences his teachers to achieve the goals and objectives of the school. The fundamental goal of the school is to enhance the teaching and learning process. Hence the school administrators should endeavour to influence the behaviour of the teachers in order to achieve the goals of the school.

The effective school is a school that can in outcome (performance or results) terms, reflective of its learning for all missions, demonstrate the presence of equity in quality. Organizational management theories provided significant additions to effective schools research and policy. The following qualities essential for understand the effective schools.

- Instructional leadership
- Clear and focused mission
- Safe and orderly environment
- Climate of high expectation
- Frequent monitoring of student progress

This article focused on the impact of their roles on society and necessity of HR practices in school.

## REVIEWS

RESEARCHER-N.Butler

DESERTATION TOPIC-“*A study of human resource management practices as they exist within schools*”

According to Butler peoples are the principal resource and input of organisations and they bring unique and valuable skills to the workplace. The broad purpose of the human resource management function in any educational organization is to attract, develop, retain and motivate personnel in order to achieve the school's mission. He also explained about the functions that are defined as professional development, recruitment, selection, induction, remuneration, performance, review / appraisal, jobdesign and description, collective bargaining and retirement and termination.

RESEARCHER-PIETY RUNHAAR

DESERTATION TOPIC-“*Conceptualising HRM from content and process perspectives*”

According to Piety Runhaar HRM holds the potential of increasing student outcomes through the increased involvement, empowerment, and motivation of teachers by combining insights from educational studies on single HRM practices with HRM theories this builds a conceptual framework which can be used to design HRM systems and to understand the way they operate.

RESEARCHERS-PURCELL AND BOXALL

DESERTATION TOPIC-“*Human resource management influences the performance of an organization*”

Purcell and Boxall point out that “Strategy is not the same as strategic plans”. HRM defines how the organization behaves and tries to cope with its business environment. Because strategic human resource management is based on human resource management principles it always incorporates the concepts of strategy which proves that human resource management is actually a coherent approach to the management of people.

### **ROLE OF HUMAN RESOURCE IN EDUCATION**

All organizations including educational institutions are made up of people who chose to work in it primarily because it enables them to satisfy at least some of their personal needs. Peoples those who are working in the schools governed by the psychological mechanism both on the job and outside the job. The behaviour of an individual in an organization determined by internal and external factors. It including learning ability, motivation, perception, attitude, emotions, and frustration. While the external factors include stress, reward system, degree of trust, group cohesive, social factors, office politics etc. Defining the roles and responsibilities of all staff becomes a critical success factor as this helps the individual to understand their roles within the context of the school’s vision. Decision making, communication, leadership and conflict are few examples of the many processes that take place within school. Therefore the staff in the HR department for the educational

institution to function efficiently and effectively.

Especially the administrator (Principal, Headmaster) must understand the nature of people he/she is working with and be able to interpret their behaviour. Teachers in a school should not be looked as mere resources but as valuable human beings. Therefore developing human relations within the school helps it to successfully achieve its goals. Educational administration is concerned with the mobilization of the efforts of people for the achievement of educational objectives. Human relations focus on the development of morale and individual human. Human relations emphasize paying attention to workers as human beings in an informal association within an organization. This is very true in the context of the school as the teachers play a critical role in helping the children achieve their optimal performance.

### **NEED FOR HR PRACTICES IN SCHOOLS**

There are several reasons why it is important for a teacher to understand HR practices. First of all culture and backgrounds are generalities. What teachers need to understand is the neighbourhood their students are from including the socioeconomic and political landscape. Teachers also need to know how closely their students bonded with culture and political landscape, do they believe them? Do they see themselves as trapped or entitled? When the child exhibits ‘problem behaviours’ towards a teacher, they rarely originates in that

moment. Sometimes the problem is that the teacher views the behaviour as problem, and the student does not. In that certain situation the teacher need to take correct decision which can be possible by proper hr practices. The following qualities can mould an ordinary teacher to great one. It is not easy to adopt certain qualities which came by long time practice; here it is possible by applying some principles of HR development. The qualities are,

- Emotional intelligence
- Positive attitude
- Compassionate and empathetic approach
- Empowering students
- Inspirational personality
- Strategic thinking
- Creative intelligence

In India the hiring process of teachers totally different from other countries. HR practices helps to choose the right person for right job. But the hiring processes of teachers are not merely good enough to choose right candidate. Particularly in Tamilnadu the teachers' selection process based on the eligibility examination. It never gives the chance to evaluate teacher's potential power of practical skills and also the experience level of the teachers never taken to the consideration.

#### **APPLICATIONS OF HR FUNCTION IN SCHOOL**

There are tremendous changes happening within the environment where the schools operate with the onset of globalization and technology. The dynamics within the school and its expectations

are rapidly changing. Therefore it is imperative that the education administrator (principal, Headmaster) need to provide management oversight and guidance to the Human Resource management function to meet the needs of the changing landscape. Few of the varying needs of the schools include the following

- Hiring and retaining qualified teachers and staff
- Developing leadership abilities within the school
- Implementing inclusive education
- Developing and implementing differentiated professional development programmes for teachers that will help them to reach their potential. In turn this helps the students to achieve their potential. Teacher performance is closely related to student performance
- Implementing performance rewards and recognition
- Incorporating technology in education

#### **Recruitment and selection**

This involves searching for a suitable person to fill the vacant of new position. The basic goal of recruitment is to locate qualified teacher who will stay with the school to help students to reach their potential. Innovative practices must be developed and implemented to meet this growing requirement.

Teachers and staff who are selected should undergo a structured orientation programme to understand the vision of the school and its educational objectives. This will help the new teachers lateral

as well as fresher to align to the organizational vision.

### **Training and development**

This is an important focus area for the school as it helps in talent retention as well as development of conducive environment within the school. The mechanism includes the following aspects

- Differential professional development for teachers
- Salary administration
- Performance management system
- Welfare in educational institution's administration

### **CONCLUSION**

We come to the conclusion that to meet rapidly changing needs, educational institutes should strongly consider establishing HUMAN RESOURCE MANAGEMENT functions in schools. It is necessary for institutions to advocate the use of good human relations so as to ensure effective and efficient administration. If HR practices applied properly in schools it will result in creating the best citizens of the society it leads to the nation's growth.

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## ROLE OF INSURANCE INTERMEDIARY – A TRUE ADVISOR

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### ABSTRACT

*Insurance industry contributes to the financial sector of an economy and also provides an important social security net in developing countries. The importance of insurance in India's economic landscape is still marginal. Introduction of new distribution channels like corporate agents and brokers and restriction on payments to intermediaries was also removed, this facilitated the growth of alternative distribution channels other than own sales force and agents. The insurance value chain begins with providing information and advice to consumers on how to understand their risk exposures both on frequency and severity parameters and how the risks can be managed by the techniques of risk reduction and risk transfer to suit their unique requirements. Among insurance intermediaries, brokers hold a unique place. Not only do they represent the customer, but they also have a choice of placing business among any of the numerous insurers.*

**Keywords:** *Insurance Intermediaries, Penetration, IRDA, Corporate Agent, risk management.*

### INTRODUCTION

The importance of insurance in India's economic landscape is still marginal. This has to move to the mainstream. Poor insurance penetration has resulted in the stunting of economic growth because insurance has not promoted entrepreneurship and risk taking. In an economy, business risks are taken care of by equity capital and pure risks by insurance and other risk transfer mechanisms. The function of insurance is not merely paying claims. The core insurance function is to do risk exposure assessment, risk management (underwriting), risk reduction, risk acceptance, risk retention etc. Insurability is an ongoing challenge in a dynamic economic environment and insurers must

answer to the ever evolving risk challenges in the economy.

The insurance value chain begins with providing information and advice to consumers on how to understand their risk exposures both on frequency and severity parameters and how the risks can be managed by the techniques of risk reduction and risk transfer to suit their unique requirements. This stage of the value chain is called sales/distribution. Marketing of insurance products is more onerous than marketing other products, because the return is contingent for the individual insured. So the focus of insurance selling should be protection and not claims. Hence in the interest of consumers the insurance sector worldwide offers a variety of

customer facilitation to market and distribute insurance products that suit customer needs and create the trust that is required. Insurers (directly), their tied agents, brokers, corporate agents, banks, referral agencies and aggregators, distance marketing firms and other registered entities in various forms are available both to inform and advice consumers and make insurance attractive and relevant.

Among insurance intermediaries, brokers hold a unique place. Not only do they represent the customer, but they also have a choice of placing business among any of the numerous insurers. This gives them a leverage that is uniquely positioned to take insurance to greater heights. This can bring on a whole host of benefits for the economy and for the insurance sector.

### **INDIAN INSURANCE INDUSTRY-A HISTORICAL REVIEW**

In 1818, a British company called Oriental Life Insurance setup the first insurance firm in India followed by the Bombay Assurance Company in 1823 and the Madras Equitable Life Insurance Society in 1829. Though all these companies were operating in India but insuring the life of European living in India only. Later some of the companies started providing insurance to Indians with approximately 20% higher premium than Europeans as Indians were treated as “substandard”. Substandard in insurance parlance refers to lives with physical disability. Bombay Mutual Life Assurance Society was the first company established in 1871 which started selling policies to Indians with “fair value”. Insurance

business was subjected to Indian company act 1866, without any specific regulation. In 1905, the slogan “Be Indian-Buy Indian” declared by Swadeshi Movement gave birth to dozens of indigenous life insurance and provident fund companies. In 1937, the Government of India setup a consultative committee and finally first comprehensive ‘insurance act’ was passed in 1938. In oct. 2000, IRDA (Insurance Regulatory and Development Authority) issued license paper to three companies, which are HDFC Life Standard, Sundaram Royal Alliance Insurance Company and Reliance General Insurance.

At the same time “Principal approval” was given to Max New York Life, ICICI Prudential Life Insurance Company and IFFCO Tokio General Insurance Company. Today total 24 life insurance companies including one public sector are successfully operating in India.

The insurance sector in India has completed a full circle from an open competitive market to nationalization and then back to liberalized open market. LIC of India has been the bystander of the entire transformation from one phase to another. In 2000, when Insurance Regulatory and Development Authority (IRDA) was set up in India, 24 more private life insurance companies entered till date into the Indian market other than one already existing public life insurance operator LIC of India. Table 1 give details about total number of life insurance companies operating in India after execution of Economic Reforms in the country.

**Table 1:1** Total number of life insurance companies operating in India since 2000

Year	Public sector	Private sector	Total
2001	1	10	11
2002	1	12	13
2003	1	12	13
2004	1	13	14
2005	1	14	15
2006	1	15	16
2007	1	17	18
2008	1	21	22
2009	1	22	23
2010	1	22	23
2011	1	23	24
2012	1	23	24
2013	1	23	24

**Source:** Annual reports of IRDA 2000-2001 to 2012-2013.

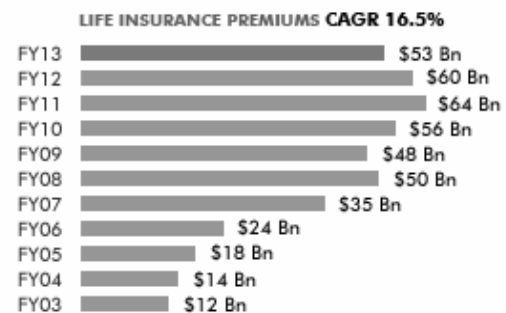
### LIFE INSURANCE – REVENUE

Deepening and widening of insurance markets remain a formidable challenge, as many insurance professionals are rooted in traditionality and not the current and future needs of the economy.

In the 1950's nearly 50% of the Indian Non-life insurance market consisted of Fire insurance, mostly for corporates. (In 1973 two of the PSUs had the word fire in their names). Since then, Fire insurance has fallen to less than 10% of the GDPI, and the market has shifted to more dynamic risks such as Motor and Health, which now constitute more than 65% of the market and show an inclination to grow even faster. However this surge is skewed and insurers and brokers need to rework insurance needs and develop credible insurance solutions for a wide variety of economic risk

needs. Typically insurance needs fall into one of the following baskets:

- Asset insurance against various losses
- Earning insurance that protects earnings
- Cost insurance that indemnifies costs incurred
- Liability costs incurred towards third parties



**Source:** ibef.org

**Figure 1:** Life Insurance Density in India

### INSURANCE REGULATORY AUTHORITY, 1996 (IRA)

The IRA was set up in January 1996. The IRA bill has first to be passed by parliament to make the IRA a statutory body. Second, the powers of the erstwhile controller of insurance have to be conferred on the IRA. Third, comprehensive legislation aimed at reviewing the insurance act of 1938 and repealing the LIFE INSURANCE CORPORATION ACT of 1956 and the general insurance (Nationalization) act of 1972 have to be passed.

Post statutory status, IRA to be centre piece for future insurance sector reforms. IRA will be sole authority, which will be responsible for awarding of licensing i.e. little or no government or political interference in licensing in process. No restriction on the no. of licenses. No composite licenses for life and non life business.

IRDA was set up to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry. After this the private players started entering the market.

### REGULATORY PROVISIONS AND TRADITIONAL FUNCTIONS OF BROKERS - REVIEW

#### The regulatory provisions and traditional functions of brokers

1. Understanding risk management as a core value, and keep raising its relevance to greater heights.
2. Getting to know the risk philosophy of their prospects and helping them to right size their risk appetite and risk readiness
3. Rendering advice on appropriate insurance covers and terms, after a mutual assessment of risk and understanding their risk management requirements.
4. Researching and obtain detailed knowledge of the insurance markets.
5. Providing the best underwriting information to insurers after carefully selecting the best insurer and tailoring the most appropriate and innovative covers to meet the risk needs of the insured.
6. Advising and risk empowering clients on a continuous basis, and constantly monitoring the protection theme and where necessary updating and upgrading the protection requirements.
7. Acting as risk managers and consultants to all players in the economy, which leads to better integration with the protection formats that will help to propel the economy forward.
8. Untravelling and solving tricky underwriting and claims issues taking the best inputs from the global markets.
9. Being in touch with the best knowledge research and risk management advancements and innovations that take place around the world in the protection area.

### INTERMEDIARIES – ENTRY INTO THE WORLD OF INSURANCE

**Table 2:** Table showing the entry of intermediaries entering into the market in 2013

S. No.	Name of the Broker	Licence No.	Category	Date of Issue	Place
1	M/s. Sovereign Insurance Brokers Pvt. Ltd.	448	Direct	02.04.2013	Noida, UP
2	M/s. C S Insurance Brokers Ltd.	449	Direct	27.05.2013	Delhi
3	M/s. Green Life Insurance Broking Pvt. Ltd.	450	Direct (General)	27.05.2013	Durgapur, WB
4	M/s. We Care Insurance Broking Services Pvt. Ltd.	451	Direct	24.06.2013	Mumbai
5	M/s. Estrela Insurance Brokers Pvt. Ltd.	452	Direct	04.07.2013	Mumbai
6	M/s. Sarvpriya Insurance Brokers Pvt. Ltd.	453	Direct	15.07.2013	Ludhiana, PB
7	M/s. Proline Insurance Broking Pvt. Ltd.	454	Direct (General)	31.07.2013	Chandigarh
8	M/s. A B Insurance Brokers Pvt. Ltd.	455	Direct	06.08.2013	Kolkata, WB
9	M/s. S L K Bima Brokers Pvt. Ltd.	456	Direct	06.08.2013	New Delhi
10	M/s. Motilal Oswal Insurance Brokers Pvt. Ltd.	457	Direct	21.08.2013	Mumba

S. No.	Name of the Broker	Licence No.	Category	Date of Issue	Place
11	M/s. Sri Prathinik Insurance Broking Pvt. Ltd.	458	Direct	26.08.2013	Hyderabad
12	M/s. Muthoot Insurance Brokers Pvt. Ltd.	459	Direct	02.09.2013	Kerala
13	M/s. Zenmony Insurance Broking Services Pvt. Ltd.	460	Direct	02.09.2013	Hyderabad
14	M/s. Abhivridhi Insurance Brokers Pvt. Ltd.	461	Direct (General)	06.09.2013	Pune
15	M/s. Aspire Insurance Brokers Pvt. Ltd.	462	Direct	04.10.2013	Pune
16	M/s. Vizza Insurance Broking Services Pvt. Ltd.	463	Direct	09.10.2013	Chennai
17	M/s. Itus Insurance Brokers Pvt. Ltd.	464	Direct (General)	23.10.2013	Hyderabad
18	M/s. Vibhuti Insurance Brokers Pvt. Ltd.	465	Direct	06.11.2013	Mumbai
19	M/s. Muthoot Risk Insurance & Broking Services Pvt. Ltd.	466	Direct	08.11.2013	Kerala
20	M/s. E Kaal Insurance Brokers Pvt. Ltd.	467	Direct	19.11.2013	Chennai
21	M/s. Emudhra Insurance Broking Pvt. Ltd.	468	Direct	05.12.2013	Bengaluru
22	M/s. Apac Insurance Broking Services (I) Pvt. Ltd.	469	Direct	11.12.2013	New Delhi
23	M/s. Ntrust Insurance Broking Services Pvt. Ltd.	470	Direct	11.12.2013	Hyderabad
24	M/s. Prime India Insurance Brokers Pvt. Ltd.	471	Direct (General)	17.12.2013	Mumbai
25	M/s. NZ Insurance Brokers Pvt. Ltd.	472	Direct	18.12.2013	Noida, UP
26	M/s. Acorn India Insurance Brokers Pvt. Ltd.	473	Composite	26.12.2013	Mumbai
27	M/s. Ativir Insurance Broking Pvt. Ltd.	474	Direct (General)	26.12.2013	Kolkata, WB
28	M/s. Emerge Insurance Brokers & Consultancy Services Pvt. Ltd	475	Direct (General)	26.12.2013	Mumbai
29	M/s. Trustline Insurance Brokers Pvt. Ltd.	476	Direct	27.12.2013	Noida, UP
30	M/s. Techopolis Insurance Brokers Pvt. Ltd.	477	Direct (General)	27.12.2013	Rajkot
31	M/s. Coverfox Insurance Broking Pvt. Ltd.	478	Direct	27.12.2013	Mumbai
32	M/s. Review Insurance Brokers Pvt. Ltd.	479	Direct	13.01.2014	Mumbai
33	M/s. Geosansar Insurance Brokerage Pvt. Ltd.	480	Direct	30.01.2014	Hyderabad
34	M/s. Antworks Insurance Broking & Risk Consulting Pvt. Ltd.	481	Direct	24.02.2014	Haryana
35	M/s. IRM Insurance Brokers Pvt. Ltd.	482	Direct	05.03.2014	Mumbai
36	M/s. Droupathi Insurance Services Brokers Co. Pvt. Ltd.	483	Direct	20.03.2014	Hyderabad
37	M/s. GVR Insurance Brokers Pvt. Ltd.	484	Direct	25.03.2014	Hyderabad
38	M/s. Magnum Insurance Broking Pvt. Ltd.	485	Direct (General)	25.03.2014	Nagpur

Source: IRDA Journal April, 2014

In effect, brokers are best placed to encourage risk taking in the economy. Every person has the opportunity to scale up the economic ladder, if risk is not seen in a downside and negative manner. Transformation of risk from a fearful downside to an empowering upside can be best done by those having core insurance and risk management competencies. Therefore being in insurance means being in the risk 'upside' business, and the best players that can play in this are insurance brokers and insurers. The insurance industry can give conviction to all in the economy how to convert risk taking into a strategic advantage and this is where the broking profession will score over everyone to shape the success of their clients in the risk management area. When this approach will move down in the insurance sector there will be a transformation from a situation of no insurance or heavy underinsurance to one of adequate and suitable insurance protection across all sectors of the economy. Though the insurance industry now have around 350 brokers and their share in the premium basket is constantly rising, acceleration is now needed at a more rapid pace to serve the economy as really required. The evolution of the broker market has been slow and often showed lack of proper value generating approaches in delivering benefits to the economy.

The opening up of the industry in the year 2000 marked the re-entry of private sector players. The opening up was also accompanied by introduction of

new distribution channels like corporate agents and brokers. The restriction on payments to intermediaries was also removed and this facilitated the growth of alternative distribution channels other than own sales force and agents. It is more than 12 years since the first broker licence was issued in January 2002 and as of today there are about 480 insurance brokers operating in the industry. All the leading multinational brokers are also present here. The share of the broking channel has been increasing year on year.

#### **INTERMEDIARIES' REMUNERATION**

The commission payable to the broker by the insurer is regulated and is fixed by the IRDA. It is available in the public domain and the customer is deemed to be in the know. However, except major corporate customers, many of whom have separate insurance or risk management departments, awareness about the remuneration a broker receives, is generally low. The current regulations mandate payment of brokerage as a percentage of premiums. The regulations specify the percentage of brokerage payable for different types of business as well as the sum insured involved. The current structure is given below. The rates indicated are the maximum that is payable. So the intention of the regulator is to allow the insurer leeway in determining the payments to the brokers based on portfolio performance, preferred lines of business and of course the clients' demand.

**Table 3:** Percentage of brokerage structure

S. No.	Class of Business	Maximum Percentage of Premium Payable as agency commission or brokerage (% of final premium excluding service tax)	
		Agency Comm.	Brokerage
1	Fire, IAR and Engineering Insurances (i) General	10%	12.5%
	(i) Risks treated as large risks under para 19V of file & use guidelines	5%	6.25%
2	Motor insurance Business (OD portion), WC/EL & Statutory Public Liability Insurance	10%	10%
3	Motor Third Party Insurance	Nil	Nil
4	Marine Hull Insurance	10%	12.5%
5	Marine Cargo Business	15%	17.5%
6	All other Business	15%	17.5%

**Source:** IRDA Journal, April 2014

## BANKING WITH INSURANCE IN INDIA

The Indian insurance industry is underperforming – both in terms of penetration and density compared to the developed countries like US, UK, France and South Africa. In 2013-14 budget speech Finance Minister has announced to permit banks to act as insurance brokers from the present form of corporate agents, for better insurance penetration and to reduce misselling of insurance products. As brokers, banks would not only be able to give customers products of multiple insurers, but would also be responsible for the sale of those

products because of the fiduciary responsibility they would shoulder as brokers. However, as agents they represent the interest of the insurer and not of the policyholder. Consequently, RBI and IRDA have cleared the decks by issuing guidelines on insurance broking norms.

## CONCLUSION

The brokers should lead the insurance industry to understanding real risks, which today for corporate mean protecting their balance sheets and for individuals, their livelihoods. The IRDA has been proactive in adopting the best practices prevalent in evolved markets; and it is to the credit of the players and the regulator that the insurance industry is growing at an enviable pace attracting more and more international players.

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## A CONCEPTUAL FRAMEWORK OF EMPLOYEE EMPOWERMENT IN MANUFACTURING SECTOR

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### ABSTRACT

*Employee empowerment is giving employees a positive scale of self-sufficiency and liability for decision-making concerning their exact organizational mission. It allows decisions to be made at the inferior levels of an organization where employees have an exclusive view of the issues and harms facing the organization at a convinced level. Employee empowerment should lead a path of increasing the productivity. It also should leads to a superior level of employee commitment to organizational mission. Occasionally empowering employees through the use of teams may create peer pressure.*

### Introduction

Employee empowerment is to measure the degree of autonomy and self determination in people or communities to facilitate them to characterize their wellbeing in an accountable and self-determined way, performing on their own authority. Empowerment as action which describes the procedure of self-empowerment and to specialized sustain of people, which allows them to conquer their sense of inability and lack of manipulate, and to recognize and their resources. Employee empowerment is also known by giving up the authority conventionally held by management, which means managers also have to get new roles, knowledge and responsibilities. It does not mean that management gives up all power, totally hand over decision making and allows process to run without responsibility. It necessitate

a important investment of time and effort to expand common faith, charge and put in individuals potential and expand clear agreements about function, responsibilities, risk taking and boundaries.

### Process of Empowerment:

Empowerment is the procedure of acquire essential chance for marginalized people; moreover in a straight line by those people, or from side to side the help of non-marginalized others who split their own right of entry to these chance. It also comprises dynamically attempt to disprove those chance. Empowerment also comprise hopeful, and rising the skills for, self sufficiency, with a focus on eradicate the outlook require for aid organization or wellbeing in the individuals of the group. This procedure can be hard to start and to put into practice efficiently.



**Strategy**

To create own nonprofit organization, using one empowerment strategy to assist marginalized people control the organization to further entrench marginalization. The community from outside of the organization leads charitable. By reducing the need for ongoing dependence can target strategies that cause structural changes in nonprofit organization. For example, Red Cross focuses on humanizing the health of individual people, but had not responsibility in water delivery and purification systems, even though lack of such system creates some impacts in health directly and indirectly.

**Criticism**

A particular group requires empowerment and that therefore self-esteem needs to be combining on the basis of awareness of their strengths. Assessing the problems of this group, a deficit diagnosis to be usually carried out by experts but before there can be finding that a particular group requires empowerment. The basic irregularity of the relationship between experts and clients is usually not questioned by the process of empowerment.

**Concepts**

Empowerment is based on the concepts of job enlargement and job enrichment

**Job enlargement**

Include a greater portion of the horizontal process, the scope the job is going to be changed. A bank teller not

only handles deposits and disbursement, but also distributes traveler cheques and sells certificate of deposits.

**Job enrichment**

To include responsibilities that has traditionally been carried out at higher levels of the organization by increasing the depth of the job. The teller has also the authority such as to help a client fill out a loan application, and to determine whether or not to approve the loan.

**Empowered Organizational Structure**

Employee empowerment is frequently viewed as an upturned triangle of organizational authority. In the conventional view, management is at the peak while customers are on the underneath; in an empowered environment, customers are at the peak while management is in a support role at the underneath. Employee empowerment frequently also calls for reform the organization to lessen levels of the hierarchy or to provide a more customer and process focused organization.

**Top principles of Employee Empowerment****Demonstrate the value of people**

People in the organization only shine through the word of mouth and actions made by the management. Likewise they act according to what the management expect from them is expressed through the facial expression, body language and word express. The goal of the management is demonstrated through the appreciation for each person's

unique value. The management should not consider the small mistakes made by the employees because they consider the value for employees as human beings.

### **Share leadership vision**

The management should help the employees that they feel themselves as a part of something bigger and their individual job. Make sure that they know and access the overall mission, vision and strategic plans of the organization. It is also better that the employees also involved in the actual planning of the product and department level and deliver the output on the overall plan.

### **Share Goals and Direction**

Involve the employees in the planning and goal settings. Then only they add significance, acquaintance, thoughts, insight and experience expected from the organization. They also involved in the department level goal setting and share the most important goals and direction of the organization. With the help of employees, make advancement on goals assessable and visible that the organization shared the depiction of positive outcome with the people responsible for accomplishing the results.

### **Trust people**

Trust the people and their intention is important. When the employees accept clear explanation from their manager, they calm down and trust the managers. They focus their energy on accomplishing, not on distressing and second thought. They always do the

right thing, make the right decision and make choices that what the manager exactly expected from them.

### **Provide information for Decision making**

Make sure that the given information to the employees is accessible by them or not. The accessible information only helps the employees to make thoughtful decisions.

### **Delegate authority and impact opportunities**

Delegation of authority to the employees also considered as an important principles of employee empowerment. Delegate the important meetings, the committee memberships that influence product development and decision making. Through this the employees will grow and develop new skills.

### **Provide frequent feedback**

Providing the frequent feedback which will helps the employees to know themselves about how they are doing the work in the organization. The purpose of feedback is recognizing the employees through the rewards and awards. Few of the employees get deserve on the feedback, but they can continue to develop their skills and knowledge.

### **Solve Problems**

When the problems occur the manager should not pinpoint the problem people. Instead of that ask them what is wrong with work system

that caused them to fail, not what is wrong with the people.

### **Listen to Learn and Ask Questions**

By listening to them and asking the questions which provide a space in which people will communicate. The questions should be asked to those employees who bring the problem to solve by the managers and also recommended the steps taken. Finally, the employee comes with the similar situation, the manager trusts their judgment.

### **Help Employees Feel Rewarded and Recognized for Empowered Behaviour**

When employees are underestimated, under noticed and under-appreciated, they did not produce the expected results. The proper reorganization only moulds the empowered behaviour of the employees.

### **Conclusion**

The basic needs of employees must be met for employees to give their discretionary energy, that extra effort that people voluntarily invest in work. For successful employee empowerment, recognition plays a significant role. Empowerment helps the individuals, groups and/or communities to take control of their situation, work out authority and attain their own goals, and the procedure by which, independently and together, they are able to help themselves and others to maximize the quality of their lives.

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## IMPACT OF ORGANIZATION CULTURAL GAPS IN IT SECTORS

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### ABSTRACT

*Today's organization has faced enormous challenges by the policy makers of IT sectors. Understanding the dynamic situation is very difficult task to frame the organizational objectives. The primary aim of this paper is to examine the impact of organizational cultural gaps under IT sector of Chennai district. This study focuses how the organization culture significantly influences the employee performance and dynamic emerging context. The scope of the research study has to identify the cultural gaps and take serious step to remove the gaps and enhance the employee performance in IT sectors. The objectives of the research to determine and analyze the various organization cultural gaps and ensure the organizational productivity rate. Finally this study will result to stimulate the employee performance level and maximize the efficiency and profit.*

### INTRODUCTION

There has been significant research in the literature to explore the impact of organizational culture on employee performance and productivity. The world is changing rapidly and the level of employee expectation and satisfaction also change accordingly. Organizational culture adapts overtime to cope up with such dynamics changes and meet the varying demand of employee expectations and satisfaction. Therefore culture is considering being a motivational factor which influences employee performance and ensures better productivity. The ultimate aim of this research has to find out the organization cultural gaps and serious steps will be taken to remove the cultural and enhances the level of employee performance to attain the competitive advantage.

### LITERATURE REVIEW

Organizational culture is conceptualized as shared beliefs and values within the organization that help to shape the behavior patterns of employees. Gordon and Cummins define organization culture as the drive that recognize the efforts and contributions of the organizational members and provides holistic understanding of what and how is to be achieved, how goals are interrelated and how each employee could attain goals performance on the other hand refers to be the ability to execute a specific task in a specific manner that can measured as high, medium or low in scale. The word performance can be used to describe different aspects such as societal performance, organizational performance,

employee performance, and individual performance etc.

Early studies have indicated that there exist relationship between organizational culture and its performance. Magee in this very point argued that organizational culture is inherently connected to organizational practices. According to these authors the culture of an organization allows the employees to be acquainted with both the firm's history as well as current methods of operation and this specific detection.

### **OBJECTIVE OF THE STUDY**

The main objectives of the study are as follows:

- Analyze the socio demographic characteristics of the respondents
- Ascertain the impact of organization cultural gaps and employee performance in IT sectors.
- Determine the factors that influence the employee performance to attain organizational productivity.
- Suggest suitable ideas to remove the organizational cultural gaps and enhance the employee performance.

### **SCOPE OF THE STUDY**

This present study has able to find out the various cultural gaps with prevailing in IT sectors and enable them to adapt modern culture to enhance employee performance to achieve the ultimate task.

### **METHODOLOGY**

The paper is concerned with the relationship between organizational culture and its performance. As discussed before,

the organizational culture stands out as one of the most important variables for companies' sustainable performance and competitive advantage. To construct the methodology, the paper has identified the critical aspects of corporate culture and it's the essential cultural theme of the organization and its relationship with performance.

The questionnaire method has been used to collect the data from the respondents of selected IT sector at Chennai district. The simple random sampling has been adapted to collect the data from the respondents. The researcher has select 50 respondents randomly from the selected IT sector at Chennai district.

### **DISCUSSION**

As an organization maintain a richly integrated benchmark of employee performance factors. These factors are mainly related with the organization's goals and objectives and reflect the organization strategic planning.

In organization friendly and supportive working environment is provided for the employees. It ensure that the rules and regulations of the organization. The well-defined strategy was support the employees to carry out the job appropriately without any confusion. It is important that employees feel motivated to follow the rules and regulations and are not being forced. In any organization the main feature of knowledge management is a focus on organizational objectives. In today corporate environment especially IT sector has faced various challenges to handle

the employee in their workforce. This is an emerging situation for the researcher to undertake the study in IT sectors. This study also examines the reasons for organizational cultural gaps and its impact in an organization. Majority of the respondents said that their organization has taken various efforts to fulfill the cultural gaps and implement the effective strategies to enhance the employee performance.

### **CONCLUSION**

The researcher concludes that the organizational cultural gaps have been evaluated and a precautionary step has been taken by the organization to face the challenges arising from the competitive environment. This is not a physical task to fulfill the cultural gaps by the organization because, the organization has described various strategies to cope up with the changing environment. They may also provide and facilitate a lot of awareness programmes to motivate the employees.

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## **A STUDY ON ANALYSING AN EFFECTIVENESS OF DOWNWARD COMMUNICATION WITH SPECIAL REFERENCE TO EXON AUTO COMPONENTS, CHENNAI**

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### **ABSTRACT**

*Communication is one of the most important resources of any organization. Management has to give prime important for their downward communication in and around the concern. Hence by doing this the employee will feel happy and they will contribute more towards the growth of the organization.*

*Thus the main objective of the study is to find out the downward communication provide by EXON AUTO COMPONENTS in CHENNAI. The secondary objective is to identify the factors influencing the existing communication level in exon auto components, and to provide some suggestion to improve the level of communication of the employee at Exon auto components, Chennai.*

*The type of study used in this research is descriptive type, in which the downward communication of employees at Exon Auto Components in Chennai has been analyzed and the finding and suggestions on the research has been mentioned. The sampling method used in this study is of census sampling. Questionnaire is used for collection the data from the respondents. The questionnaire will have a set of questions based on the topic. The respondents have to fill up the questionnaire after going through it.*

*The tools used for data analysis are percentage analysis, chi-square test, rank correlation, ANOVA & weighted average methods.*

*From the study, it is found that the employees of Exon Auto Components having more satisfactory level in some of the communication provide by them, but they want to improve the clarity of communication, rectify the barriers & to raise the Information Communication Technology for downward communication.*

### **INTRODUCTION OF DOWNWARD COMMUNICATION**

Downward communication include explaining an organization's mission and strategy or explaining the organizational vision. Effective downward communication gives employees a clear understanding of the message they have received. Whether information or persuasive, effective downward communication

results in the recipients taking action or otherwise behaving in accord with the communicator's expectation.

- Better coordination
- Improve individual performance through the development of intelligent participation
- Improved morale
- Improved consumer relations
- Improved industrial relations

## DEFINITION

According to **Dr. Urmila Raj**, “Message which goes from the higher authority levels to the lower levels are downward communication”.

In the opinion of **Newstomand K. Davis**, “Downward communication in an organization is the flow of information from higher to lower levels of authority”.

**Bartol and Martin** said, “When vertical communication flows from a higher level to one or more lower levels in the organization, it is known as downward communication”.

## HOW TO MAKE DOWNWARD COMMUNICATION EFFECTIVE?

- Introducing participate management system
- Good labor management relation
- Avoiding autocratic attitude
- Encouraging employee for participation
- Sending complete and clear message
- Avoiding suspecting and neglecting attitude of management

## NEED FOR THE STUDY

A company is only as strong and successful as its members, its employees. By measuring downward communication in an organization can gain the information needed way of communication method, reduce communication gap, clarity and meaningful communication to improve effectiveness of communication for mission purpose of the company. We need the precise communication is the step of reputation.

## STATEMENT OF THE PROBLEM

- Most of the people are not satisfied in downward communication from their superior level.
- A company facing the communication gap to subordinate and superior. If the management should rectify this kind of gap for betterment.

## OBJECTIVES OF THE STUDY

### Primary Objective

To analyze an effectiveness of downward communication in Exon Components, Chennai.

### Secondary Objectives

- To analyze the forms of communication in Exon components.
- To analyze the communication gap in workplace.
- To analyze the information and communication technology to affecting the downward communication.
- To analyze the interpersonal communication in Exon components.
- To analyze the telecommunication to influencing the downward communication.
- To provide suggestion for further improvement to Exon components.

## SCOPE OF THE STUDY

The study covers all levels of employees comes under downward communication and various aspects from upper level to lower level like identifying effectiveness of downward communication for clear understanding the goals.

- This study gives us an insight of how employees see and perceive about organization through proper communication.



- Increase productivity
- Enhances goodwill.
- Helps to grievances handling.
- Healthier inter departmental & business relationships
- Lesser misunderstanding
- Better quality database keeping

There are more than scopes includes downward communication.

### **PERIOD OF THE STUDY**

The period of the study of this project on is year 2014, November - 1 Month.

### **RESEARCH METHODOLOGY**

**Research** in common parlance refers to a search for knowledge. Once can also **define research** as a scientific and systematic search for pertinent information on a specific topic.

**Methodology** is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as paradigm, theoretical model, phases and quantitative or qualitative techniques.

#### **1.7.1. RESEARCH DESIGN**

“Research design” means the exact nature of research work in a systematic manner. It involves the information about the research work in view of the framework of the study, availability

“Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with

economy in procedure.” The research design is the conceptual structure with in which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

### **Descriptive Research**

The researcher has followed the descriptive research by using primary and secondary data collection.

Descriptive studies try to discover answers to the questions who, what, when, where and sometime how the researcher attempts to describe or define a subject, often by creating profile of a group of problems. People or event such studies may involve the collection of data and the creation of distribution of the number of times the researcher observes a single event or characteristics or they may involve relating the interaction of two or more variables.

### **SAMPLE DESIGN**

#### **Census Sampling**

The sample of the dealers is selector primary data on the basis of census sampling. Under this technique each and every item or unit constituting the universe is selected for data collection. A census is a study of every unit, everyone or everything in a population. It is known as a complete enumeration, which means a complete count.

### **SAMPLING METHOD**

The sampling method used in Non-probability convenience sampling.

### **SAMPLING UNIT**

The sample unit in the study is the all Level employees of Exon auto components in Chennai.

## POPULATION

“Population is the aggregate of all units with specific characteristic’s on which the samples are drawn.” All the items in any field of enquiry constitute a universe or population.

The population is finite and the number of item in certain. The population taken in to consideration for the study consists of operational levels of employees. The total population is 110.

## SAMPLE SIZE

The sample size of the study is 110 respondents.

## METHOD OF DATA COLLECTION

Both Primary and secondary data are used in this study.

## STATISTICAL DESIGN

- Percentage Analysis
- Chi- Square Test
- Weighted Average Method
- Rank Correlation
- ANNOVA

## REVIEW OF LITERATURE

**AUTHOR NAME : MOYER**

**YEAR : 2011**

The terms organizational communication and internal communication to mean the same thing. Organizational communication in its general sense is described as the sending of messages or information through formal and informal networks that assists in constructing meaning and influencing individuals and groups in an organization.

**AUTHOR NAME: FURTHERMORE**

**GUO AND SANCHEZ**

**YEAR : 2005**

Communication as the creation or exchange of thoughts, ideas, emotions and understanding between sender(s) and receiver(s). They found a strong relationship among communication and the efficient and effective performance of the organization.

## RANK CORRELATION ANALYSIS STATEMENT

To test an association between the audio visual communications is more effective for training and video conference is available if it’s necessary to understand the product making (demo).

Opinion	X	Rank (d <sub>1</sub> )	Y	Rank (d <sub>2</sub> )	d <sub>i</sub> = d <sub>1</sub> -d <sub>2</sub>	(d <sub>i</sub> ) <sup>2</sup>
Strongly Disagree	26	2	48	1	1	1
Disagree	14	4	15	4	0	0
Neutral	23	3	20	2	1	1
Agree	39	1	19	3	-2	4
Strongly Agree	8	5	8	5	0	0
					Σd <sub>i</sub> <sup>2</sup>	6

$$r = 1 - \frac{6\sum d_i^2}{n(n^2 - 1)}$$

$$r = 1 - \frac{6 \times 6}{110(110^2 - 1)}$$

$$= 1 - 0 = 1$$

## Result

There is positively associated the variables between audio visual communications is more effective for training and video conference is available if it’s necessary to understand the product making (demo).

## CHI-SQUARE TEST STATEMENT

To test an association between written communication has more clarity and reachability of written communication.

**Ho:** There is no association between written communication has more clarity and reachability of written communication.

**Ha :** There is an association between written communication has more clarity and reachability of written communication.

**Observed frequency table**

	A	B	C	D	E	
A	2	6	4	1	2	15
B	5	5	5	3	4	22
C	5	2	3	5	5	20
D	12	6	8	8	3	37
E	5	4	4	1	2	16
	29	23	24	18	16	110

**Expected frequency table**

	A	B	C	D	E
A	3.95	3.13	3.27	2.45	2.18
B	5.80	4.60	4.80	3.60	3.20
C	5.27	4.18	4.36	3.27	2.90
D	9.75	7.73	8.07	6.05	5.38
E	4.21	3.34	3.49	2.62	2.32

**X<sup>2</sup> Test table**

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> - E <sub>i</sub>	(O <sub>i</sub> - E <sub>i</sub> ) <sup>2</sup>	$\frac{(O_i - E_i)^2}{E_i}$
2	3.95	-1.95	3.80	0.96
5	5.80	-0.80	0.64	0.11
5	5.27	-0.27	0.07	0.01
12	9.75	2.25	5.06	0.52
5	4.21	0.79	0.62	0.15
6	3.13	2.87	8.24	2.63
5	4.60	0.40	0.16	0.03
2	4.18	-2.18	4.75	1.14
6	7.73	-1.73	2.99	0.39
4	3.34	0.66	0.44	0.13
4	3.27	0.73	0.53	0.16

5	4.80	0.20	0.04	0.01
3	4.36	-1.36	1.85	0.42
8	8.07	-0.07	0	0
4	3.49	0.51	0.26	0.07
1	2.45	-1.45	2.10	0.86
3	3.60	-0.60	0.36	0.10
5	3.27	1.73	2.99	0.91
8	6.05	1.95	3.80	0.63
1	2.62	-1.62	2.62	1.00
2	2.18	-0.18	0.03	0.01
4	3.20	0.80	0.64	0.20
5	2.90	2.10	4.41	1.52
3	5.38	-2.38	5.66	1.05
2	2.32	-0.32	0.10	0.04
				15.6

**CHI-SQUARE TEST**

$$\chi^2 = \frac{\sum(O_i - E_i)^2}{E_i}$$

Degrees of freedom = (r - 1) (c - 1)  
= (5 - 1) (5 - 1)

Degrees of freedom = 16

Calculated Value of  $\chi^2$  = 15.6

The degrees of freedom is 16 at 5% level of significance calculated value of  $\chi^2$  = 15.6.

The tabulated value of Chi-Square is 26.296 at 0.05.

**Result**

There is no association between written communication has more clarity and reachability of written communication.

**CHI-SQUARE TEST STATEMENT**

To test the association between experience and the way of approach is the retaining tool for skilled employee.

**Ho:** There is no association between experience and the way of approach is the retaining tool for skilled employee.

**Ha:** There is an association between experience and the way of approach is the retaining tool for skilled employee.

#### Observed frequency table

	A	B	C	D	E	
A	5	3	4	3	0	15
B	5	8	8	3	1	25
C	7	8	8	1	0	24
D	6	6	11	5	1	29
E	3	6	6	1	1	17
	26	31	37	13	3	110

#### Expected frequency table

	A	B	C	D	E
A	3.55	4.23	5.05	1.77	0.41
B	5.91	7.05	8.41	2.95	0.68
C	5.67	6.76	8.07	2.84	0.65
D	6.85	8.17	9.75	3.43	0.79
E	4.02	4.79	5.72	2.01	0.46

#### X<sup>2</sup> Test table

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub>	(O <sub>i</sub> -E <sub>i</sub> ) <sup>2</sup>	$\frac{(O_i - E_i)^2}{E_i}$
5	3.55	1.45	2.10	0.59
5	5.91	-0.91	0.83	0.14
7	5.67	1.33	1.77	0.31
6	6.85	-0.85	0.72	0.11
3	4.02	-1.02	1.04	0.26
3	4.23	-1.23	1.51	0.36
8	7.05	0.95	0.90	0.13
8	6.76	1.24	1.54	0.23
6	8.17	-2.17	4.71	0.58
6	4.79	1.21	1.46	0.30
4	5.05	-1.05	1.10	0.22
8	8.41	-0.41	0.17	0.02
8	8.07	-0.07	0	0
11	9.75	1.25	1.56	0.16
6	5.72	0.28	0.08	0.01
3	1.77	1.23	1.51	0.85
3	2.95	0.05	0	0

1	2.84	-1.84	3.39	1.19
5	3.43	1.57	2.46	0.72
1	2.01	-1.01	1.02	0.51
0	0.41	-0.41	0.17	0.41
1	0.68	0.32	0.10	0.15
0	0.65	-0.65	0.42	0.65
1	0.79	0.21	0.04	0.05
1	0.46	0.54	0.29	0.63
				8.58

#### CHI-SQUARE TEST

$$\chi^2 = \frac{\sum(O_i - E_i)^2}{E_i}$$

$$\text{Degrees of freedom} = (r - 1)(c - 1) = (5 - 1)(5 - 1)$$

Degrees of freedom = 16

Calculated Value of  $\chi^2 = 8.58$

The degrees of freedom is 16 at 5% level of significance calculated value of  $\chi^2 = 8.58$ .

The tabulated value of Chi-Square is 26.296 at 0.05.

#### Result

There is no association between experience and the way of approach is the retaining tool for skilled employee.

#### ANALYSIS OF VARIANCE

##### STATEMENT

To test an association between there is no restriction of share the opinion to higher level and the relationship between subordinate & superior level.

##### HYPOTHESIS

**Ho:** There is no association between there is no restriction of share the opinion to higher level and the relationship between subordinate & superior level.

**H<sub>1</sub>:** There is association between the relationship between there is no restriction of share subordinate & superior level and the opinion to higher level and

	Opinion to no restriction of share the opinion to higher level and relationship between subordinate & superior					
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Strongly Disagree	9	0	6	7	1	23
Disagree	5	2	6	6	5	24
Neutral	3	3	2	7	6	21
Agree	7	8	1	9	5	30
Strongly Agree	3	2	2	3	2	12
Total	27	15	15	32	19	110

Source of variance	SS	d.f	MS	F- ratio	5% F-limit (from the F-table)
Between sample	41.6	(5-1) = 4	41.6/4 = 10.40	10.40/6.21 = 1.67	F(4,20) = 2.87
Within sample	124.27	(25-5) = 20	124.27/20 = 6.21		
Total	165.87	(25-1) = 24			

Calculated value of F is 4, 20 at 5% level of significance with 4, 20 degrees of freedom is 2.87

The calculated values exceed the table value. Therefore H<sub>0</sub> is accepted.

**Result**

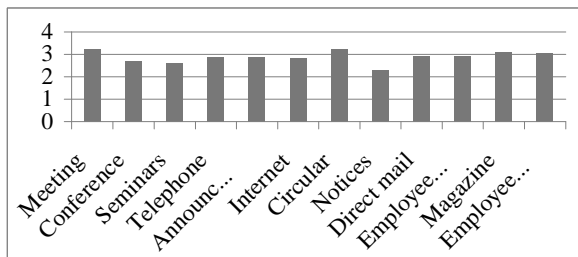
There is no association between there is no restriction of share the opinion to higher level and the relationship between subordinate & superior level.

**WEIGHTED AVERAGE**

$$x_w = \frac{\sum x_i w_i}{\sum w_i} = 3.06$$

**The ranking of the following information**

S. No.	Particulars	Weighted Average	Rank
1.	Meeting	3.21	II
2.	Conference	2.69	X
3.	Seminars	2.63	XI
4.	Telephone	2.90	VII
5.	Announcement through speaker	2.86	VIII
6.	Internet	2.85	IX
7.	Circular	3.24	I
8.	Notice	2.30	XII
9.	Direct mail	2.94	V
10.	Employee hand book	2.91	VI
11.	Magazine	3.11	III
12.	Employee paper & journals	3.06	IV

**DIAGRAM OF WEIGHTED AVERAGE****FINDINGS**

- The majority is 94.55% of the respondents are male.
- The majority is 40.91% of the respondents are 21-30 and 31-40 years.
- The majority is 33.63% of respondents are PG and above qualification.
- The majority is 39.09% of the respondents are Rs.10,001-20,000 salary.
- The majority is 33.63% of the respondents are 6-10 years experience.
- The majority is 26.36% of the respondents are strongly disagree from written communication has more clarity.
- The majority is 25.45% of the respondents are disagree and agree from oral communication has more clarity.
- The majority is 36.36% of the respondents are neutral from here no communication gap from the higher level to lower level.
- The majority is 29.09% of the respondents are agree from reach ability of oral communication.
- The majority is 33.63% of the respondents are agree from reach ability of written communication.
- The majority is 24.54% of the respondents are agree from reach ability of sign communication.
- The majority is 35.45% of the respondents are agree from audio-visual communication is more effective for training.
- The majority is 27.27% of the respondents are disagree from there is no barriers between higher level & lower level employee while communicate anything.
- The majority is 29.09% of the respondents are agree from there is no restriction of share the opinion to higher level.
- The majority is 43.63% of the respondents are strongly disagree from video-conference available if it's necessary to understand the product making.
- The majority is 28.18% of the respondents are disagree from LAN is provided to share techniques / methods / information for the technical person.
- The majority is 30% of the respondents are agree from notices / display are the quick updating tools in Exon.
- The majority is 31.81% of the respondents are agree from sharing the information is maintaining our employee morale.
- The majority is 30.9% of the respondents are agree from the way of communication is maintaining our employee's team spirit.
- The majority is 26.36% of the respondents are agree from the way of approach is the retaining tools for skilled people.
- The majority is 27.27% of the respondents are agree from the

relationship between subordinate & superior level.

- The majority is 33.63% of the respondents are strongly disagree from chain communication is preferable here.
- There is no association between written communication has more clarity and reachability of written communication.
- There is no association between experience and the way of approach is the retaining tool for skilled employee.
- There is no association between experience and the way of approach is the retaining tool for skilled employee.

### **SUGGESTIONS**

- Most of the respondents told that strongly disagree for written communication has more clarity. For that Exon have to improve their way of precise to their written communication format.
- Majority of the respondents felt disagree towards oral communication clarity. For that Exon should provide detailed verbal communication with pre decided form as well as through clear way of presenting to the employees. More over the management have to ask the feedback regularly after conducting meeting or any form of oral presentation.
- Most of the respondents said that disagree for no barriers between higher level & lower level employee while communicate anything. For this also the management have to rectify this problem through feedback of employees.

- The maximum employees felt that as strongly disagree for video conference available if its necessary to conducted the product making. Due to competitive automobile business, the management can use their Information Communication Technology for easy understanding of betterment of products to attract the customers.
- The majority of the respondents of Exon told that disagree for LAN is provided to share techniques / methods / information for the technical person. For that also the management can utilize the ICT for betterment results.
- The researcher found that the most of the respondents told that strongly disagree for the chain communication is preferable here. So, that the management have to prefers to use their kind of inter communication for center departmental purpose & regularly received the feedback of employees to reduce communication gap.

### **CONCLUSION**

This study was conducted in Exon Auto Components entire employees from that it is concluded the most of the employees are getting the awareness about the downward communication and the relationship between superior and lower level. So the management should improve precise in their written communication and oral communication. Exon Auto Components have to rectify barriers while they are communicating to downward. Moreover the management should be adapt the recent technology of ICT to achieve target.

## WORK ATMOSPHERE - AN OVERVIEW

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### ABSTRACT

*The Service Marketing is a fast growing industry in India. With rapid urbanization, the need for basic amenities has increased to a great extent. The growth of the service marketing sector is higher than that of agriculture and manufacturing industries. It is large and dynamic part of the Indian economy, contributing significantly to the national income and providing large scale employment opportunities. Service marketing sector covers activities such as transportation, communication, retail, banking and insurance, personal and health care, real estates.*

*New liberalization policy and large employment opportunities have facilitated service marketing sectors in India to a large extent. India is fast growing from an agro based economy to knowledge based economy. The service marketing sector provides innumerable business and employment opportunities, for regional, national and international companies to do business. The successful players are those who draw out the right combination of the marketing mix of product, pricing, place, promotion, people, process and physical evidence. And most recently the 8 P- Productivity and quality has been added to the list of marketing mix, hence clearly indicating the significant growth in this sector and the importance the customers are giving for the services they are receiving.*

### Importance of People Element

People are the most important element in service marketing.. They have direct contact with the customers. The people element when creates the right experience for the customers, sustains the business. Hence, the attitude, skill and appearance of the employees plays significant role in service marketing sector. To sustain the right people within the organization requires the employer to provide right work atmosphere. A favorable work atmosphere helps to promote successful, profitable and amicable organization.

### Review of Literature

1. Lyndi Catania in her web article states "office atmosphere is impacted by behavior (mutual respect / participation in team building / awareness of values / feel appreciated) appearance (furniture / lightning and desk clutter) and comfortability (temperature / noise level / amount of people/ air quality/ desk setting / safety)- (<https://www.business.com/articles/the-office-atmosphere-impacts-productivity-behavior-appearance-and-comfortability/>) Feb. 22, 2017



2. Shannon Gausepohl, in her article in Business News Daily January 12, 2017 12:46 pm EST explains “The overall vibe of a workplace, from the office layout and break-room setup to co-worker dynamics and company culture, has a huge impact on your team's performance and happiness.”
3. According Linnda Durré, PhD, a psychotherapist, corporate consultant, national speaker and columnist, author of *Surviving the Toxic Workplace: Protect Yourself Against the Coworkers, Bosses and Work Environments That Poison Your Day* (ISBN-10: 007166467X) writes "Positive workplaces tend to exhibit a common set of traits that foster excellence, productivity and camaraderie," she further states “the reverse is also true: If people are physically, mentally or emotionally uncomfortable in the office, they're unlikely to be successful or satisfied with their jobs.”

### Framework for a favorable Work Atmosphere

1. **Ambience:** According to the Cambridge advance learner dictionary and thesaurus ambience is defined as the character of a place or quality it seems to have. “First look is the best look”- the physical appearance of a place tells a lot on the work culture and leadership style of the organization. A conducive work atmosphere should include the following elements:
  - **Proxemics:** use of space should enable in enhancing the behavior, communication, and social interaction within the members and outsiders. The noise level, desk setting, and the number of people sharing the work space all contribute to the ambience of the organization.
- **Temperature:** temperature in the floor should be comfortable for people to work. For this reason sufficient ventilators and electrical equipments should be installed and maintained properly. Proper air quality and temperature reduces occupational ailments.
- **Work Place:** an independent work place for the staff, wherein he can perform his task without interruption within dead line helps in running a business systematically. Compatible Furniture, desk organizers, stationery should be economically provided and accounted for.
2. **Behaviour:** the outcome of an individuals thinking is his or hers behavior. A well behaved team contributes immensely to the success of any organization. A well behaved team is possible when:
  - **Sense of belonging** is the first step toward organizational commitment and career advancement by the employees within the organization.
  - **Team Sprit:** a team is formed only when the employees get to know their superiors, sub ordinates and peers. And they all work together for the attainment of the common goal and their individual

goals, by supporting and motivating each other.

- **Feedback:** feed back on one's performance motivates the employee to perform better. Today's millennial work forces expect feedback and perform better based on them, and also they consider feedback as a reassurance of the employers' trust in them.
- **Positive Reinforcement:** positive strokes and support contributes to better behavior of employees.
- **Worker's Participation in Decision Making** is another management practice which helps in positive behavior of the employees within the organization.
- Showing **Gratitude for hard work** plays as a major motivational stroke for employees to exhibit good behavior.

**Bad Behaviour** can be avoided when the management avoids the following situations:

- **Blame Game** should be avoided. In times of conflict it is good to respond to the situation and resolve it at the earliest, rather than finding fault with others.
- **Toxic Employees** spread contagious messages, they tend to slow down the growth of the organization and create a low morality among the employees thus reducing productivity. Such employees should be counseled to avoid toxic speech or if need be removed from the organization.

**3. Infrastructure:** Every organization need to provide basic facilities for it employees to perform their task effectively. Some of the basic infrastructure are:

- **Rest rooms** - clean, well maintained rest rooms within accessible limits helps in a better work atmosphere.
- **Canteen:** a hygienic canteen, providing good food at concessions contributes for a better working atmosphere.
- Other facilities like **Transportation / Child care centers / safe buildings** are some of the requirement to be benchmarked according to the need of the organization.

**4. Work Schedule:** Service sector offer large scale job opportunities for the skilled, semi skilled and unskilled work force. With abundant labor force too being available organizations tailor making work schedule to suite the employees provide a better work atmosphere. Following few consideration are to be taken to account while scheduling work:

- **Flexi Timing:** the employees can be given freedom to schedule their work timings. This system will be successful only if the employee is rigid in following his work schedule, failure on one employee can have an adverse effect on others and eventually the business. Also with many opting for part time job, this gives an advantageous edge to

the employer too, over fixing the remuneration.

- **Policies’** pertaining to **working hours, leave and permissions, meetings** etc has to be strictly followed. For flexi work schedule to be successful the employer needs to be firm with regard to above policies and avoid showing favoritism.

### Conclusion

Creating a positive work atmosphere in recent research suggest it as a positive organizational behavioral practice. It contributes significantly to the growth of the organization and the individual, thus benefitting both in the long run.

As service marketing sectors work on a cut throat competition, losing an efficient employee can be a gain to the competitor. Further replacing an employee can cost dearly to the organization.

To conclude a good work atmosphere increases the morality of the employees and their well being. Increased morality in workplace improves employees’ loyalty, interpersonal relationship and fosters an environment to develop new and innovative business practices, organizational effectiveness and sustainable growth.

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## ANALYSIS OF STUDY HABITS OF COLLEGE STUDENTS IN TIRUCHIRAPALLI DISTRICT

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### ABSTRACT

*The development of a Country relies mostly on the levels of education among the people. Without education human race would have remained but as another animal race. Education is a process towards development. The term study habit can be as the students' way of study whether systematic, efficient or inefficient. Academic achievement refers to what and how an individual has learnt qualitatively and quantitatively after a period of instruction given. A habit is something that is done on a scheduled, regular, planned basis and that is not relegated to a second place or optional place in one's life. It is simply done, no reservations, no excuses, and no expectations. Study habits keep the learner perfect in getting knowledge and developing attitude towards things necessary for achievement in different field of human endeavor. Students who develop good study habits at school increase the potential to complete their assignments successfully and to learn the material they are studying. They also reduce the possibility of not knowing what is expected and of having to spend time studying at home.*

**Key Words:** Study Habits, Academic Achievements, Student's Behaviour

### I. INTRODUCTION

“The triangular relationship between parents, teachers and child makes the child on the receiving end and two factors come into play, education and the family”, **Jawaharlal Nehru (1967)**.

Education is an essential human virtue. Human becomes 'human' through education. Education is bringing out the best already in human. It is a lifelong process. Education fashions and models him/her for society. Education is the key factor for the growth of the country. The development of a country relies mostly on the level of education among the people. Without education human race

would have remained but as another animal race.

Today's world is moving in a speed which was unheard in the past. Everyone wants to excel. Individual's success affects personal and social dimensions of life. In this regard, academic performance is one of the major factors that influence individual's success in any educational setting. It is any body's guess that good habits and skills will help us to promote efficiency in our tasks. In education, proper study habits and skills entail to proficiency as well as high quality of learning. Productive study requires conceptualization

and intention. It could include some skills such as note-taking, observation, asking question, listening, thinking and presented idea regarding discovering new information. Thus, learner should be interested in learning and must be able to apply needed skills. On the other hand, inefficient study leads to waste of time and learner's energy. Study habits and skills like other skills can be taught and learnt. Accordingly, educational researches intend to find out effective ways to improve students' study habits, and most suitable age of learners where they can learn those skills.

### **1.1 Concept of Study Habits**

Study habits play a very important role in the life of students. Success or failure of each student depends upon his own study habits. Of course, study is an art and as such it requires practice. Some students study more but they fail to achieve more. Others study less but achieve more. Success of each student definitely depends upon ability, intelligence and effort of students. No doubt, regular study habits bring their own rewards in the sense of achievement of success.

Human life, which is the best creation of god, has got two aspects: The biological and sociological or cultural. While the former is maintained and transmitted by food and reproduction, the latter is preserved and transmitted by education. It is again through education that he promotes his intelligence and adds his knowledge with which he can move the world for good and for evil according to his wishes. Education in fact, is one of the major

“life processes” of the human beings “just as there are certain indispensable vital processes of life in a biological sense. So education may be considered a vital process in a social sense. Education is indispensable to normal living, without education the individual would be unqualified for group life.

### **1.2 What are study habits?**

Study Habits are the regular tendencies and practices that one depicts during the process of gaining information through learning. In simple terms study habits are the habits when one study. A person with poor study habits will not be able to learn properly. It is generally believed that a student learns effective study habits in school. So college students are generally assumed to have effective study habits. But the environment of school and college are very different and need of effective study habits is even more at college level as compared to school.

### **1.3 Why effective study habits in college?**

There are four major reasons so as to why teachers should focus helping their students in developing effective study habits. The very first reason is that despite of availability of good study materials and the best instructors, instructors often find students have not learned well. The Second reason is that many students do not know how to think and study properly. Thus there is a great need to inculcate good study habits in students either by the instructor by motivating them or students

themselves by self regulating them. The third one being that many talents remain underdeveloped due to less attention given to their academic and personal growth. The last one states that there has been marked decline in average weekly study time for college students.

#### **1.4 Studies Related to Study Habit and Academic Achievement**

Students must first learn these skills, practice them and develop effective study habits in order to be successful. Good study habits include many different skills: time management, self-discipline, concentration, memorization, organization, and effort. Studies pertaining to study habits and academic achievement of students have been compiled and presented hereunder.

#### **1.5 Public versus Private Education**

Until the liberalization of the economy in the early nineties, higher education was publicly funded by the federal / central and provincial/state governments. However, since 1991 the policies of the government have dramatically changed with regard to seemingly privileged position of higher education. The government began to remove public support to higher education and make itself financing while privatizing it. Higher education has also become a non merit good. However, since the early nineties, private autonomous institutions were permitted to be set up on a liberal scale without a clearly defined policy to

regulate the private institutions (Anandkrishnan 2004).

Most of the private institutes offer professional courses as these are more popular and lucrative. Privatization of education has increased the intake capacity of specific kind of professional education; especially skill oriented undergraduate degrees, which lead to a career and a job. Earlier an undergraduate degree, except in engineering and medicine, was a step to further higher education and was not a finishing degree. Young men and women were not expected to work and earn soon after finishing undergraduate education. Those who did so belonged to the lower middle strata and needed to work and to earn to support the family and themselves. The middle and upper strata, on the other hand, could postpone income generation until further education.

## **II. REVIEW OF LITERATURE**

Good study habits lead to good academic record and bad study-habits lead to poor academic record as there is direct relationship between study habits and academic achievement. Study habits play an important role in human performance in academic field (Verma, 1996; Verma & Kumar, 1999; Satapathy & Singhal, 2000; Vyas, 2002). The nature of the family has significant influence on the study habits of students with respect to preparation for examination and school environment (Rajendran et al., 2009). The proposed topic has been selected to analyze the study habits of secondary students pertaining to working and Non-working

mothers as the ratio of working mother is gradually growing up in India. Secondly, the home environment is totally different in both the cases which creates different study environment. The proposed study will help to draw a guideline for the early intervention and corrective measure for better study habit as well as overall performance of the student.

### 2.1 Statement of problem

Achievement is the end-product of all educational endeavors. The main concern of all educational efforts is to see that the learner achieves. The distressing phenomena: scholastic underachievement and failure have caused serious concern to educationists, guidance counselors and educational planners for several decades as this amount to colossal wastage of resources available for education.

### 2.2 Scope of the study

Various study habits are followed by the students and they should be guided to choose the appropriate study habits which suit them well. Students should be made aware of the importance of it and proper training should be given right from childhood.

The scope of the study is more to enhance the academic achievement among adolescents. That means study habits should be focused and attention should be given to the children according to their requirement. Inadequacy area should be highlighted and remedial measures should be administered to cope up the lapse.

### 2.3 Objectives

- ❖ To find out the level of Study Habits of College Students
- ❖ To analyze the relationship between study habits and academic achievement of College students.
- ❖ To compare rural and urban college students on academic achievement.
- ❖ To make an assessment of the study habits of college students

## III. RESEARCH METHODOLOGY

### 3.1 Sample of the Study

The sample includes 170 male and 130 female college students studying in government and private arts and science colleges at Tiruchirapalli District in Tamilnadu.

### 3.2 Methodology

The normative survey method has been followed to find out the study habit of college students. The purposive sampling technique has been followed for the present study.

### 3.3 Statistics used

The collected data has been evaluated and scored as per the manual of the inventory used. The analysis has been done by applying Mean, S.D and t-ratio as per statistical analysis methods.

## IV. ANALYSIS AND INTERPRETATION

**Table 4.1 Gender wise Classification of the Respondents**

S. No.	Gender	No. of Respondents	Percentage
1	Male	170	57
2	Female	130	43
Total		300	100

*Source: (Primary Data)*

The above table shows that the gender wise classification of the respondents. 57% of the respondents are male, and 43% of the respondents are female. It clearly denotes the majority of the respondents are male when compared to the female category.

**Table 4.2 Place of Residence wise Classification of the Respondents**

S. No.	Residence	No. of Respondents	Percentage
1	Urban	102	34
2	Rural	198	66
Total		300	100

The above table shows the residence of the respondents. 66% of the respondents are lived in rural area, 34% of the respondent's residence in urban area.

**Table 4.3 Distribution of Respondents by their College**

S. No.	Work Industry	No. of Respondents	Percentage
1	Government College	174	58
2	Private College	126	42
Total		300	100

*Source: (Primary Data)*

From the above table it is inferred that 58% of the respondents are studying

**Table 4.6 Mean, Standard Deviation and 't' value for the Mean Study habit Scores of College Students**

S. No.	Variables	Mean	Standard	't' value
1	Male	127.23	17.32	0.32 NS
2	Female	126.72	20.96	
3	Students Residing at Urban Area	133.41	17.68	5.97 S
4	Students Residing at Rural Area	123.67	19.43	
5	Students Studying in Govt. Colleges	126.61	17.35	0.38 NS
6	Students Studying in Private Colleges	127.23	20.98	
7	Students Belong to Joint Family	127.75	22.58	0.67 NS
8	Students Belong to Nuclear Family	126.59	17.82	

in Government College and 42% of the respondents are studying in Private College.

**Table 4.4 Family Type wise Classification of the Respondents**

S. No	Family Type	No. of Respondents	Percentage
1	Joint	184	61
2	Nuclear	116	39
Total		300	100

*Source: (Primary Data)*

The study further reveals that 184 (61%) students out of 300 Nuclear family type. The remaining students are having Joint Family type.

**Table 4.5 Distribution of Respondents by their Parental Annual Income**

S. No.	Monthly Income	No. of Respondents	Percentage
1	Less than 10,000	127	42
2	10,000-20,000	62	21
3	20,000-30,000	86	29
4	Above 30,000	25	8
Total		300	100

*Source: (Primary Data)*

Nearly 42% of the respondents are having a monthly salary Less than 10,000.



- The 't' value has been calculated to compare male and female college students on study habit. The 't' value is found to be 0.32. It is not significant at 0.05 levels. Hence it is concluded that there is no significant difference between male and female college students on study habit.
- The 't' value has been calculated to compare the college students residing at urban area and rural area on study habit. The 't' value is found to be 5.97. It is significant at 0.05 levels. Hence, it is concluded that there is a significant difference between college students residing at urban and rural area on study habit. From the mean value, it is noticed that the study habit is high for the college students residing at urban area than the college students residing at rural area.
- The 't' value has been calculated to compare the college students studying in government school and private schools on study habit. The 't' value is found to be 0.38. It is not significant at 0.05 levels. Hence, it is concluded that there is no significant difference between students studying in government colleges and students studying in private colleges on study habit.
- The 't' value has been calculated to compare the college students who belong to joint family and those who belong to nuclear family in their study habit. The 't' value is found to be 0.67 (Table 1). It is not significant at 0.05 levels. Hence, it is concluded that there is no significant difference between college students who belong to joint family and who belong nuclear family in their study habit.

**Table 4.7 Comparison on Study Habits of Graduate and Post Graduate**

Areas of study habits	Course	Mean	Std. Deviation	Std. Error Mean	T-test	Significant
<b>Budget</b>	Graduate	7.76	1.44	0.13	0.18	NS
	Post Graduate	7.79	1.62	0.16		
<b>Physical Condition</b>	Graduate	8.12	1.39	0.13	0.274	NS
	Post Graduate	8.18	1.46	0.15		
<b>Reading Ability</b>	Graduate	10.77	2.04	0.18	0.942	NS
	Post Graduate	10.52	1.98	0.2		
<b>Note Taking</b>	Graduate	4.58	1.31	0.12	0.509	NS
	Post Graduate	4.67	1.37	0.14		
<b>Learning Motivation</b>	Graduate	9.7	1.62	0.15	3.257*	S
	Post Graduate	8.93	1.83	0.19		
<b>Memory</b>	Graduate	5.14	1.17	0.11	0.252	NS
	Post Graduate	5.09	1.44	0.15		

Areas of study habits	Course	Mean	Std. Deviation	Std. Error Mean	T-test	Significant
Taking Examination	Graduate	13.77	2.35	0.21	1.134	NS
	Post Graduate	14.14	2.47	0.25		
Health	Graduate	4.11	1.07	0.1	0.88	NS
	Post Graduate	3.97	1.31	0.13		
Over all study Habits	Graduate	63.95	7.68	0.69	0.573	NS
	Post Graduate	63.29	9.13	0.93		

\*\* indicates significant at 0.01 level

\* indicates significant at 0.05 level

Table: 1 that Graduate and Post Graduate Students do not differ significantly on over all study habits.

## V. FINDINGS

- ❖ There is no significant difference between male and female college students on study habit.
- ❖ There is a significant difference between college students residing at urban and rural area on study habit.

From the mean value, it is noticed that the study habit is high for the college students residing at urban area than the college students residing at rural area.

- ❖ There is no significant difference between students studying in government colleges and students studying in private colleges on study habit.
- ❖ There is no significant difference between college students who belong to joint family and those who belong to nuclear family in their study habit.

## VI. CONCLUSION

Study habits and academic performance are bed-fellows. Therefore, the formation of effective study habits in students is an outcome of home environment and planning of work, reading and note taking habit and preparation for examination are result oriented and thus perform well in tests and examinations. The findings suggest that the better the study habits, the higher the academic performance of students. Poor study habits will result in a poor academic performance whereas good study habits will result in good academic performance. The formation of effective study habits will create the awareness for regular and steady learning.

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## A STUDY ON CUSTOMER PREFERENCE TOWARDS ONLINE SHOPPING WITH SPECIAL REFERENCE TO THANJAVUR DISTRICT

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### ABSTRACT

*Electronic commerce, commonly known as e-commerce, refers to the buying and selling of products or services over electronic systems such as the internet and other computer networks. Internet is the rapidest growing media during the past decade. Especially, online shopping is a rapidly growing e-commerce area. Online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home. A successful web store is not just a good looking website with dynamic technical features, listed in many search engines. This study aims to establish a preliminary assessment, evaluation and understanding of the characteristics of online shopping. An effort has been made to investigate online consumer behaviour, which in turn provides E-marketers with a constructional framework for fine-tuning their E-businesses' strategies.*

**Key Words:** Online Shopping, Customer preferences, Time saving, Security and Privacy

### INTRODUCTION

Internet is changing the way consumers shop and buy goods and services and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive

if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. It has been more than a decade since business-to-consumer E commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace.

### Online Shopping and E-Commerce in India

The rapid growth of e-commerce in India over the last two decades, rising

internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. The growth is expected to be led by increased consumer-led purchases in durables and electronics, apparels and accessories, besides traditional products such as books and audio-visuals. The birth and growth of Internet has been the biggest event of the century. E-commerce in India has come a long way from a timid beginning in the 1999-2000 to a period where one can sell and find all sorts of stuff from a high end product to a meager peanut online. Most corporations are using Internet to represent their product range and services so that it is accessible to the global market and to reach out to a larger range of their audience. Computers and the Internet have completely changed the way one handles day-to-day transactions; online shopping is one of them. The Internet has brought about sweeping changes in the purchasing habits of the people. In the comfort of one's home, office or cyber cafe or anywhere across the globe, one can log on and buy just about anything from apparel, books, music and diamond jewellery to digital cameras, mobile phones, MP3 players, video games, movie tickets, rail and air tickets. Ease, simplicity, convenience and security are the key factors turning the users to buy online.

### **E-Commerce Activities**

The Internet has entered the mainstream consciousness over the past decade. This has happened primarily because the web has got a graphical interface and Internet has moved from governmental control to private hands. The activities which are happening on the Internet are email and instant messaging, general web surfing or browsing, reading news, hobby searches, entertainment searches, shopping and buying online, medical information searches, travel information searches, tracking credit cards, and playing games. Communication i.e. email, chat or instant message is the basic activity for which Internet is used. It is the single most important reason for people to go online. E-mail provides the opportunity to communicate more often with a much broader circle of people than one can reach by telephone or by mail in a convenient way. In India too email constitutes the major activity on the Internet. It was found that more elderly people are increasingly using email as compared to the younger generations.

### **REVIEW OF LITERATURE**

**Solomon (1998)** studied the Consumer behaviour and said that it is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer's mind-set, intention

and conduct in light of the online buying practice.

**Donthu and Garcia (1999)** proposed that risk aversion, innovativeness, brand consciousness, price consciousness, importance of convenience, variety-seeking propensity, impulsiveness, attitude toward advertising, attitude toward shopping, and attitude toward direct marketing would influence online shopping behavior.

**Doolin (2004)** has specifically pointed out that e-tailing is the sale of products and services to individual customers. According to him, the definition of e-tailing encompasses the sales of products or services online.

**Rabinovich (2004)** and Cao and Zhao (2004) have identified the challenges of e-tailing industry. This challenge begins with the response time of the web-server; moves to the amount of time the customer must wait until the order ships, and also includes the time the shipping process takes.

**Delone and Reif (2004)** have found that at present customers are more likely to continue shopping online when they have a greater experience of online shopping. It is also found that young adults have a more positive attitude towards online buying. Lavie and **Tractinsky (2004)** have expressed the expressive aesthetics of web-sites that convey a sense of creativity and uniqueness. This type of aesthetics is likely to serve an important role when shopping for specialty goods. The expressive design is relevant to specialty goods because of their unique characteristics that emphasised the shopping experience.

**Bauer et al., (2006)** have compared the services of online retail service vs. traditional retail services. They have identified that the online retail services are broken into two rather distinct phases: the client interaction phase taking place online and the fulfilment phase taking place offline. They also have suggested that web-site quality is a matter of delivering both hedonic and utilitarian elements.

#### DIFFERENCES BETWEEN TRADITIONAL RETAIL AND E-TAIL

	Traditional retailing	E-tail
<b>Location and Presence</b>	<ul style="list-style-type: none"> <li>Physical branded goods easily identified and found.</li> <li>Most traditional and oldest location for retail.</li> <li>Commands attention in the retail landscape.</li> </ul>	<ul style="list-style-type: none"> <li>Location is the web address, available globally through internet connection.</li> <li>Can establish a presence through cross promotions (links between sites)</li> </ul>
<b>Merchandising</b>	<ul style="list-style-type: none"> <li>Use of store space and proper assortment.</li> <li>Signage other product information tools.</li> </ul>	<ul style="list-style-type: none"> <li>Web page layout</li> <li>Relationship between product and text</li> <li>Signage and other product information tools</li> <li>Category search and sorting mechanism</li> <li>Interactive product locations</li> </ul>
<b>Promotional Activity</b>	<ul style="list-style-type: none"> <li>Pricing strategies and campaigns can be implemented on a daily basis</li> </ul>	<ul style="list-style-type: none"> <li>Pricing strategies and campaigns can be implemented instantaneously depending on internal organizational constraints</li> </ul>
<b>Inventory Management</b>	<ul style="list-style-type: none"> <li>Product must be available at multiple store locations to maximize purchasing opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Multiple inventory ownership options, with most prominent being traditional, "just-in-time" and a hybrid of two.</li> </ul>

Overall, the trend for online shopping is very positive. The reasons for this optimism, according to dot-com players, are an increased availability in online payment options, a wider range of merchandise, online tracking of shipments, 24-hour, seven-day-a-week customer care, and a larger Internet reach at cheaper costs. Today, the customer has a choice of payment modes: credit cards, cash on delivery, Internet banking accounts, demand drafts and cash on order.

**TABLE 2: TRADITIONAL RETAILING VS. E-TAILING**

	<b>Strength</b>	<b>Weaknesses</b>
<b>Traditional retailer's</b>	<ul style="list-style-type: none"> <li>● Established brand value/image</li> <li>● Established quality</li> <li>● Merchandising skills</li> <li>● Consumer acceptance of current proposition</li> <li>● Can touch and feel products</li> </ul>	<ul style="list-style-type: none"> <li>● Lack of execution speed</li> <li>● Lack of technology and its competence</li> <li>● High advertising costs</li> </ul>
<b>E-tailer's</b>	<ul style="list-style-type: none"> <li>● Low overhead</li> <li>● IT infrastructure</li> <li>● Execution speed</li> <li>● Low advertising costs</li> </ul>	<ul style="list-style-type: none"> <li>● Concerns over security</li> <li>● Lack of trust and dependency among the users</li> <li>● Users are less due to high technology</li> </ul>

**CHALLENGES AND OPPORTUNITIES ON E-RETAILING IN INDIA**

Bruke (1999) has identified about several impediments for the growth of e-tailing. They are: (i) consumers can not touch and feel products, (ii) orders can take several days to be delivered, (iii) shipping costs are often excessive and (iv) customer service is often poor and (v) Returns can be difficult.

**The opportunities of e-tailing industry in India**

- (i) **Convenience:** Normally, online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home.
- (ii) **Price and Selection:** One of the biggest advantages of online shopping is to find out quickly deals for items at services with many different vendors. Search engines, on-line price comparison services and discovering shopping items can be used to find out sellers for a particular products or services. Some retailers also offer free shipping on sufficiently large orders. Searching an online catalogue can be faster than browsing the physical catalogue of a brick and mortar store.
- (iii) **Market Research:** Retailers can use their online presence as a tool to gain valuable customer information to forecast future customer demand. Baker (2005) has pointed out that online market research has some powerful advantages, such as monitoring real-time buying decisions. In addition, online customers have the knowledge and experience necessary to answer the questions, which produces more accurate and reliable data.
- (iv) **Online Customer Service:** In India, websites are becoming new channels for conducting customer service; therefore their general acceptance level will increase, due

to the benefits provided to customers. For example, a customer could ask for a product introduction or a personalized product in the pre-purchase stage, and could also check the delivery status online. All such services can be available uninterrupted online, which is almost impossible in the physical world, due to the cost.

- (v) **Promotional Tool:** A website can be used as a medium to conduct promotional experiments, due to the wide reach of the internet, and the low cost (Rao 1999). Therefore, it will be a great opportunity for Indian companies to promote their businesses.
- (vi) **Marketing Tool:** As indicated by Peterson et al. (1997), a website is also an effective channel to communicate with customers. Organizations do not need to rely solely on one-way communication media, such as TV and newspapers. The internet provides a two-way communication channel. As a new communication channel, the internet can provide benefits to retailers, such as low costs, interactivity, personalization, and continuous communication. In this connection, Wang et al. (2002) have suggested that by better understanding consumers through customer relationship management, marketers can employ relationship marketing techniques in the retail market to provide personalized services.

## EFFECTIVE STRATEGIES ON E-TAILING IN INDIA

Currently e-retailers in India are focusing on producing sustainable and profitable business strategies for their Internet-based operations. Established retailers in India are using physical channels as well as the Internet to market their products. According to Dennis et al. (2004), online shoppers prefer shopping at web sites operated by established high-street retailers. Levy and Weitz (1995) have stated that generally retailers survive and prosper by satisfying customer needs more effectively than their competitors, addressing customer needs through effective. E-tailing in India has rapidly emerged, emulating non-store-based operations and demonstrate how the Internet can potentially completely redefine customer needs using the Internet and the web to create a virtual retail environment with extensive global coverage.

## RESEARCH METHODOLOGY

The research is based upon primary and secondary data both. The primary data was collected through a questionnaire designed exclusively for the study. Secondary data was taken from research papers, Journals, magazines and websites.

### Sample size and area

Samples were collected from consumers and buyers of online shopping of Chandigarh region. A target of 150 respondents was set, but many of them provided incomplete questionnaire



and having no experience of using internet and online shopping therefore only 120 questionnaires were entertained for final analysis and data interpretation.

**Tools for analysis**

For data analysis, percentage analysis, simple charting and tabulation tools are used to understand the behaviour of the respondents for online shopping.

**OBJECTIVES**

1. To know the consumers awareness about online shopping.
2. To know the various factors which motivate a consumer towards online shopping?
3. To know the kind of goods they purchase online
4. To know the problems they face during online shopping

**DATA ANALYSIS AND INTERPRETATION**

**Table No.1  
Age wise classification of the Respondents**

S. No.	Age	No. of Respondents	Percentage
1	21 to 30	90	75
2	31 to 40	18	15
3	41 to 50	6	5
4	51 & above	6	5
<b>Total</b>		<b>120</b>	<b>100</b>

Source: Primary Data

**Interpretation**

The above table shows the respondents who are using e tailing 75% of the respondents belong to the Age upto 21 to 30, 15% of the respondents belongs to 31 to 40, 5% of the

respondents belongs to 41 to 50, and 5% of the respondents belongs to 51 & above. It clearly denotes the majority of the respondents are 75% of the age group 21 to 30 years.

**Table No.2  
Gender wise classification of the Respondents**

S. No.	Gender	No. of Respondents	Percentage
1	Male	64	53
2	Female	56	47
<b>Total</b>		<b>120</b>	<b>100</b>

Source: Primary Data

**Interpretation**

The above table shows that the gender wise classification of the respondents. 53% of the respondents are male, and 47% of the respondents are female. It clearly denotes the majority of the respondents are male compared to the female category.

**Table No.3  
Qualification wise classification of the Respondents**

S. No.	Educational Qualification	No. of Respondents	Percentage
1	HSC	26	22
2	Under Graduate	36	30
3	Post Graduate	32	27
4	Professional	20	16
5	Diploma	6	5
<b>Total</b>		<b>120</b>	<b>100</b>

Source: Primary Data

**Interpretation**

The above table shows the respondents had studied 22% of them are HSC, 30% of them are under graduate, 27% of them are post graduate, 16% of

them are professional, and 5% of them are diploma. It clearly denotes the majority of the respondents are 30% of them are under graduate.

**Table No.4**  
**Occupation wise classification of the Respondents**

S. No.	Occupation	No. of Respondents	Percentage
1	Private employee	56	47
2	Government employee	20	17
3	Business	14	11
4	Professional	12	10
5	Others	18	15
<b>Total</b>		<b>120</b>	<b>100</b>

**Source: Primary Data**

#### Interpretation

The above table shows the respondents had occupation 47% of them are private employee, 17% of them are government employee, 11% of them are business, 10% of them are professional, and 15% of them are others. it clearly denotes the majority of the respondents are 47% of them are private employee.

**Table No.5**  
**Annual Income wise classification of the Respondents**

S. No.	Annual Income	No. of Respondents	Percentage
1	Rs.100001 to 200000	58	48
2	Rs.200001 to 300000	34	29
3	Rs.300001 to 400000	16	13
4	Rs.400001 & above	12	10
<b>Total</b>		<b>120</b>	<b>100</b>

**Source: Primary Data**

#### Interpretation

The above table shows the respondents had annual income 48% of

them are earning between Rs.100001 to 200000, 29% of them are earning between Rs.200001 to 300000,13% of them are earning between Rs.300001 to 400000, and 10% of them are earning between Rs.400001 & above. It clearly denotes the majority of the respondents are 48% of them are earning between Rs.100001 to 200000.

**Table No.6**  
**Products wise classification of the Respondents**

S. No.	Products	No. of Respondents (n=120)	Percentage (n=100)
1	Groceries	8	6.7
2	Cosmetics	12	10
3	Books	20	16.7
4	Jewelry	10	8.3
5	Furniture	4	3.3
6	Clothes	24	20
7	Electronic products	34	28.3
8	Fitness equipments	8	6.7
<b>Total</b>		<b>120</b>	<b>100</b>

**Source: Primary Data**

#### Interpretation

The above table shows the respondents had products 6.7% of them are purchasing groceries, 10% of them are purchasing cosmetics, 16.7% of them are purchasing books, 8.3% of them are purchasing jewelry, 3.3% of them are purchasing furniture, 20% of them are purchasing clothes, 28.3% of them are purchasing electronic products, and 6.7% of them are purchasing fitness equipments. The above table clearly defines the majority 28.3% of them are purchasing electronic products.

**Table No.7**  
**Related to factors influencing decision making to opt online shopping**

<b>Factors influencing decision making to opt online shopping</b>	<b>Very important</b>	<b>Unimportant</b>	<b>Neutral</b>	<b>Important</b>	<b>Very important</b>
Delivery time after order placed	0	0	0	6 (10%)	54 (90%)
Reputation of the company	0	0	1(1.7%)	18 (30%)	41(68.3%)
Guarantees and Warrantees	0	0	3(5%)	16(26.7%)	41(68.3%)
Privacy of the customers information	0	1(1.7%)	8(13.3%)	21(35%)	30(50%)
Good description of products	0	0	3(5%)	18(30%)	39(65%)
Security	0	1(1.7%)	3(5%)	7(11.6%)	49(81.7%)
Price	0	0	5(8.3%)	13(21.7%)	42(70%)

**Source: Primary Data**

### Interpretation

From the above table it is clear that 90% of the respondents consider the delivery time is a very important factor to make decision for online purchase

and 81.7% of the respondents look over the security factors provided by the online shoppers to make decision for making Online purchase.

**Table No.8**

**Relating to factors influence customer preference towards online shopping**

<b>Factors influence customer preference towards online shopping</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
Shopping through the internet saves time	0	0	7(11.7%)	32(53.3%)	21(35%)
Any time and any day shopping	0	0	5(8.3%)	26(43.3%)	29(48.4%)
Difficulty in purchasing Through online	5(8.3%)	27(45%)	14(23.3%)	11(18.3%)	3(5%)
Online shopping eventually Supersede traditional shopping	1(1.7%)	15(25%)	21(35%)	19(31.7%)	4(6.7%)
Online price is Lower than actual price	0	9(15%)	14(23.3%)	30(50%)	7(11.7%)
Long time is required for Delivery of products	4(6.7%)	17(28.3%)	14(23.3%)	20(33.3%)	5(8.3%)
Description of products shown on the website are very accurate	2(3.3%)	1(1.7%)	17(28.3%)	34(56.7%)	6(10%)
Hesitate to give credit card number	3(5%)	13(21.7%)	9(15%)	28(46.7%)	7(11.7%)

**Source: Primary Data**

### Interpretation

56.7% of the respondents agree that description of products shown on the website by the online retailer are

very accurate and this influence to make online purchase and 53.3% of the agreed that their precious time are saved to make shopping over the internet.

**Table No.9**

#### Relating to Factors refraining / keeping you from shopping on the internet

Factors refraining / keeping you from shopping on the internet	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Difficulty in returning products	0	12(20%)	24(40%)	17(28.3%)	7(11.7%)
Risk on loss of privacy	0	8(13.3%)	29(48.3%)	22(36.7%)	1(1.7%)
Complex process compared to traditional shopping	1(1.7%)	17(28.3%)	14(23.3%)	21(35%)	7(11.7%)
Not being able to touch the products	4(6.7%)	20(33.3%)	13(21.7%)	17(28.3%)	6(10%)
Online shopping more expensive than sold in store	5(8.3%)	15(25%)	22(36.7%)	15(25%)	3(5%)
Bad experience towards online shopping	3(5%)	29(48.3%)	16(26.7%)	12(20%)	0

Source: Primary Data

### Interpretation

36.7% of the respondents hesitate to make online purchase for fear of risk of loss of privacy and 35% of the respondents feel that online shopping process is more complex when compared to traditional shopping.

### FINDINGS OF THE STUDY

1. Most of the online shoppers use internet for searching product information.
2. The most important motivating factor, which influenced the online shopping, was convenience followed by time saving and price. Regular online shoppers considered convenience as the main motivating factor while buying and were fewer prices sensitive.

3. Among the categories of goods available online, tickets is the highest category of goods purchased online, followed by computer components, clothes, electronics, fashion accessories, gifts, books, house wares, CD / video, toys and software.
4. PC is the most popular medium used for internet shopping by the online shoppers.
5. Majority of the respondents, that is 60% agree that information given about the products on various sites are sufficient for the consumers to purchase them.
6. Flipkart is the most favourite shopping site of the respondents.
7. Among the various options of payment available online, Cash on delivery is the most common method used for

payment whereas bank transfers and personal cheques are the least common method of payment online.

8. According to the study, majority of the respondents are satisfied with online shopping.
9. There are certain problems faced by online shoppers like delay in delivery, cheap quality of the product, damaged product, etc.
10. Majority of the respondents are willing to spend Rs.1000-3000 on a single online purchase.

### **SUGGESTIONS**

Online shopping is becoming one of the top Internet activities and there is a huge growth in this business as more manufacturers and providers are integrating the Internet into their sales model. But there are many things that need to occur in online shopping to generate higher revenues and the key to it lies in the hands of the marketers. To make online shopping a boom following methods can be followed.

1. India has a strong research and development (R&D) capability so companies should innovate rapidly to take care of the security issues. Technology like text to speech software's should be innovated to take care of the security concern.
2. In India the total ownership of credit cards is small as compared to its population and there are also hesitant in using it as a mode of online payment therefore alternative methods of payment like cash on delivery (COD) where the end user pays cash after the product is

delivered and debit cards where the bank accounts are directly debited should be used. Other technologies like encryption technologies trusted third-party certifications; digital ID systems and prepaid cards should be used.

3. The consumers should be made aware that one of the safety aspect of using credit cards online is that in case of disputed credit card payments for online transactions the onus is on the merchants to prove that the transaction actually took place, as online users do not physically sign a credit slip. As a result online users are protected from fraudulent use of credit cards.
4. There is a growth in the cellular phone market in India, so more merchants should make use of this device allowing the customers to access the internet and use it as mode of payment thereby obviating the need for PCs and credit cards.
5. It is not only important to pay strong attention to the security issue and create new, innovative safeguards that protect consumers but the merchants should promote these safeguards to the marketplace and make the prospective consumers aware that the communications, personal data, credit card accounts, and transaction information can be protected.
6. One of the factors that hinder internet penetration in India is access. More companies should adopt click and mortar model with the real world operations to complement its online

presence. For example customers can walk to the office to access its services.

## CONCLUSION

The e-commerce is one of the biggest things that have taken the business by a storm. It is creating an entire new economy, which has a huge potential and is fundamentally changing the way businesses are done. It is believed that electronic commerce will become a huge industry in the coming years and online shopping is now becoming a significant part of the consumer's daily life to meet their never ending requirements in a convenient way. Online shopping is picking up and is becoming a trend. More consumers are indulging into internet shopping as seen by the research because of the value proposition it offers to a customer such as convenience, 24x7 shopping, doorstep delivery, a broad product selection and the ever-expanding range of unique and unusual gift ideas as well as increased consumer confidence in shopping on the internet is increasing. The main motivating factor seen during the research was the convenience and customer service which drives the people to online shopping. As a result today they are buying airline and railway tickets, books, home appliances, electronic gadgets, movie tickets, etc by logging on to a web site, than driving up to a store. As the research suggest that increase in usage of internet increases the online shopping so there is a need to increase in broadband penetration as it accelerates the growth of online trade. A

huge buyers and sellers across demographics are shopping online because of the changing lifestyles and shopping habits. It is seen that despite the immense possibilities available on the internet it is mainly used for mailing, chatting and surfing. E-mail applications still constitute the bulk of net traffic in the country.

## SCOPE FOR FURTHER RESEARCH

The study is limited to Chandigarh city only. The scope of research can be made wider by covering more places. The sample size does not give clear representation of the total universe as the size of sample taken for study is small. The size of sample can be increased to get more accurate results. Time constraint was also one of the limitations of the research. So if sufficient time is taken to conduct the research, better results can be obtained.

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## AN IMPACT OF GOODS AND SERVICE TAX (GST) ON INDIAN ECONOMY

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### ABSTRACT

*Goods and Services Tax (GST) is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. One of the biggest taxation reforms in India the (GST) is all set to integrate State economies and boost overall growth. Currently, companies and businesses pay lot of indirect taxes such as VAT, service tax, sales tax, entertainment tax, octroi and luxury tax. Once GST is implemented, all these taxes would cease to exist. There would be only one tax, that too at the national level, monitored by the central government. GST is also different in the way it is levied — at the final point of consumption and not at the manufacturing stage. At present, separate tax rates are applied to goods and services. Under GST, there would be only one tax rate for both goods and services. The goods and services Tax will indeed be a further significant improvement towards a comprehensive indirect tax reforms in the country. Integration of goods and services taxation would give India a world class tax system and improve tax collections. It would end distortions of differential treatments of manufacturing and service sector. GST is expected to create a business friendly environment, as price levels and hence inflation rates would come down overtime as a uniform tax rate is applied. It will also improve government's fiscal health as the tax collection system would become more transparent, making tax evasion difficult. An attempt is made in this paper to study the concept of goods and service tax and its impact on Indian economy. The study also aims to know the advantages and challenges of GST in Indian scenario.*

**Key Words:** *Goods n services tax, economic development, Indian economy and value added tax.*

### Introduction

The Goods and Services Tax (GST) is a vast concept that simplifies the giant tax structure by supporting and enhancing the economic growth of a country. GST is a comprehensive tax levy on manufacturing, sale and consumption of goods and services at a national level

The Goods and Services Tax Bill or GST Bill, also referred to as The Constitution (One Hundred and Twenty-

Second Amendment) Bill, 2014, initiates a Value added Tax to be implemented on a national level in India. GST will be an indirect tax at all the stages of production to bring about uniformity in the system.

Under this system, the consumer pays the final tax but an efficient input tax credit system ensures that there is no cascading of taxes- tax on tax paid on inputs that go into manufacture of



goods. In order to avoid the payment of multiple taxes such as excise duty and service tax at Central level and VAT at the State level, GST would unify these taxes and create a uniform market throughout the country. Integration of various taxes into a GST system will bring about an effective cross-utilization of credits. The current system taxes production, whereas the GST will aim to tax consumption.

Experts have enlisted the benefits of GST as under:

- It would introduce two-tiered One-Country-One-Tax regime.
- It would subsume all indirect taxes at the center and the state level.
- It would not only widen the tax regime by covering goods and services but also make it transparent.
- It would free the manufacturing sector from cascading effect of taxes, thus by improve the cost-competitiveness of goods and services.
- It would bring down the prices of goods and services and thus by, increase consumption.
- It would create business-friendly environment, thus by increase tax-GDP ratio.

**Table 1: List of the countries implementing of VAT/GST**

S. No.	Region	Nos. of Country
1	ASEAN	7
2	Asia	19
3	Europe	53
4	Oceania	7
5	Africa	44
6	South America	11
7	Caribbean, Central & North America	19

Sources: [http://gst.customs.gov.my/en/gst/Pages/gst\\_ci.aspx](http://gst.customs.gov.my/en/gst/Pages/gst_ci.aspx) (as on 14/08/2016)

### Direct tax

Direct Tax is a kind of duty, which is charged directly on the Taxpayer and paid directly to the Government by the Taxpayer. It cannot be shifted from one person (Taxpayer) to another. There are several Direct Taxes levied in India are as follows

1. Income Tax
2. Corporation Tax
3. Property Tax
4. Estate Tax
5. Gift Tax

### Indirect tax

An Indirect Tax is one which is imposed on commodity (goods) or services that is paid by the consumer. Indirect Tax is basically collected from intermediary sources such as company, dealer and retailer while the mediator collects Tax from the end user (consumer). It can be shifted from one person to another and is not levied directly. There are some Indirect Taxes are as follows

1. Custom Duty
2. Central Excise Duty
3. Service Tax
4. VAT
5. Entertainment Tax
6. Octroi

### Literature Review

**Poonam, 2017** in her study, she had cleared that GST would be a very important step in the field of indirect taxation. The cascading and double taxation effects can be reduced by combing central and state taxes. Consumer's tax burden will approximately reduce to 25% to 30% when GST is

introduced. After introduction of GST concept, Indian manufactured products would become more and more competitive in the domestic and international markets. This taxation system would instantly encourage economic growth. GST with its transparent features will prove easier to administer. In this paper the author has tried to attempt to spot the concept of GST & its current status in India. Paper has tried to give information about GST system. The study also aims to be familiar with the advantages and challenges of GST in Indian scenario.

**Shefali Dani, 2015** has proposed that GST regime is a half-hearted attempt to rationalize indirect tax structure. Approximately more than 150 countries have implemented GST concept. As per researcher government of India must study the GST regime set up by various countries and also their fallouts before implementing GST. It is the need of the hour that, the government must make an attempt to insulate the vast poor population of India, against the inflation due to implementation of GST. There is no doubt, GST will simplify its existing indirect tax system and will have to help to remove inefficiencies created by the existing current heterogeneous tax system, only if there is a clear consensus over issues of threshold limit, revenue rate, and inclusion of petroleum products, electricity, liquor and real estate.

### **Research Problem**

The concept of Goods and Service Tax (GST) is one of the biggest revolutions in decades around the world. But it seems that India is taking very slow

steps to meet target. This research intends to focus on understanding concept of goods and service tax and its impact on Indian economy.

### **Objectives of the Study**

1. To study the concept of Goods and Services Tax (GST)
2. To study the impact of GST on Indian Economy
3. To understand how GST will work in India.

### **Research Methodology**

The study focuses on study of Secondary data collected from various books, national & international journals, government reports, publications from various websites which has been published and focused on various aspects of Goods and Service tax.

### **Concept of Goods and Service Tax**

GST or Goods and Services Tax is applicable on supply of goods and services. It will replace the current taxes of excise, VAT and service tax. Currently there are different VAT laws in different states. This creates problems, especially when businesses sell to different states. Also, most businesses have to pay and comply with 3 different taxes – excise, VAT, and service tax. GST will bring uniform taxation across the country and allow full tax credit from the procurement of inputs and capital goods which can later be set off against GST output liability. This reform gives equal footing to the big enterprises as well as SMEs. The aim of GST is thus to simplify tax hurdles for the entire economy.

### Who will have to pay GST?

GST will be paid by all manufacturers and sellers. It will also be paid by service providers such as telecom providers, consultants, chartered accountants etc. However, being an indirect tax, GST will be ultimately borne by the end consumers, just like in the current process. What kind of GST will be implemented in India? India will implement the Canadian model of Dual GST, i.e., both the Centre and State will collect GST. GST is a destination based tax system. Supply of goods and services are base for charging tax. GST is very comprehensive indirect taxation system on manufactured product and services, sale and consumptions of goods and services at national level. GST is going to be one of the biggest tax reforms after independence till the date. GST is very comprehensive indirect taxation system on goods manufactured and services provided. It is one of the biggest tax reforms in the country. Clause 366(12A) of the Constitution Bill defines GST as "goods and services tax" means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption. Further the clause 366(26A) of the Bill defines "Services" means anything other than Goods. Thus it can be said that GST is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. The proposed tax will be levied on all transactions involving supply of goods and services, except those which are kept out of its purview.

### GST – How It Works In India?

GST is based on the grounds of VAT. Same set-off system is also available in the respect of the taxes paid in the previous level against GST charged at time of sale. Following are some of the modules of GST.

- i. **Components:** GST will be basically divided into two components i.e. namely, Central Goods and Service Tax and also State Goods and Service.
- ii. **Applicability:** GST will be also applicable to all the Goods and Services sold and provided in India, only except from the list of exempted goods which fall outside its purview.
- iii. **Payment:** At central and State level GST will be paid separately.
- iv. **Credit:** The facility of Input Tax Credit at Central level will only be available in respect of Central Goods and Service tax.

### Impact of GST on Indian Economy

Expect reduction in prices of:

- ❖ FMCG goods such as shampoos, chocolates
- ❖ Eating out
- ❖ Small cars
- ❖ DTH

Increase in prices of:

- ❖ Luxury cars
- ❖ Tobacco
- ❖ Aerated beverages
- ❖ Textiles

### Advantages of GST

#### A. For Citizen

Simpler tax system

- ❖ Reduction in prices of goods and services due to elimination of cascading.

- ❖ Uniform prices throughout the country.
- ❖ Transparency in taxation system.
- ❖ Increase in employment opportunities.

#### **B. For Trade/Industry**

- ❖ Reduction in multiplicity of Taxes
- ❖ Mitigation of cascading / double taxation
- ❖ More efficient neutralization of taxes especially for exports
- ❖ Development of common national market.
- ❖ Simpler tax regime-fewer rates exemption.

#### **C. For Central / State Governments**

- ❖ A unified common national market to boost Foreign Investment and “Make In India” campaign
- ❖ Boost to export / manufacture activity, generation of more employment, leading to reduced poverty and increased GDP growth.
- ❖ Improving the overall investment climate in the country which will benefit the development of the states.
- ❖ Uniform SGST and IGST rates to reduce the incentives for tax evasion.
- ❖ Reduction in compliance costs as no requirement of multiple record keeping.

#### **CHALLENGES OF GST IN INDIAN CONTEXT**

- ❖ **Consent of States:** For implementing it is critical that GST bill is passed by the respective state Governments in state assemblies so as to bring majority. This is a Herculean task.
- ❖ **Revenue Neutral Rate (RNR):** It is one of Prominent Factor for its

success. We know that in GST regime, the government revenue would not be the same as compared to the current system. Hence, through RNR Government is to ensure that its revenue remains the same despite of giving tax credits.

- ❖ **Threshold Limit in GST:** While achieving broad based tax structure under GST, Both empowered committee and Central Government must ensure that lowering of threshold limit should not be a “taxing” burden on small businessmen in the country.
- ❖ **Robust IT Network:** Government has already incorporated Goods and service tax network (GSTN). GSTN has to develop GST portal which ensure technology support for GST Registration, GST return filing, tax payments, IGST settlements etc. Thus there should be a robust IT backbone.
- ❖ **Extensive Training to Tax Administration Staff:** GST is absolutely different from existing system. It, therefore, requires that tax administration staff at both Centre and state to be trained properly in terms of concept, legislation and Procedure. Additional Levy on GST: The Purpose of additional Levy is to compensate states for loss of revenue while moving to GST.

#### **CONCLUSION**

Taxation plays an significant role in the development of the economy as it impacts the efficiency and equity. It is expected that a good system should control income distribution and at the

same time it will also endeavor to generate tax revenue which will support government expenditure on public services and development of infrastructure. GST will have positive impact on Indian economy. GST have faced lots of controversy and opposition in terms of its implementation. Finally the GST bill has been passed and it ready to roll out in market. Time will only decide whether it will have positive impact or negative impact. International trade, firms and consumer will have new system of tax which is single level and more transparent. The new system of taxation is considered to be more improved system over the pre-existing central excise duty at the national level and sales tax system at state level. The new tax will be significant breakthrough and a logical step towards a comprehensive indirect tax reforms in the country. GST is not only Vat plus service tax but it is major improvement over previous VAT system. A single of tax will help maintain simplicity and transparency by treating all goods and services equal without giving a special treatment to some types of goods and services. It will reduce the litigation on classification of issues. It is also said that implementation of GST in Indian framework will lead to commercial benefits which VAT has not given and hence it would essentially lead to economic development. GST may assure the possibility of overall gain for industry, trade, agriculture and also to central and state government. Now Indian consumer need to have professionalism to acknowledge the GST. It is sure that India will join the international standards

of taxation, corporate laws and managerial practices and also be among the world leaders.

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## IMPACT OF GLOBALIZATION ON INDIAN AGRICULTURE

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### ABSTRACT

*Globalization was adopted by Indian Government during 1990-91 when Indian Economy was in a very bad shape. It was, however, adopted not as a solution to deteriorating Indian economy but to enable itself to get further foreign exchange loans from World Bank as its foreign exchange reserves were reduced to mere 3 weeks outflow. To rectify its ailing financial health, Government simultaneously decided to amend its economic policies and go for privatization & liberalization of its economy. These decisions had immediate positive effect. However, globalization has proved to be a double edged weapon. It did help government temporarily meet its emergent need of foreign exchange but it has, as a by-product, caused some permanent damage to Indian Economic system and Indian social structure.*

**Key Words:** *Privatization, Liberalization, current account deficits, disinvestment, western culture.*

### Introduction

Globalization is the process of integrating the domestic economy with world economy. Globalization is the process of integrates the domestic market with world market for international trade, finance, and goods and services. Globalization makes world as a small village. Globalization means an explanation of market from local level to worldwide level. Now the concept of a specific place for market is disappearing and the whole world is becoming a market the process of globalization is related to economical development. The competition has become large in every field the aim behind globalization is economical so that many changes are made everywhere. Agricultural is the means of income of many people. 60% population of India

depends upon agriculture. 27% of GDP of India gets from agriculture. 65% of labour force, and 21% of total export. India is the second in the world about population. 17.5% of the world population lives in India. India exports agricultural products such as tea, coffee, rice, wheat, sugar, vegetables; fruits, cashew nut etc. and imports milk products, cashew nut, fruits, edible oil, chicken, seeds etc. To develop the Indian economy the govt. makes new policy for agriculture sectors. Agriculture plays very important role in GDP in India. More than 60 percent peoples in India involved directly or indirectly in agriculture. For improve the agriculture sectors, the govt. makes new policy for agriculture. Govt. gives some subsidies on the agriculture products like fertilizers, seeds, pesticides.

## Agriculture

Economic development of a country is directly related to the growth of agriculture. Agriculture sector provides the employment opportunity to the peoples. India has also been striving to develop the country agriculture since independence. Agriculture played a key role in our planned economy with its advantage of low investment and the base of industries.

According to George Washington, "I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture, its breeds of useful animals, and other branches of husbandman's cares." The development of agriculture is being given due importance by the govt. in order to achieve the following objectives:

1. For issuing food safety
2. For creating farming societies for international economic exchange
3. To stimulate the growth of farmers.
4. To increase GDP.

## AGRICULTURE AND GLOBALISATION

Over the last five decades, Indian agricultural sector performed under various constraints. The exemplary performance during late sixties, mid seventies and early eighties helped to overcome the problem of aggregate food insecurity. The performance of the last two years of eighties was a landmark and that was not exceeded in the following decade (See Figure 1). It is argued that the annual growth of agriculture GDPs shows a declining trend in the post-reform period. While it

has grown at an annual rate of 3.4 percent during 1980s, it registered only 1.8 percent growth between 1997-98 and 2000-02. Growth rate was 4.7 percent between 1992-93 and 1997-98. Similarly, it is also argued that there is a decline in area, production and productivity of all crops. While area under all crops has shown a marginal increase in growth rate during 1990s, production and yield have shown a decreasing trend. But as can be seen from figure 1, that the decade of nineties has recorded positive growth in GDP in most of the years except for a few years, but while comparing the aggregate growth analysts tend to conclude with a bad performance during nineties. Probably the peak achieved at the end point in the decade of eighties leads to such a conclusion. One point however is quite clear that the performance during eighties of the agriculture sector was quite supportive.

## What is Globalization?

1. The term globalization means International Integration.
2. Opening up of world trade, development of advances means of communication, internationalization of financial markets, growing importance of MNC's, population migrations and more generally increased mobility of persons, goods, capital data and ideas.
3. It is a process through which the diverse world is unified into a single society.

## Economic Impact of Globalization in India

1. Multilateral agreements in trade, taking on such new agendas as environmental and social conditions.



2. New multilateral agreements for services, Intellectual properties, communications, and more binding on national governments than any previous agreements.
3. Market economic policies spreading around the world, with greater privatization and liberalization than in earlier decades.
4. Growing global markets in services. People can now execute trade services globally – from medical advice to software writing to data processing that could never really be traded before.

### **Impact of Globalization on Agriculture in India**

1. Agriculture acquired 17% of India's GDP in 2008.
2. 60% of population still depends on agriculture for their livelihood.
3. Occupied 43% of India's geographical areas.
4. Agriculture Scientists are applying new technologies and instruments in growing crops.
5. Different state governments of India are taking initiative to literate the farmers.

### **Methodology and Data Sources**

The study is based on the secondary data. The data were collected from various secondary sources such as Economic Survey, Govt. of India, Books, Journals, Articles, Yojana and various websites.

### **Impacts of Globalization of Indian Agriculture**

Experts believed that globalization will help to balanced development of agricultural sector, changes would occur

in the economical conditions of the farmers, agricultural products would get proper prices, employments would be available in agriculture, rural industries, cottage industries, small industries would start and farmers would be happy but this belief is going to be false. According to the policy of WTO India has to reduce import duty by 50% for agricultural goods till 2008. India has to compete in the field of agriculture in future. Also, India has to import 5% of the domestic market. Out of Indian population 25% people still below poverty line and 60% population depend upon agriculture. This proportion in England 2%, in America 3% and in Japan 7% respectively. The share of agricultural income in gross national income in India 23.6%, in Australia 5%, in Canada 4%, America 3% and England 2% respectively. In India 62% of total agricultural land is depending upon rain water. The technical developments cannot make because the possessed area of land is very little. So the production costs are high. The use of chemical fertilizers is very little in India. It is only 84 kg per hector in India. But it is 266 kg per hector, in China, 360 kg in Japan, 519 kg in Belgium. In India the amount of loan provided for agriculture is also very little. Loan for agricultural is provided at the rate of 15% to 16% in comparing with the loan provided for vehicles or houses at the rate of 7% to 8%. The field of watered land in India is 38%. In China 52%, Japan 62%, and in Pakistan it is 72%. Also agricultural product in India is very little. India is the first in the production of legumes,

second in the production of ground nut. Rice and wheat and third in the production of tobacco. India tea, coffee, rice, wheat, sugar, tobacco, spice, cashew, sesame, oil, fruits, and vegetables, meat and fishes as well as imports legumes, milk products, cashew fruits, edible oil, chicken, seeds, etc. The country import 50-60 lacks tons of edible oil and spends about 15 thousand cores rupees on it. In India out of total produced agricultural goods 2% goods are processed. In Malaysia 80%, America and Brazil 80% Philippine 78% and in Brittan there is 70% goods are processed.

**Growth Rate in Agriculture:** The Growth in agriculture GDP which stood at 4.7 per cent per annum during the 8<sup>th</sup> Plan (1992-97) progressively declined to 2.1 per cent per annum during the 7<sup>th</sup> Plan (1997-02) and 1.8 per cent annum during 10<sup>th</sup> Plan (2002-07) and 3.6 percent annum during the 11<sup>th</sup> plan. Show in the below table.

**Annual Average Growth Rate in  
Agriculture & Overall GDP (in Percent)**

Five Year Plan	Overall GDP Growth Rate	Growth Rate in GDP of Agriculture & Allied Sectors
7th Plan 1985-1990	6.0	3.2
Annual Plan 1990-1992	3.4	1.3
8th Plan 1992 – 1997	6.7	4.7
8th Plan 1992 – 1997	5.5	2.1
10th Plan 2002-2007	7.6	2.3
2002 – 2003	3.8	7.2
2003 – 2004	8.5	10.0
2004 – 2005	7.5	0.00
2005 – 2006	9.0	6.00
2006 – 2007	9.2	2.7
2010 – 2011	N.A	7.9
2011 – 2012	N.A	3.6
2012 – 2013	N.A	5.6
2013 – 2014	N.A	4.4
2014 – 2015	N.A	5.2
2015 – 2016	N.A	3.8

**The Positive impacts of globalization on Indian agriculture are as under**

- 1) Increase National Income** – Receiving the international market for the agricultural goods of India, there is an increase in farmer's agricultural product, new technology, new seeds etc. helped to grow the agricultural product.
- 2) Increase in employments** – While exporting agricultural products it is necessary to classify the products, its standardization and processing, packing etc. The industries depending on agriculture are stored and it made on increase in employments.
- 3) No need to reduce the grants** – According to the condition of agricultural agreement limit for grants is decided 10% of the production value for the developing countries. But the economical grants we are received less than 10% so there is no need of reduction.
- 4) Increase in the share in trade** – Because of the conditions of WTO all of the countries get the same opportunities so there is an increase in the export of agricultural products.
- 5) Increase in the export of agricultural goods** – The prices of agricultural goods are higher in the international market than Indian markets. If the developed countries reduced grants, they have to increase in the prices. So there will be increase in the export in Indian market and if the prices grow, there will be profit.

**The Negative impacts of globalization on Indian agriculture are as follow**

- 1) **Grants distributed on large scale by the developed countries** – Before the reduction in grants by WTO, developed countries had distributed grants on large scale. They had grown the amount of the grants on large scales in agriculture during 1988-1994. So they have not to face many difficulties if there is a reduction in grants.
- 2) **Small production field** – In India 60% of population depend on agriculture. The pressure on agriculture is increasing because of the increasing population. Possession of land is small and so the production cost is higher. There is also the problem of standard etc. So there are unfavorable impact occur on Indian agriculture.
- 3) **Intellectual property right** - Intellectual property right cause unfavorable impacts on Indian agriculture. Multinational companies can easily enter in the field of agriculture and it will be bad for the margin farmers.
- 4) **Increasing production expenditure and low cost of goods** – farmers are being bankrupt because of growing production expenditure, costly seeds, on the one side and reducing prices of goods on the other side. He doesn't let out of it and so he is committing suicide. This can be one of the impacts of agricultural agreement.

**SUGGESTIONS**

- 1) **To make growth in basic services-**  
It is necessary to develop the standard

and scope of basic services like domestic roads, harbors, modern means of communication, storages, standard controlling etc. These facilities would be on inspiration for export.

- 2) **Finance and Electricity Supply** - The electric supply for Indian agriculture is irregular and insufficient. Also there is lack of finance for the agricultural. It effects on the standard of production and the expenditure of production. So it is necessary to apply proper policies to avoid these problems.
- 3) **Increasing Productions and export**– An implement of import duty is not useful for long time while facing the international competition. Because if India increase import duty, other countries increase their grants. So we have to increase our production and export.
- 4) **Planning of Production** - It is not good to increase crops only because we get good prices. But it is necessary to plan the growing of crops so that the prices of good produced will not reduce.

**Conclusion**

India is involved in the global flow. It is necessary to try for increase the share of agricultural product in exports. It is important to study the problems in the field of agriculture and avoid them. For example, irregular and insufficient supply of electricity, lack of basic services, decrease in production, lack of planning in growing crops, lack of finance, dependence of rain etc. various remedies are to be made for

getting proper prices to the products. Processing industries are developed to process on agricultural goods. Farmers should be given training and guidance to start agricultural relating industries. If these remedies are made then Indian Agricultural can excite in the globalization.

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## PROBLEMS AND PROSPECTS OF AGRICULTURAL MARKETING IN INDIA: AN OVERVIEW

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### ABSTRACT

*Agriculture plays a pivotal role in the economic development of a nation. Agriculture is fundamentally different from industry. The marketing of farm products is a complex process. Agricultural marketing involves many activities and processes through which the nutriment and raw material move from the farm to the final consumers. The marketing system should be so designed as to give proper reward to the efforts of the agriculturist. But unfortunately, in India, the middlemen enjoy the benefits at the cost of disability, illiteracy of the poor Indian farmers. This paper focuses to know the problems faced by the farmers in the marketing of agriculture goods and to offer valid suggestions to overcome the problems faced by the Indian farmers at the time of marketing their produced goods. Key Words: Agriculture Marketing, Farmers, Problems of Farmers, Middlemen & Farm Products.*

**Key Words:** *Marketing of Agricultural, Agricultural Produce Markets, Regulated Markets, Periodic Markets, Agricultural Product, Grading and Standardization*

### INTRODUCTION

Agricultural marketing covers the services involved in moving an agricultural product from the Farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro -and food processing, distribution advertising and sale. Some definitions would even include "the acts of buying supplies, renting equipment, (and) paying labour", arguing that marketing is everything a business does. Such activities cannot take place without the exchange of information and are often heavily dependent on the availability of suitable finance (Penn

State College of Agricultural Sciences - Agricultural Marketing, 2012) Marketing systems are dynamic; they are competitive and involve continuous change and improvement. Businesses that have lower costs, are more efficient, and can deliver quality products, are those that prosper. Those that have high costs, fail to adapt to changes in market demand and provide poorer quality is often forced out of business. Marketing has to be customer-oriented and has to provide the farmer, transporter, trader, processor, etc. with a profit. This requires those involved in marketing chains to understand buyer requirements, both in terms of product and business conditions.

## **Agriculture Marketing**

Agricultural marketing involves many activities and processes through which the nutriment and raw material move from the agriculture land to the final consumers. Agriculturist supplies goods for consumption and for exports and manufacturing sectors. The marketing system should be so designed as to give proper reward to the efforts of the agriculturist. But unfortunately, in our country, the middlemen enjoy the benefits at the cost of disability, illiteracy of the poor Indian agriculturists. A little part of the price paid by buyers reaches the farmers while the big part is engulfed by the middlemen. Farmers are suffering mainly in securing reasonable price for their produce.

## **AGRICULTURAL MARKETING IN INDIA**

There are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the farmers is low, multiple channels of distribution that eats away the pockets of both farmers and consumers. The government funding of farmers is still at nascent stage and most of the small farmers still depend on the local moneylenders who are leeches and charge high rate of interest. There are too many vultures that eat away the benefits that the farmers are supposed to get. Although we say that technology have improved but it has not gone to the rural levels as it is confined to urban areas alone. There are several loopholes in the present legislation and

there is no organized and regulated marketing system for marketing the agricultural produce. The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their sweat

## **PROBLEMS IN THE MARKETING OF AGRICULTURAL GOODS**

There are lots of problems in the marketing of agricultural goods. They are:

### **(i) Lack of Finance**

To finance seasonal requirements more finance is necessary in a particular period. Financial need also varies from year to year depending upon the quantity of production. Most of the financial needs of the farmers in India are met by moneylenders. An agriculturist in India born in debt lives in debt and finally dies in debt.

### **(ii) Large Number of Middlemen**

Concentration process is very important for agricultural goods. A long channel of distribution is needed and hence there are large numbers of middlemen. The long chain of middlemen takes a large amount of the agriculturist's share from the consumers' rupee. The middlemen sell the agricultural goods to the consumers at a higher price and give lower returns to the agriculturist.

### **(iii) Transportation and Storage Facilities**

There is high demand for transportation and storage facilities in the harvest seasons, in order to protect the produce from deterioration in quality.

Production of agro products is seasonal. The consumption is regular and the demand is regular throughout the year. So special transportation and storage facilities have to be provided.

#### **(iv) Grading and Standardization**

Grading and standardization is important for agricultural products. But it is not easy to grade and standardize the products, as there are many agricultural goods and one produce has many qualities.

#### **(v) Branding**

Agricultural products do not create demand. Advertising is not possible due to the limited resources of agriculturists. As there are many qualities branding is also not an easy job.

#### **(vi) Price Fluctuation**

There is price fluctuation in agricultural products due to the imbalance in supply and demand.

#### **(vii) Lack of Market Information**

In India most of the farmers are illiterate and ignorant of the accurate prices ruling in the markets. They depend upon inaccurate information. They depend on hearsay reports of village merchants who never reveal correct price.

### **NEED FOR REFORMS**

The agriculture sector needs well-functioning markets to drive growth, employment and economic prosperity in rural areas of India. In order to provide dynamism and efficiency into the marketing system, large investments are required for the

development of post-harvest and cold-chain infrastructure nearer to the farmers' field. A major portion of this investment is expected from the private sector, for which an appropriate regulatory and policy environment is necessary. Also, enabling policies need to be put in place to encourage the procurement of agricultural commodities directly from farmers, fields and to establish effective linkage between the farm production and the retail chain and food processing industries. Accordingly, the state governments were requested to suitably amend their respective APMC Acts for deregulation of the marketing system in India, to promote investment in marketing infrastructure, thereby motivating the corporate sector to undertake direct marketing and to facilitate a national integrated market.

#### **Terminal Markets**

The Department has recently taken the initiative to promote modern terminal markets for fruits, vegetables and other perishables in important urban centres in India. These markets would provide state-of-the-art infrastructure facilities for electronic auction, cold chain and logistics and operate through primary collection centres conveniently located in producing areas to allow easy access to farmers. The terminal markets are envisaged to operate on a „hub-and-spoke“ format, wherein the terminal market (the hub) would be linked to a number of collection centres (the spokes). The terminal markets would be built, owned and operated by a corporate /

private / co-operative entity, either by itself, or through the adoption of an outsourcing model. The enterprise could be a consortium of entrepreneurs from agri-business, cold chain, logistics, warehousing, agri-infrastructure and/or related background. The enterprise would charge a user charge for the services provided. The total financial outlay for implementation of the above component during the Tenth Plan Period is Rs.150 crore. The proposed expenditure will be met from the budget outlay of the National Horticulture Mission. The operational guidelines of the scheme have been circulated to the state governments, which have amended their respective APMC Acts to allow the setting up of markets in the private sector.

### **Organizations Dealing with Marketing**

The Department of Agriculture and Cooperation has three organisations dealing with marketing under its administrative control, namely, the Directorate of Marketing and Inspection (DMI), Faridabad; the Ch. Charan Singh National Institute of Agricultural Marketing (NIAM), Jaipur; and the Small Farmers Agri-Business Consortium (SFAC), New Delhi.

### **Grading and Standardization**

The Agricultural Produce (Grading and Marking) Act, 1937 empowers the central government to fix quality standards, known as 'AGMARK' standards, and, to prescribe terms and conditions for using the seal of AGMARK. So far, grade standards have been notified for

181 agricultural and allied commodities. The purity standards under the provision of the PFA Act and the Bureau of Indian Standards (BIS) Act, 1986, are invariably taken into consideration while framing the grade standards. International standards framed by Codex / International Standards Organization (ISO) are also considered so that Indian produce can compete in international markets.

### **Marketing Extension**

AGMARK quality control programmes as well as improvements in marketing practices and procedures are given wide publicity through mass media. The information is disseminated through documentaries, cinema slides, printed literature, exhibitions, conferences, seminars and workshops. Agricultural Marketing, a quarterly bi-lingual journal, is also published regularly.

### **Marketing Research and Information Network**

This is a central sector scheme that was launched by the Department of Agriculture and Cooperation in March 2000. The scheme aims at progressively linking important agricultural produce markets spread all over India and the State Agriculture Marketing Boards/ Directorates and the DMI for effective exchange of market information. The market information network, AGMARKNET ([agmarknet.nic.in](http://agmarknet.nic.in)), is being implemented jointly by DMI and NIC, using NICNET facilities available throughout the country. The objective of the scheme is to facilitate collection and dissemination of information for better price realisation. The scheme



provides funds to state- and national-level institutions managing the markets and executing market-led extension activities and thus, has no separate gender-specific provisions under the scheme. The portal covers market, price, infrastructure and promotion-related information for efficient marketing.

### **Agricultural Marketing Infrastructure, Grading and Standardization**

The scheme for the development / strengthening of agricultural marketing infrastructure, grading and standardisation was launched on 20 October 2004. Under this scheme, a credit-linked investment subsidy is being provided on the capital cost of general or commodity-specific marketing infrastructure for agricultural commodities and for strengthening and modernisation of existing agricultural wholesale markets, and rural or periodic markets in tribal areas. The scheme covers all agricultural and allied sectors including dairy, poultry, fishery, livestock and minor forest produce. The scheme is reform linked and is being implemented in those states / UTs that permit the setting up of agricultural markets in the private and cooperative sector and allow direct marketing and contract farming.

### **FARMERS ROLE IN MARKETING**

Direct marketing of the agricultural produce is the need of the hour. Efforts may be made to provide facilities for lifting the entire stock that farmers are willing to sell with incentive price. There should be provision for storing the stocks such as godowns and warehouses. It helps the farmers to hold the stocks

till the prices are stabilized. Usually immediately just after the harvest the prices would be low and if the farmers are patient in holding the same for some time it would fetch better prices. The brokers play the games during the trading of the agricultural stocks which the farmers do not know and realize because of improper information about the market prices. The brokers without any investment and with their negotiation skills transfer stocks by buying at low prices and selling at higher prices to the other end. The farmers need to be educated in this regard. There should be all-round rationalization and standardization of the prices through legislative means. Presently there is vast gap between the marketing strategies of agricultural produce in India and abroad and the same needs to be bridge. Remove the various malpractices prevalent in the present system. There is need to set up marketing committees which has the representation of growers, merchants, local bodies, traders and nominees from the govt. There should be collective and integrative efforts and energies from all quarters for ensuring just and price for farmers.

### **NEED FOR AGRICULTURE MARKET INFORMATION SYSTEM**

Principles of Marketing has stated that information is one key to increase marketing success for everyone. A market information system is an important tool used by modern management to aid in problem solving and decision making. Market Information System is a process

of gathering, processing, storing and using information to make better marketing decisions and to improve marketing exchange.

## **SALIENT FEATURES OF INDIAN AGRICULTURE**

### **Subsistence Agriculture**

As mentioned earlier, most parts of India have subsistence agriculture. This type of agriculture has been practised in India for several hundreds of years and still prevails in a larger part of India in spite of the large scale change in agricultural practices after independence.

### **Pressure of population on Agriculture**

Despite increase in urbanization and industrialization, about 70% of population is still directly or indirectly dependent on agriculture.

### **Mechanization of farming**

Green Revolution took place in India in the late sixties and early seventies. After more than forty years of Green Revolution and revolution in agricultural machinery and equipments, complete mechanization is still a distant dream.

### **Dependence upon Monsoon**

Since independence, there has been a rapid expansion of irrigation infrastructure. Despite the large scale expansion, only about one third of total cropped area is irrigated today. As a consequence, two third of cropped areas is still dependent upon monsoon. As you know, monsoon in India is uncertain

and unreliable. This has become even more unreliable due to change in climate.

### **Variety of Crops**

Can you guess why India has a variety of crops? As mentioned in the beginning of the lesson, India has diversity of topography, climate and soil. Since India has both tropical and temperate climate, crops of both the climate are found in India. There are very few countries in the world that have variety comparable to that of India. You would realize that when we would discuss the different type of crops in detail. Look at the table No.1 to get an idea.

### **Predominance of Food Crops**

Since Indian agriculture has to feed a large population, production of food crops is the first priority of the farmers almost everywhere in the country. However, in recent years, there has been a decline in the share of land used for food crops due to various other commercially most advantageous uses of this land.

### **Seasonal Patterns**

India has three distinct agricultural / cropping seasons. You might have heard about kharif, rabi and zaid. In India there are specific crops grown in these three seasons. For example rice is a kharif crop whereas wheat is a rabi crop.

## **SUGGESTIONS**

Our country is an agricultural country. It is very important to remove

the problems in the marketing of agricultural goods. In order to remove the problems the following suggestions are offered:

- ❖ To reach the consumers directly to market the products produced by the farmers at a competitive price, the farmers should start a super market in urban centre with the support of other farmers.
- ❖ For proper marketing of agricultural goods adequate and appropriate transport facilities are necessary. They government must take proper steps to improve the transport facility to the farmers for marketing their products.
- ❖ The government should take necessary steps to increase storage and warehousing facilities to remove the defects in agricultural marketing.
- ❖ Farmers Association should take necessary steps for fixation of standards and grades of commodities.
- ❖ Holding of auction sales by Agricultural departments to ensure increased price to the cultivators.
- ❖ The farmers should form an association themselves with the support of government and NGOs to get fair information about the market situation.

## **CONCLUSION**

The present study concluded that, the necessary reforms coupled with proper price discovery mechanism through regulated market system will help streamline and strengthen agricultural marketing. In order to avoid isolation of small-scale farmers from the benefits of agricultural produce they need to be

integrated and informed with the market knowledge like fluctuations, demand and supply concepts which are the core of economy. Marketing of agriculture can be made effective if it is looked from the collective and integrative efforts from various quarters by addressing to farmers, middlemen, researchers and administrators. It is high time we brought out significant strategies in agricultural marketing with innovative and creative approaches to bring fruits of labor to the farmers.

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## **‘THE REBIRTH OF INTERMEDIATION: E-MARKETING AND INFOMEDIARIES AS DISTRIBUTION CHANNELS’**

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### **ABSTRACT**

*The impact of e-commerce on business in general, and marketing in particular, has been examined from a variety of perspectives. Each of these has been concerned with the unique features of the medium through which the marketing message is being transmitted, and the effects of digital transactions or relationships between an organisation and its customer (see Dann & Dann 2001). But while there has been substantial discussion on the subject of e-commerce and the role of marketing in an online context, there has been little analysis of a wide-scale approach to marketing across a variety of digital media, and the methods by which such e-marketing can be achieved. Yet it is this broad approach that warrants closer examination than technology-specific marketing analysis, because in a converged environment, marketing messages need to be consistent and visible across a range of media, thus creating economies of scale for marketing. Converged media channel management is developing in prominence in marketing theory and its growth and complexity has given birth to a new form of intermediary. This paper defines the role of e-marketing in overall marketing communications, and considers the impact of the vehicles for distribution of marketing products and messages.*

### **Introduction**

The development of theories for strategic internet marketing have proliferated since 1999 (most recently and notably, Singson 2001, Rowley 2001 and Dann & Dann 2001) and the acknowledgement of the growing sophistication of internet marketing in strategic planning has arguably had a strong impact on the quality and efficacy of websites and other electronic messaging systems in communicating effectively with consumers. However, use of the internet in an overall marketing strategy is not the only means of communicating electronically with consumers. E-marketing

involves strategic use of all available information technologies, including mobile telephony, personal data devices (PDAs), hard media (including floppy disk, CDROM and DVD) and software applications for reading electronic text and graphical content (such as Adobe Acrobat, e-book readers, and other proprietary products). Further, e-marketing strategies are not limited to businesses dependent upon, or actively participating in e-business, but they do contribute towards the transformation of a traditional organisation into an e-business. Theories of disintermediation were initially identified by commentators of

the so-called 'new economy', and later adopted by business and marketers as a means of creating efficiencies particularly in the areas of marketing distribution (see Tapscott 1996). But these theories fail to take into account the need for new industries whose primary function is to act as an information index or portal. As information and communications technologies (hereafter 'ICTs') and information services proliferate, there is a risk of information overload and poor targeting of information (Schwartz 2000). Indexes and portals are the new 'infomediaries', intermediary organisations that bring together the disparate digital resources available to consumers for accessing information services.

This paper is designed to summarise literature pertaining to e-marketing and to demonstrate how distribution of marketing messages as well as physical goods has been affected by e-marketing practices. Examination of the theories of e-marketing and identification of the changes to distribution in the age of ICTs provides the basis for highlighting the role of infomediaries as new intermediaries for marketing.

### **Definitions**

For the purpose of this paper, the following definitions apply:

- 'E-Business' refers broadly to the use of information technologies to conduct all aspects of business including information not directly related to the buying and selling of goods
- 'E-Marketing' refers to the use of various ICTs as vehicles for marketing practices, as well as the creation of a

new form of electronic product. E-Marketing can involve management of physical distribution of goods using technology architecture, but is more commonly associated with information distribution, and is regarded as a marketing tool.

Thus the rise of e-business is deemed to be the precursor to e-marketing practices and the development of e-marketing theory.

### **E-Marketing Theory and Practice**

Rowley has identified that in e-communication, the "channel restricts the format for communication" (Rowley, 2001: 203). She suggests that the various applications of the internet, including the world wide web (hereafter 'WWW'), email and newsgroup-oriented communication channels, affect the manner in which information can be delivered to the consumer. While she is advocating a review of internet oriented marketing practices, the same dictum is true for any iteration of information provision: the limitations on the information medium will ultimately affect the nature of the product. In traditional broadcast media, marketing communications have been limited by the nature of the program or advertisement, in terms of the audience of the program, the timeslot, program length restrictions and aesthetic qualities of the content. Further, local restrictions on programming content (including minimum percentages of locally produced content), censorship controls and other genre-oriented limitations compound the array of

elements affecting the message finally delivered to the consumer. The implications for marketing in broadcast media have been that product information had to be tailored to take advantage of the strengths of the medium: the one-to-many information experience as well as the dynamism and degree of influence of audio and visual content. While the logic of this notion is clear to the majority of marketers, the same logic is not often applied to e-marketing initiatives. Instead, the tendency among marketers has been to repackage old media marketing communication strategies and send them to the new audiences of digital media devices.

This tendency to rehash old marketing strategies for digital media is partly the fault of a continuing difference of opinion between information technologists and marketers. Technological optimists such as Negroponte (1995), Rheingold (2000), Locke et al (1999) and even Rushkoff (1999) have tended to profile new technologies in general, and the internet in particular, as a totally new forum where old rules of marketing communication and information exchange do not apply. Marketers have rejected this notion, arguing that while the internet and other new technologies may provide more immediate and more extensive access to consumers (or at least greater access to those who are connected to the internet), the same rules for marketing, promotion and consumer behaviour are still relevant (see Hanson 1999, Singson 2001). New technologies merely provide new channels for old marketing measures. But the

reality of applying of marketing laws to new media technologies is probably somewhere between these two poles. In spite of the notion that old rules of marketing have application in new media channels, there is clearly a difference in operation of marketing conventions for digital media, and an extension of traditional rules is not just possible, but necessary. Ashcroft and Hoey go so far as to say that “online marketing creates a double marketing mix” (2001: 69). Not merely is the practice of marketing online a channel for informing consumers about a product, but it becomes a product itself, and so the other three Ps of marketing also apply as much to the online presence as to the core product of any business.

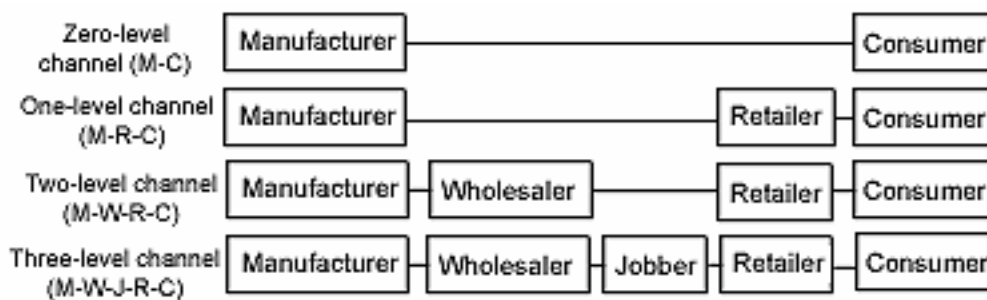
### **The Rise of Distribution**

Of the 4 Ps, it is distribution that has attained the greatest prominence in the field of e-marketing research. While the reasons for this may appear obvious on a superficial level – channels for distribution were to be assisted/replaced by electronic channels – the importance of distribution operates on a series of levels. By understanding the range of implications that e-marketing and electronic channel management opportunities pose for distribution and the supply chain, broad marketing distribution issues and research needs can be more clearly observed.

Through a process of disintermediation, distribution and channel management is designed to become more efficient and more targeted through the adoption of e-marketing

strategies. Earlier marketers had identified the advent of electronic intermediaries and had understood the implications for physical intermediaries, but the phenomenon of disintermediation emerged predominantly from the work of new economy theorists such as Tapscott (1996) in the late 1990s. The idea that new technologies would facilitate less complex information exchanges was

widely accepted, and the elimination of middle-men in business exchanges was adopted as a cost-cutting measure for businesses on a large scale. Channels for distribution of goods in the digital environment generally moved from the more complex, two- and three-level channel systems to zero- and one-level channels.



**Figure 1 Possible levels of complexity of distribution channels. Adapted from Kotler et al. (1994), p. 380**

However, this rationalisation of business channels has invoked a new period of intermediation. Overby and Min note that the phenomena of disintermediation and the reconstruction of the supply chain (through replacing physical intermediaries with electronic intermediaries), have provided the capacity for identification of a new business structure through managed supply chain (2000: 399). The introduction of technological solutions to supply chain management have been premised on the dual benefits of cost-cutting and customisation, but it is the latter which has stemmed the flow of disintermediation in e-marketing distribution. As e-businesses have cut out the middle-man in the supply chain, they have created a need

in niche markets and special interest areas for tailored solutions to specific distribution flows. Herein lies the advent of e-marketing intermediaries, often described in technological literature as 'infomediaries'.

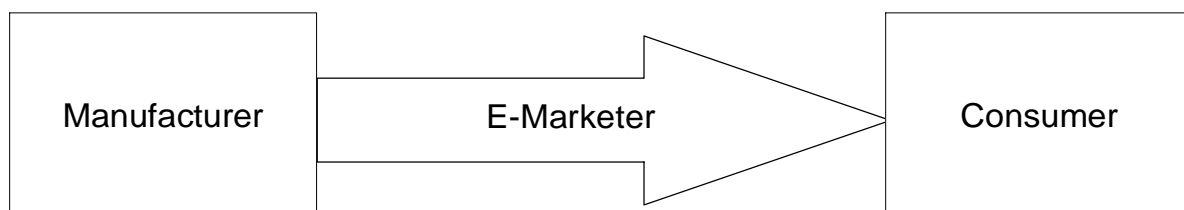
But once these infomediaries replace traditional physical intermediaries, it is often difficult for organisations to assess the value addition to the supply chain they represent. Tetteh and Burn (2001) note that this lack of defined frameworks for analysis of all aspects of the supply chain, strategic planning and channel management is characteristic of the new economy. Technological solutions to distribution processes may have rationalised the number of physical intermediary channels through which

goods and services are delivered to a consumer base, but speed of communication access does not necessarily equate with a value addition to the supply chain. In their research, Jansson and Sol (2000) noted that managers needed to adopt new methods of evaluating the value of electronic intermediaries. They note that while technologies threaten the physical intermediaries of traditional business, and while they are a potential source of competitive advantage for organisations, electronic intermediaries can introduce new complexities to the supply chain that could actually detract from or damage the relationships developed by the physical intermediaries they replace. As a result, there is a growing need for evaluation models for electronic distribution techniques.

Distribution has thus exchanged its profile from being the target of electronic intermediaries to a focus of ongoing research and development. But this is more than a mere recognition of the value of physical transportation of goods, or customer relationship management of traditional theory. Distribution research must now encompass evaluation of the intangible benefits of multiple electronic distribution channels and consistency of supply chain behaviour and communication.

### **E-marketing Intermediary Channels**

Kotler's Possible levels of complexity of distribution channels (Kotler et al, 1994: 380) is inadequate when describing the transferral of goods through the dual agency of direct sales facilitated by an e-marketing intermediary.

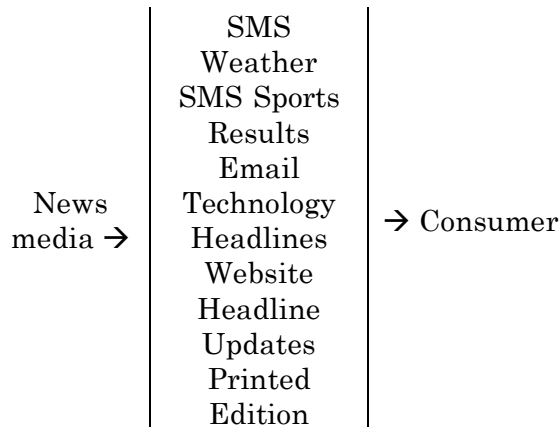


**Figure 2 E-Marketing Distribution Pattern**

Rather than being a direct zero-level or one-level distribution channel, the e-marketing distribution mechanism is a communication channel which facilitates distribution, particularly where the goods being distributed can be converted into digital format and delivered to the consumer directly. The manufacturer is the e-marketer in this respect, sending the goods (whether they be physical or intangible) through a

variety of communication vehicles. While the above diagram is simple, the manner in which distribution takes place is extremely complex. For example, a manufacturer of an information product such as news print, can now access a consumer base through multiple communication channels, encompassing traditional as well as digital vehicles.





**Figure 3 Variety of vehicles for product distribution in a digital environment**

The same model can be observed in distribution of tangible goods. Product placement in media events has initiated a similar trend of cross-media vehicle marketing practices. For example, a manufacturer of women’s clothing can now combine the use of e-marketing channel management strategies with more traditional distribution strategies (concerned with transportation of physical goods) to satisfy the information and experiential needs of the consumer as well as deliver goods on time.

The e-marketing process means that the demand end of the supply chain is significantly enhanced, amounting to more than the combined efforts of the Manufacturer to Wholesaler roles in older theories. Because of the variety of media vehicles accessed and employed by the e-marketer, this form of distribution necessitates recognition as an aberration from traditional distribution channels, and a characteristic of electronically mediated marketing and transferral of goods.

**Rebirth of Intermediation**

**Conclusions**

The central tenet of e-marketing is information. Automated processes of distribution may have removed the people and traditional Retailers and Wholesalers of Kotler’s distribution channels, but the role of those institutions has survived and even been extended in the new economy. Disintermediation of physical distribution elements in the supply chain has brought about the advent of a new form of electronic intermediary, acting as the source of information about products as well as the coordinator of marketing messages and the means through which delivery and reception of goods is realised. And for marketers developing channel management solutions to e-marketing activities, the role of these electronic intermediaries, or ‘infomediaries’, cannot be underestimated. As the range of communication and digital distribution vehicles multiply, it is the role of the electronic intermediary to ensure that the supposed benefits of the new economy can be realised.

The rise in e-marketing and the rebirth of intermediaries has posed a challenge for marketers to provide appropriate metrics to ensure that the digitally reborn intermediaries are adding value to the supply chain. Further research on effective marketing communications via infomediaries is necessary to determine the best means of meeting this challenge.

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## A STUDY ON PROBLEMS FACED BY WOMEN ENTREPRENEURS IN THANJAVUR DISTRICT

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### ABSTRACT

Today's women are taking more and more professional and technical degrees to cope up with market need and are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. It is perhaps for these reasons that Government Bodies, NGO's, Social Scientists, Researchers and International Agencies have started showing interest in the issues related to entrepreneurship among women in India. Women entrepreneur's explore the prospects of starting a new enterprise; undertake risks, introduction of new innovations, coordinate administration & control of business & providing effective leadership in all aspects of business and have proved their footage in the male dominated business arena.

**Key Words:** Women entrepreneurs, Women Empowerment

### 1. INTRODUCTION

'You can tell the condition of a nation by looking at the status of its women.'  
– Jawaharlal Nehru

Empowerment of women has emerged as an important issue in recent times. As technology speeds up lives, women are an emerging economic force, which cannot be neglected by the policy makers. The world's modern democratic economy depends on the participation of both sexes. Irene Natividad has observed that "Global markets and women are not often used in the same sentence, but increasingly, statistics show that women have economic clout most visibly as entrepreneurs and most powerfully as consumers". Today, women in advanced market economies own more than 25 per cent of all businesses and women-owned

businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly. In some regions of the world, transformation to market economy, women entrepreneurs is a growing trend. However, in India, the actual participation of women in income generating activities is quite unsatisfactory, only eight per cent of the small scale- manufacturing units are owned and operated by women.

#### 1.1. Women Entrepreneurship: A Profile

Women form a nation's significant human resource. They should be sued as instruments for the growth and development of economy of each and every state. Women, on the other hand, are willing to take up business and lend

their contributions to the growth of the nation. Women are now ready to do all business and enter all professions like trade, industry, engineering etc. The role and participation of women are recognized and steps are being taken for the promotion of women entrepreneurship, women must be shaped up properly with other entrepreneurial traits and skills to face the challenges of world markets, meet the changes in the trends, be competent enough to sustain and strive for excellence in the entrepreneurial field. A complete entrepreneurial development in a nation can be achieved by the participation of women and therefore the growth and development of women entrepreneurs must be accelerated.

### **1.2. Concept of Women Entrepreneurship**

Entrepreneurship is an economic activity which is undertaken by an individual or group of individuals. Entrepreneurship can be defined as the making of a “new combination” of already existing materials and forces; that entrepreneurship throws up as innovations, as opposed to inventions and that no one is entrepreneur forever, only when he or she is actually doing the innovative activity. Thus, a woman entrepreneur is one who starts business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise and

undertake risks and handle economic uncertainty involved in running a business enterprise.

### **1.3. Evolution of Women Entrepreneurship**

Although women form a very large proportion of the self-employed group, their work is often not recognised as “work”. The prevailing ‘household strategy’ catalyses the devaluation of women’s productive activities as secondary and subordinate to men’s work. Women’s contributions vary according to the structure, needs, customs and attitudes of society. Women entered entrepreneurial activities because of poor economic conditions, high unemployment rates and divorce catapult. In Babylonia, about 200 B.C., women were permitted to engage in business and to work as scribes. By 14<sup>th</sup> century, in England and France, women were frequently accepted on a par with men as carpenters, saddlers, barbers, tailors and spurriers. Dressmaking and lace making guilds were competed more with men for some jobs, but were concentrated primarily in textile mills and clothing factories. In 1950, women made up nearly 25 per cent of both industrial and service sectors of the developing countries. In 1980, it increased to 28 per cent and 31 per cent respectively. Meanwhile, in 1950, 53 per cent of females and 65 per cent of males of industrialised countries were in non-agricultural sectors 8.

As a result of the economic crisis of the 1980s and the commercialisation and modernisation of the economy, women lost employment in agriculture

and industries. This pushed women in urban areas to find out a suitable solution for generating income, which resulted in the emergence of self-employment, largely in micro-businesses in the informal sector.

#### **1.4. Importance of Women Entrepreneurship**

Women perform an important role in building the real backbone of a nation's economy. There is considerable entrepreneurial talent among women. Many women's domestic skills such as people and time management and household budgeting are directly transferable in the business context. Women have the ability to balance different tasks and priorities and tend to find satisfaction and success in and from building relationships with customers and employees, in having control of their own destiny, and in doing something that they consider worthwhile. They have the potential and the will to establish and manage enterprises of their own. These qualities and strengths of women are to be tapped for productive channels. But simultaneous creation and development of small business among women is a difficult task.

#### **1.5. Organisations Promoting Women Entrepreneurship in India**

##### **i. National Resource Centre for Women (NRCW)**

An autonomous body set up under the National Commission for Women Act, 1990 to orient and sensitise policy planners towards women's issues, facilitating leadership training and

creating a national database in the field of women's development.

##### **ii. Women's India Trust (WIT)**

WIT is a charitable organisation established in 1968 to develop skills of women and to earn a regular income by providing training and employment opportunities to the needy and unskilled women of all communities in and around Mumbai.

##### **iii. Women Development Corporation (WDC)**

WDCs were set up in 1986 to create sustained income generating activities for women to provide better employment avenues for women so as to make them economically independent and self-reliant.

##### **iv. Development of Women and Children in Urban Area (DWCUA)**

DWCUA was introduced in 1997 to organise the urban poor among women in socio-economic self-employment activity groups with the dual objective of providing self-employment opportunities and social strength to them.

##### **v. Working Women's Forum**

WWF was founded in Chennai for the development of poor working women to rescue petty traders from the clutches of middlemen and to make them confident entrepreneurs in their own right. The beneficiaries are fisher women, lace makers, beedi making women, landless women, labourers and agarbathi workers.

**vi. Association of Women Entrepreneurs of Small Scale Industries (AWESSI)**

It was founded in Ambattur in Chennai in 1984 to promote, protect and encourage women entrepreneurs and their interests in South India to seek work and co-operate with the Central and State Government services and other Government agencies and to promote measures for the furtherance and protection of small-scale industries.

**vii. Self-Employed Women's Association (SEWA)**

SEWA is a trade union registered in 1972. It is an organisation of poor self-employed women workers. SEWA's main goals are to organise women workers to obtain full employment and self-reliance.

**viii. Self-Help Group (SHG)**

An association of women, constituted mainly for the purpose of uplifting the women belonging to the Below Poverty Line (BPL) categories to the Above Poverty Line (APL) category. The major activities of the group are income generation programmes, informal banking, credit, unions, health, nutritional programmes, etc.

**2. RESEARCH METHODOLOGY**

**2.1. Objectives of the study**

The present study has been carried out with the following objectives in

- ❖ To study the socio-economic background of the women entrepreneurs in Thanjavur District.
- ❖ To examine challenges faced by rural women entrepreneurs.

- ❖ To analyze the major strength and weakness of women entrepreneurs and the environmental opportunities and threats which promote the entrepreneurship.

**2.2. Sampling Design**

Women entrepreneurs who are the main source of primary data are collected from the women entrepreneurs through a well structured questionnaire. As the area of study is limited in Thanjavur district of Tamilnadu and as the total population of women population is numerable, the researcher has proposed the sampling techniques for the selection of respondents. To identify the right respondents which are also very essential for the collection of primary data the following process has been adopted scientifically. Finally 200 respondents were selected and included the study from various taluks of erode districts who have engaged to start an enterprises and running successfully.

**3. DATA ANALYSIS AND INTERPRETATION**

Personal interview is the major tool of data collection. Interview technique is to be made at women entrepreneurs. The secondary data are also proposed to collect from various departments. All these data are to be arranged in various form of tables and proposed to critically analyse with the help of a number of statistical tools. Percentage Analysis, Average, and Chi-Square Test are the various statistical tools applied.

**Table No: 1 Age Group of the Respondents**

S. No.	Age of the Respondents	No. of Respondents	Percentage
1	20-30 Years	62	31
2	31-40 Years	84	42
3	41-50 Years	33	17
4	Above 50 Years	21	10
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

#### Interpretation

From the above table it is inferred that, 42% of the respondent's fall under the age group 31-40 years. 31% respondents fall under 21-30, 17% of the respondents fall under 41-50 and 10% of the respondents fall under above 50 years and it is concluded that majority of the respondents are in 31-40 years of age group.

**Table No. 2 Educational Qualifications**

S. No.	Education	No. of Respondents	Percentage
1	Primary	20	10
2	Secondary	74	37
3	Degree/Diploma	71	35
4	Post graduates	35	18
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

#### Interpretation

The above table shows that 37% of the respondents are secondary level of education, 35% of the respondents are degree / diploma level, 18 per cent of the respondents are post Graduates and 10% of the respondents are in primary educational level. It is concluded that majority of the respondents are qualified with secondary, degree / diploma level of education.

**Table No. 3 Marital Status**

S. No.	Marital Status	No. of Respondents	Percentage
1	Unmarried	58	29
2	Married	100	50
3	Divorce	20	10
4	Widow	22	11
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

#### Interpretation

The above table reveals that 50% of the respondents are married, 29% of the respondents are unmarried, 11% of the respondents are widow and 10% of the respondents are divorce. It is concluded that majority of the respondents are married.

**Table No.4 Types of Business**

S. No.	Type of Business	No. of Respondents	Percentage
1	Sole proprietorship	142	71
2	Partnership	38	19
3	Joint Hindu family	20	10
4	Joint Stock Company	-	-
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

#### Interpretation

The study reveals that 71% of the respondents are doing Sole Proprietorship business, 19% of the respondents are in partnership business and 10% of the respondents are engaged in Joint Hindu family business. The above table concluded that majority of women entrepreneurs are engaged in sole proprietorship.

**Table No.5 Nature of Business**

S. No.	Nature of Business	No. of Respondents	Percentage
1	Servicing	104	52
2	Trading	61	30
3	Manufactures	35	18
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

### Interpretation

The above table shows that 52% of the respondents are in Service sector, 30% of the respondents are in trading, 18% of the respondents are in manufacturing. It is concluded that majority of the respondents are in service sector.

**Table No. 6 Size of Business**

S. No.	Size of the Business	No. of Respondents	Percentage
1	Below Rs.50,000	70	35
2	Rs.50,000-1,00,000	62	31
3	Rs.1,00,000-2,00,000	37	18
4	Rs.2,00,000-5,00,000	15	8
5	Above Rs.5,00,000	16	8
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

### Interpretation

The above table reveals that 35% of the respondents are below 50,000, 31% of the respondents are 50,000-1,00,000, 18% of the respondents are 1,00,000-2,00,000 and 8% of the respondents are 2,00,000-5,00,000 and 8% of the respondents are above 5,00,000. The above table concluded that majority of the respondents incomes are below 50,000.

**Table No.7 Source of Finance**

S. No.	Source of Finance	No. of Respondents	Percentage
1	Government	24	12
2	Bank	24	12
3	Personal	71	35
4	Financial institution	56	28
5	Friend & Relatives	25	13
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

### Interpretation

The study further reveals that 35% of the respondents finance from personal, 28% of the respondents finance from financial institution and the balance percentage from bank, government and friend/Relatives. It is concluded that most of the respondents source of finance is through personal source.

**Table No. 8 Financial Assistance Aailed**

S. No.	Financial Assistance Aailed	No. of Respondents	Percentage
1	Frequently aailed	72	36
2	Rarely Aailed	102	51
3	Never Aailed	26	13
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

### Interpretation

The above table shows that 51% of the respondents are rarely aailed their finance, 36% of the respondents are frequently aailed and 13% of the respondents are never aailed. The above table concluded that majority of the women says that availability of finance is rare.

**Table No.9 Entrepreneurial profit**

S. No.	Entrepreneurial profit	No. of Respondents	Percentage
1	High	38	19
2	Medium	142	71
3	Loss	20	10
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

### Interpretation

From the above table it is inferred that, 71% of the respondents are medium



profit, 19% of the respondents are High profit, and 10% of the respondents are loss. It is concluded that most of the respondent's entrepreneurial profit is medium.

**Table No.10 Profit Re-Investment Factor**

S. No.	Profit Reinvestment	No. of Respondents	Percentage
1	Good	31	15
2	Medium	150	75
3	Poor	19	10
<b>Total</b>		<b>200</b>	<b>100</b>

Source: Primary Data

**Interpretation**

The study reveals that 75% of the respondents are medium profit reinvestment, 15% of the respondents are good and 10% of the respondents are poor. It is concluded that most of the respondents profit reinvestment factor is medium.

**4. CHI-SQUARE TEST**

**4.1. Age Group**

**a. Socio-Psycho system**

**Null Hypothesis**

There is no association between socio psycho system and age of the entrepreneurs.

Degree of freedom : 6  
 Level of significance : 5%  
 Table Chi-square value : 12.592  
 Calculated Chi-square value: 8.722  
 Result : Not significant

The calculated Chi-square value is less than the table value. Hence, the null hypothesis is accepted and it could be concluded that there is no association between the socio-psycho system and age of the women entrepreneurs.

**b. Do you feel problem**

**Null Hypothesis**

There is no association between general problems and age of the entrepreneurs.

Degree of freedom : 6  
 Level of significance : 5%  
 Table Chi-square value : 12.592  
 Calculated Chi-square value: 23.84  
 Result : Significant

The calculated Chi-square value is higher than the table value. Hence, the null hypothesis is rejected and it could be concluded that there is association between the general problems and age of the women entrepreneurs.

**4.2 Educational Qualification**

**a. Socio-Psycho system**

**Null Hypothesis**

There is no association between Educational Qualification of the entrepreneur and socio psycho system.

Degree of freedom : 6  
 Level of significance : 5%  
 Table Chi-square value : 12.592  
 Calculated Chi-square value: 20.202  
 Result : Significant

The calculated Chi-square value is higher than the table value. Hence, the null hypothesis is rejected. It could be concluded that there is an association between the educational qualification and socio psycho system.

**b. Do you feel problem situation**

**Null Hypothesis**

There is no association between Educational Qualification of the entrepreneur and general Problems.

Degree of freedom : 6

Level of significance : 5%  
 Table Chi-square value : 12.592  
 Calculated Chi-square value: 42.15  
 Result : Significant

The calculated Chi-square value is higher than the table Chi-square value. Hence, the null hypothesis is rejected. It could be concluded that there is an association between the educational qualification of the entrepreneurs and general problems.

## 5. SUGGESTIONS

For proper development of Rural Women Enterprises in Madurai we have to evolve many more strategies to suit various conditions in different communities and regions. Here are some suggestive measures, to solve the problems confronted by them and for running their enterprise smoothly.

- Proper technical education to the women.
- Improvement of identification mechanism of new enterprise
- Assistance in project formulation
- Should be made aware of various credit facilities, financial incentive and subsidies
- Adequate follow-up and support to the women enterprises.
- Women have the need to put more effort to change people attitude to aspire women in the society at large
- Women enterprises should join hands to form co-operative society to see that their enterprises run effectively.
- Women Enterprises research and application from time to time have to be documented.

- Entrepreneurship Development Programmes should be tailored to varying requirements

From these suggestions it is quite visible that for development and promotion of women entrepreneurship, in the region, there is a need for multi dimensional approach from different sector, namely from the government side, financial institutions, individual women entrepreneurs and many more, for a flexible integrated and coordinated specific approach.

## 6. CONCLUSION

The present study has identified that at the time of start-up phase, the women entrepreneurs suffer a lot due to poor access to finance and poor business skill. During the growth phase, the major constraints affecting the women entrepreneurs are poor access to finance, tax harassment and finding qualified labour. In respect of gender-related problems, spatial mobility and time distribution between family and business have been severely affecting the women entrepreneurs at the initial phase while time distribution between family and business and non-acceptance of women's authority have been the major problems of women entrepreneurs at the growth phase. Thus, the policy makers have to consider drafting policies to ensure easy access to finance for women entrepreneurs. Business skills could be developed through experience only and hence they could be educated to face the challenges with courage and confidence. The study revealed that women entrepreneurs

were satisfied with Family support and business profit; family members were giving good guidance to the women entrepreneurs. So all type of family may support and encourage the women entrepreneurs, and then only they could reach their goal.

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## PROBLEMS AND PROSPECTS OF MUTUAL FUNDS – AN EMPIRICAL ANALYSIS

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### ABSTRACT

*The mutual fund industry in India has come of age. We find enormous expansion in the size of mutual funds and the private sector has especially shown galloping growth. With unmatched advances in the information technology front, increased role of institutional investors in the stock market and SEBI still in its infancy, the mutual fund managers have gained unchecked powers. Ensuring the safety of small investors is the need of the hour. The present study was undertaken to know the perceptions of small investors who are the most exploited lot in the Indian capital market by the tall claims of mutual fund managers as dependable guardians of small investors on the one hand and the role of regulators on the other. This paper has examined the problems faced by the investors of mutual funds, factors discouraging Investment in mutual funds, opinion of respondents, the measures for the development of mutual funds and the level of fulfillment of the objectives of the investors. It offers concrete suggestions for the elimination of the problems of the mutual fund investors.*

### Introduction

'Put your money in trust, not trust in money" entices the small investors, who generally lack expertise to invest on their own in the securities market and prefer some kind of collective investment vehicle which can pool their marginal resources, invest in securities and distribute the returns there from among them on co-operative principles. The investors benefit in terms of reduced risk, and higher returns arising from professional expertise of fund managers employed by such investment vehicle. This was the original appeal of mutual funds (MFs), which offer a path far simpler and safer to stock market than the traditional call-a-

broker-and buy-securities route. This caught the fancy of small investors leading to proliferation of MFs. In developed financial markets, MFs have overtaken bank deposits and total assets of insurance funds. In USA, the number of MFs far exceeds the number of listed securities.

In USA, every second household has entrusted some savings to these ubiquitous money pools. In fact, retail investors have more money parked in mutual funds than in banks.

By comparison, small investors in India have been lukewarm in their acceptance of mutual funds. They have nine times more money in bank deposits than in mutual funds. According to a

SEBI-NCAER survey, just 11.8 million households-13.7 percent urban and 3.8 percent rural- have invested in mutual funds in 200001. That was four years ago, and the number of available schemes has roughly doubled since, but even that has not done much to move small investors from bank deposits to funds.

Many financial experts believe, however, that this trend is now set for a decisive shift. Returns from safe bank deposits average 5 per cent, and from the artificially propped up, assured-returns post office schemes like PPE, NSC and other post office deposits slightly higher. Going by the broad direction of the ongoing financial reforms, these props will go sooner than later. The interest rates on these schemes will be aligned with rates current in the economy, and the generous tax breaks that make real returns higher will slowly go. The risk-averse small investor still clings to the hope that this may never happen, but the writing is on the wall.

The other option for the investor till not so long ago was company deposits that offered 4-6 percentage points higher interest than current bank deposits, depending on their safety ratings. He preferred these over mutual funds because these were 'fixed-income instruments'. In other words, he sought safety in the promise that he would get 'x' sum of money after 'y' years, even if in many cases, the sanctity of that promise was questionable. History bears witness to the hundreds of cases of companies defaulting on their deposits.

Mercifully for the investor, these options have dried up. And now, he must look at mutual funds to give himself a chance of creating a portfolio that consistently beats inflation. If not by design, then by default, he will have done himself a good turn. And he will discover over time that a carefully constructed, diversified portfolio of mutual funds not only keeps his risk exposure in check, but also gives him a shot at returns that he could only have dreamt of in his 'fixed returns' days.

The year 2005 has been a bumper year for the equity market. Money poured into the markets both from domestic and foreign investors. The Indian mutual fund industry also saw its Assets Under Management (ADM) grow from Rs.1, 51,879 crores in January'05 to Rs. 1,75,898 crores in July'05, representing a growth of over 16%.

### Objectives of the Study

The present study was undertaken to know the perception of small investors, who are the most exploited lot in the Indian capital market by the tall claims of mutual fund managers. The main objectives of the study are:

1. To examine the problems faced by mutual fund investors.
2. To ascertain the usefulness of the proposed measures for the promotion of mutual fund industry.

### Methodology

The study was confined to the four big cities of Tamil Nadu Viz., Chennai, Coimbatore, Trichy and Madurai.

The study was based on primary data. Interview schedule was the main tool for collecting the primary data. The sample size of the study was 300 respondents, comprising 75 respondents from each of the four cities. Judgment sampling method was adopted in the selection of investors.

### **Analysis and Interpretation of Data**

The collected data have been analyzed and presented in the following heads.

### **Problems Faced by the Investors in Mutual Funds**

The investors in mutual funds have been facing some problems from the time of investment to the redemption period. In order to analyse the difficulties faced by the respondents, they were asked to state their opinion on the occurrence of these problems faced by them.

From Table-1, it could be observed that more than one-third of the respondents had never faced any kind of difficulty with the mutual funds. Around one-fourth of the respondents had faced these difficulties rarely. Around 15 per cent of the respondents had often faced difficulties.

### **Factors Discouraging Investments in Mutual Funds**

There are several factors which influence the investment decision of an investor. At the same time, there do exist certain negative factors and forces that discourage investments in mutual funds in India.

The study is aimed at analysing the relative level of the different discouraging factors. It is evident from Table 2 that fear of fraud is the most discouraging factor which occupies the first position with the mean score of 4.26 points on a five point scale. It shows that the investors are not aware of mutual funds. Next on the ladder comes an equally damaging and discouraging factor, namely, lack of investor education with a mean score of 4.08. Lack of professionalism in management of funds, portfolio manipulation, reckless management of funds, noncompliance with the objectives of the schemes and poor grievance handling mechanism are the other discouraging factors with mean scores exceeding 3.50 points, indicating the very high discouraging effects caused by them. The remaining factors are somewhat less severe, but still with a high level of discouraging effect, their mean score ranging between 2.96 to 3.5. Appropriate measures should be taken by the Government, SEBI and other related agencies to weed out these discouraging factors and create a climate for the conducive growth of mutual fund industry in the country.

### **Opinion of Respondents on the Measures for the Development of Mutual Funds**

A list of measures have been framed by the researcher which will promote the growth of mutual fund industry in our country. In order to know to what extent these measures are considered useful by the mutual fund investors in the promotion of mutual

found in India, the respondents were asked to indicate their perceived level of utility of these measures.

An analysis of Table 3 reveals that the measures such as assured returns schemes, investors' education through seminars and conference, rating of mutual fund schemes and granting more powers to SEBI have been very well perceived to be useful in improving the mutual funds in India with mean scores of 2.56, 2.52, 2.46 and 2.44 respectively.

However, measures such as self regulatory organization, market research, pass book system for open-ended schemes, internet trading and mutual fund units selling through post offices have not been predicted to contribute towards the development of mutual funds with their mean scores being merely 2.10, 2.04, 2.02, 1.94 and 1.70 respectively.

The overall average score for all these fourteen measures comes to 2.20 on a 3 point scale which shows that majority of the respondents on the whole have favorable opinion on the usefulness of these measures for the development of mutual fund industry in India.

#### **Level of Fulfillment of Investors' Objectives**

From Table 4, it can be seen that more than half of the respondents numbering 170 (56.67%) have stated that their objective of investing in mutual funds were reasonably fulfilled. Respondents numbering 60 (20%) have stated that they were disappointed in the fulfillment of their objectives. 8.33

per cent of the respondents stated that they were very much disappointed. 20 respondents were of the opinion that the returns on investment had exceeded their expectations.

#### **Suggestions**

1. Investor education is the need of the hour. SEBI, AMFI and Mutual Funds should organize well defined and comprehensive investor education / awareness programmes by arranging seminars, conferences and training programmes, publicity through media like newspaper, magazine, T.V., radio and publishing and distributing books, pamphlets and brochures nation wide, particularly among rural investors.
2. Investor are disquieted at the alarming regularity with which some of the mutual funds are bending the rules and regulations. The SEBI and AMFI should plug the loop holes, and tighten regulations. A specialist fraud prevention unit may be developed in order to detect financial crimes more effectively and formalizing inter-agency co-operations in this front. Introduction of professional corporate trustees may be contemplated. If possible, a separate legislation maybe enacted.
3. It is suggested to introduce mutual fund ratings that are designed to provide investors, intermediaries and fund sponsors AMC's with an independent opinion on the performance and risks associated with various mutual fund schemes.
4. Penal provision should be enhanced considerably as a deterrent for the

defaulters. A separate Ombudsman Scheme should be initiated for redressing the grievances of mutual fund investors effectively. Each mutual fund should be required to establish investor grievance cell of its own.

5. 'Up dates' information about the fund and schemes should be dispatched to the investors at least once in a month.
6. Insider trading should be effectively prevented in the functioning of mutual funds.

### Conclusion

The mutual fund industry in India is still in an embryonic stage. The whole system merits in-depth examination and follow up action. Ensuring the safety of investment of small investors against ideas and fancies of professional fund managers has become the need of the hour. The findings of this study, as discussed above, may prove to be of use for streamlining the working of mutual funds through its regulatory bodies like SEBI etc., so as to check the exploitation and help small investors to regain confidence in them as superior channel of investment. Mutual funds too can earmark and try to improve upon their weak areas regarding the problems faced by the investors. As seen, the enormous growth of mutual fund industry, if controlled effectively, could be channelised for achieving better economic growth.

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## **AWARENESS OF GREEN MARKETING AND ITS INFLUENCE ON BUYING BEHAVIOUR OF CONSUMERS: SPECIAL REFERENCE TO THANJAVUR DISTRICT**

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### **ABSTRACT**

*Green marketing is environment friendly, sustainable and socially responsible. Green marketing covers the overall brand of marketing activities undertaken by companies in a manner that they promote manufacture of products which have a positive impact on environment or alternatively reduce negative impact on the environment. Today green marketing is a vital component of marketing research which began due to increasing media exposure and pressure on firms to present eco-friendly behaviour. The growth in green marketing over the years has been promoted by adoption of product packaging and presenting to the public these improvements. This paper examines the present trends of green marketing in India, describes the reason why companies are adopting it, future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.*

**Key Words:** *Green Marketing, Green Products, Environment, Social Goals, Consumer Attitude.*

### **INTRODUCTION**

Sickening and facing health issues comes across as the most useless activity on which we lose our precious time. And it isn't just about wasting time, but also giving away a huge amount from one's hard earned money. Questioning why? Well, the answer is simple. Health facilities aren't cheap in India, when compared with the pocket size of the non-elite segment of the society. Thus there arises the need to have products in the market which are consumer friendly, easy to use, and effective even in terms of their quality. Hence, it's not wrong to say that "Green products" play an instrumental role in making one's life

easier. As consumers express their need for green products, companies meet their demands by launch several health-friendly and non-chemical products.

These Green products are made available to the public by a marketing process which is known as green marketing. However, green marketing is not just restricted to marketing of green or environment friendly products. Considering that it is relatively a newer concept, a lot needs to be done to make it appealing to masses.

### **WHY GREEN MARKETING?**

As resources are limited and human wants are unlimited, it is important for

the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

#### **THE 4 GREEN P's**

1. Green Product: Attributes such as energy saving, organic etc. that leads to reduction in resource consumption and pollution.
2. Green Price: Most consumers will pay additional value if there is a perception of extra product value.
3. Green Place: Aiming to reduce carbon footprint by way of managing logistics to cut down transport emanations.
4. Green Promotion: To address the relationship between a product and the environmental, to promote green life style, and to present a corporate image of environmental responsibility.

#### **BENEFITS OF GREEN MARKETING**

Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability. They enjoy a competitive advantage over the companies which are not concerned for the environment.

#### **GREEN PRODUCTS**

Green products are those that have less of an impact on the environment or are less detrimental to human health's that are traditional equivalents. Green products might, typically be formed or partly-formed from recycled components, be manufactured in a more energy-conservative way, or be supplied to the market with less packaging or all the three.

#### **Evolution of Green Marketing**

The origins of the environmental movement can be traced back to different parts of the world throughout history. The environmentalist movement, at least in Europe, grew out of the reaction to the industrialization, growth of cities and poor air and water quality. Green marketing was given dominance after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. The workshop released the first book on green marketing entitled "Ecological Marketing". Several books on green marketing began to be published thereafter.

Green marketing term was first discussed in a seminar on "Ecological Marketing" organized by American Marketing Association (AMA) in 1975 and took its place in the literature. The term green marketing came into prominence in the late 1980s and early 1990s. The first wave of green marketing occurred in the 1980s. The tangible milestone for the first wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Pattie

(1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.

## **GOLDEN RULES OF GREEN MARKETING**

- 1) **Know your customer:** If you want to sell a greener product to consumers, you first need to make sure that the consumer is aware of and concerned about the issues that your product attempts to address.
- 2) **Empower consumers:** Make sure that consumers feel, by themselves or in connect with all the other users of your product, that they can make a difference. This is called empowerment and it's the main reason why consumers buy greener products.
- 3) **Be transparent:** Consumers must believe in the legitimacy of your product and the specific claims you are making. The rest of your business policies are consistent with whatever you are doing that's environmentally friendly.
- 4) **Reassure the buyer:** Consumers must be made to believe that the product performs the job it's supposed to do-they won't forego product quality in the name of the environment.
- 5) **Consider your pricing:** If you are charging a premium for your product and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients-make sure that consumer can afford the premium and feel it's worth it. Many consumers, of course, can't afford premiums for any type of product these days, much less

greener ones, so keep this in mind as you develop your target audience and product specifications.

## **Challenges of Green Marketing**

- ❖ Green products require renewable and recyclable material, which is costly.
- ❖ Problems of deceptive advertising and false claims.
- ❖ Requires a technology, which requires huge investments in research and development.
- ❖ Majority of the people are not aware of green products and their uses.
- ❖ Majority of the consumers are not willing to pay a premium for green products.
- ❖ Educating customers about the advantages of green marketing.

## **COMPANIES INVOLVED - GREEN ENVIRONMENT**

**ITC Limited:** ITC strengthened their commitment to green technologies by introducing, ozone-treated elemental chlorine free, bleaching technology for the first time in India. The result is an entire new range of top green products and solutions: the environmentally friendly multi-purpose paper that is less polluting than its traditional counterpart.

**Tamil Nadu Newsprint and Papers Limited (TNPL):** Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this top green firm in India includes two Clean

Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions earning Rs.17.40 Crore.

**Tata Metaliks Limited (TML):** Every day is Environment Day at TML, one of the top green firms in India. A practical example that made everyone sit up and take notice is the company's policy to discourage working on Saturdays at the corporate office. Lights are also switched off during the day with the entire office depending on sunlight.

**State Bank of India: Green IT@SBI** SBI entered into green service known as "Green Channel Counter". SBI is providing many services like paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SBI shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions

### **HCL Technologies**

This IT major may be considered as the icon of Indian green initiatives, thanks to the "go green" steps taken in solving the problem of toxics and e-waste in the electronics industry. HCL is committed to phasing out the hazardous vinyl plastic and Brominated Flame Retardants from its products and has called for a Restriction on Hazardous Substances (RoHS) legislation in India.

**Oil and Natural Gas Company (ONGC):** India's largest oil producer, ONGC, is all set to lead the list of top 10 green Indian companies with energy-efficient, green crematoriums that will

soon replace the traditional wooden pyre across the country. ONGC's Mokshada Green Cremation initiative will save 60 to 70% of wood and a fourth of the burning time per cremation.

**Hero Honda Motors** Hero Honda is one of the largest two-wheeler manufacturers in India and an equally responsible top green firm in India. The company's philosophy of continuous innovation in green products and solutions has played a key role in striking the right balance between business, mankind and nature.

**Wipro's Green Machines (In India Only)** Wipro InfoTech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Green ware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

**McDonald's Green Revolution** McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion. McDonald's restaurant's napkins, bags are made of recycled paper.

**Coca-Cola's Environmental Initiative** The Coca Cola Company is one of the largest worldwide beverage retailers, manufacturers, and marketers of various non-alcoholic beverages. They maintain a large focus on the environmental impact of their products and use different methodologies and

initiatives in order to reduce waste and sustain the environment.

**Suzlon Energy** The world's fourth largest wind-turbine maker is among the greenest and best Indian companies in India. Tulsi Tanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run entirely on wind power. Suzlon's corporate building is the most energy-efficient building ever built in India.

**IDEA Cellular** One of the best Indian companies, IDEA, paints India green with its national, Use Mobile, Save Paper campaign. The company had organized Green Pledge campaigns at Indian cities where thousands came forward and pledged to save paper and trees. IDEA has also set up bus shelters with potted plants and tendril climbers to convey the green message.

**KFC opens new green restaurant** The latest store was built using elements that follow the Leadership in Energy and Environmental Design (LEED) certification process created by the U.S. Green Building Council. "This new KFC Green restaurant is part of our E3 initiative, which looks at "Economically responsible ways of saving Energy and being Environmentally aware," said Roger McClendon.

**Tata group of companies:** Tata Motors ltd. has developed their showroom by using green items and elements in its design. It shows eco-friendly atmosphere that attracts people towards itself. They are also going to launch a low cost water

purifier which is made of pure and natural ingredients.

**Digital tickets by Indian Railways:** IRCTC has allowed its customers to carry PNR no. of their E-Tickets on their laptop and mobiles. Customers do not need to carry the printed version of their ticket anymore.

**Lead Free Paints from Kansai Nerolac:** Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

## REVIEW OF LITERATURE

**Prothero, A. (1998)** introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

**Oyewole, P. (2001).** In his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in

the practice for green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

**Prothero, A. & Fitchett, J.A. (2000)** argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

**Kilbourne, W.E. (1998)** discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identifies areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

#### OBJECTIVES OF THE STUDY

- ❖ To study the consumer behaviour towards purchase of green products.
- ❖ To know the consumers preference towards type of green products and
- ❖ To sort out the problems faced by the green consumers.

#### RESEARCH METHODOLOGY

A research study was conducted in Thanjavur Town selecting a sample of 200 green consumers. The data was collected through structured questionnaire.

The secondary data for the review were sourced from various research agencies both official and unofficial newspapers. The research design is both descriptive and analytical. The data was analysed with the help of statistical tools like Simple percentage and Descriptive statistics and Rank analysis was made.

**Table No.1 Age wise Classification of the Respondents**

S. No.	Age	Number of respondents	Percentage
1	10 years - 20 years	8	4
2	21 years - 30 years	100	50
3	31 years - 40 years	52	26
4	Above 40 years	40	20
Total		200	100

Source: Primary Data

#### Interpretation

The above table shows the respondents who are using green marketing 4% of the respondents belong to the Age up to 10 to 20, 50% of the respondents belongs to 21 to 30, 26% of the respondents belongs to 31 to 40, and 20% of the respondents belongs to 41 & above. It clearly denotes the majority of the respondents are 50% of the age group 21 to 30 years.

**Table No.2 Qualification wise Classification of the Respondents**

S. No.	Educational qualification	Number of respondents	Percentage
1	Up to school level	24	12
2	Diploma degree	60	30
3	Post graduation	80	40
4	Profession	36	18
Total		200	100

Source: Primary Data

### Interpretation

The above table shows the respondents had studied 12% of them are Up to School level, 30% of them are Diploma degree, 40% of them are Post graduate, 18% of them are Professional. It clearly denotes the majority of the respondents are 40% of them are Post graduate.

**Table No.3 Size of the family wise Classification of the Respondents**

S. No.	Size of the family	Number of respondents	Percentage
1	Small	92	46
2	Medium	80	40
3	Large	28	14
Total		200	100

Source: Primary Data

### Interpretation

The above table shows the respondents size of the family 46% of the respondents belong to the Size of the family is Small, 40% of the respondents belongs to Medium, 14% of the respondents belongs to Large. It clearly denotes the majority of the respondents are 46% of the size Small.

**Table No.4 Earning Member wise Classification of the Respondents**

S. No.	No of earning members	Number of respondents	Percentage
1	One	76	38
2	Two	104	52
3	Three	12	6
4	More than three	8	4
Total		200	100

Source: Primary Data

### Interpretation

The above table shows the respondents had earning money 38% of the respondents belong to the earning by

One member, 52% of the respondents belongs to the earning by Two members, 6% of the respondents belongs to the earning by Three members, 4% of the respondents belongs to the earning by More than Three members. It clearly denotes the majority of the respondents are 46% of the earning by Two members.

**Table No.5 Family Income wise Classification of the Respondents**

S. No.	Family income	Number of respondents	Percentage
1	Below Rs.20000	16	8
2	Rs.20000- Rs.40000	72	36
3	Rs.40000- Rs.60000	76	38
4	Above Rs.60000	36	18
Total		200	100

Source: Primary Data

### Interpretation

The above table shows the respondents had family income 8% of them are earning below Rs.20000, 36% of them are earning between Rs.20000 to Rs.40000, 38% of them are earning between Rs.40000 to 60000, and 18% of them are earning between Rs.60000 & above. It clearly denotes the majority of the respondents are 38% of them are earning between Rs.40000 to Rs.60000.

**Table No.6 Source of Awareness**

S. No.	Source	Number of respondents	Percentage %
1	Family income	12	6
2	Relatives/friends	44	22
3	Neighbours	24	12
4	Colleague	24	12
5	Dealers	8	4
6	TV advertisement	8	4
7	Internet	64	32
8	Print media	16	8

Source: Primary Data

### Interpretation

The above table shows the respondents had products 6.7% of them are purchasing groceries, 10% of them are purchasing cosmetics, 16.7% of them are purchasing books, 8.3% of them are purchasing jewelry, 3.3% of them are purchasing furniture, 20% of them are purchasing clothes, 28.3% of them are purchasing electronic products, and 6.7% of them are purchasing fitness equipments. The above table clearly defines the majority 28.3% of them are purchasing electronic products.

**Table No.7 Frequency of Purchase**

S. No.	Frequency	Number of respondents	Percentage
1	Daily	16	8
2	Weekly	90	45
3	Monthly	42	21
4	Yearly	38	19
5	Rarely	14	7

**Source: Primary Data**

### Interpretation

The above table shows the respondents has the frequency 8% from the daily usage, 45% of the respondents are from weekly usage, 21% of the respondents are from monthly usage, 19% of the respondents are from yearly usage, 7% of the respondents are from rarely usage. It clearly denotes the majority of the respondents 45% of weekly usage.

**Table No.8 Purchase of Type of Green Products**

S. No.	Product	Mean Source	Rank
1	Grocery	388	II
2	House hold products	329	IV
3	One use products	307	VII
4	Fruits/vegetables	426	I

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S. No.	Product	Mean Source	Rank
5	Beauty cosmetics	232	VIII
6	Personal care products	312	VI
7	Medicinal products	354	III
8	Automobile & electronic products	226	IX
9	Stationeries	179	X
10	Apparel & clothing	324	V

**Source: Primary Data**

### Interpretation

The above table shows the purchase of type of Eco friendly products. Majority of respondents purchase Organic Fruits / Vegetables and ranked I, II preference were given to grocery, medicinal products were ranked III, the respondents gave IV rank to household products, Apparel and clothing were given V preference, Personal care products were given VI rank, one use products were give ranked VII, Beauty cosmetics as VIII, Automobiles and electronic goods as IX rank and Least preference were given to Stationeries.

**Table No.9 Problems in Buying Green Products**

S. No.	Problems	Number of Respondents	Percentage
1	High price	78	39
2	Lack of knowledge	40	20
3	Lack of green product shop	58	29
4	Non-reliable on quality	24	12

**Source: Primary Data**

### Interpretation

The above table shows the respondents has faced the problems from 39% of the respondents affected through high price, 20% of the respondents



affected through lack of knowledge, 29% of the respondents affected through lack of green product shop, 12% of the respondents affected through non-reliability on quality. It clearly denotes the majority of the respondents have been affected from 39% of the high price.

## **FINDINGS**

The findings were summarized and presented.

- Majority of sample green customers are (50%) 21 years-30 years of age group.
- (60%) respondents educational qualification is post graduation
- Most of the customers family size are small
- Nearly 52% of the respondents earning members are two in the family.
- Majority 38% of the respondent's family income are Rs.40,000-Rs.60,000.
- Majority of the customer's frequency of purchase for weekly (45%).
- 32% of the respondents aware the green products through internet
- Majority of respondents purchase the type of Eco friendly products is organic fruits/ vegetables.
- Major problems in purchasing Eco friendly product of sample customers is high price (39%).

## **RECOMMENDATIONS**

The government should change the environment protection for promoting the green products in India. The Thanjavur is the labour city, that is the reason why, the all the respondents are less aware of the green products. At the same time, the customer and retailer

and manufacturer of the green products should develop their self-interest to use the green product in their day to day life. Utility score of the respondents are below average in Thanjavur. The Thanjavur Corporation should take initiative against using the green product in Thanjavur for protecting the Thanjavur natural policy through corporation policy.

## **CONCLUSION**

The study focuses on examining the buying behaviour of green products. Based on the results, buying behaviour supports consumers using green products. However, it is felt that if the suggestions are taken into consideration with due care by the authorities, it will help to enhance the awareness, attitude and buying behaviour of green products among consumers that will help the human beings to live in pollution-free environment in the near present and for the future generations. From the research study it is found that the most of the consumers in Thanjavur city are aware of environmental problems and green products in the market. There is a positive attitude and behaviour towards green products. The green consumerism gains momentum in Thanjavur city.

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## **A STUDY ON MARKETING AND CONSUMER BEHAVIOUR OF LIQUEFIED PETROLEUM GAS IN THANJAVUR DISTRICT**

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### **INTRODUCTION**

Liquefied Petroleum Gas (henceforth LPG or LP Gas) is a vital source of energy for millions of people around the world. The LP Gas consists mainly of propane and butane, which are gases at atmospheric temperature and pressure. When subjected to modest pressure or refrigeration, these gases make it possible to transport and store LP Gas as a liquid. This requires pressurized cylinders and containers, which must be safely and carefully handled.

The LP Gas is a clean and portable fuel. It provides heat and power in remote areas as well as in densely populated urban areas. Because of its portability, it is not dependent on transmission lines or pipeline grids. Its most popular use is for cooking and heating in the residential and commercial segments. The agriculture market uses the LP Gas for crop and animal production, and powering farm equipment such as irrigation pump engines.

Industry relies on LP Gas for heating, drying, and powering industrial trucks etc. In response to growing concerns of urban air pollution and greenhouse gas formation, the use of LP Gas as an automotive fuel (Auto Gas) is becoming increasingly popular.

Modern LPG was first launched by Union Carbide as "PYROFAX" brand

in the year 1920. LPG marketing started in India in fifties by Burmah Shell & Stanvac in towns around the Refineries. The marketing of LPG was entrusted to private concessionaires of Esso & Caltex such as erstwhile Kosan Gas, DGPL & JK Gas. Hindustan Petroleum Corporation Ltd., (HPCL) commenced marketing of LPG under the brand name "HP GAS" in 1979. Since it was introduced in 1955, LPG consumption has gone up tremendously. HP Gas, (As on April 2015) has over 45 million domestic LPG consumers catered through a network of over 2630 distributors. HP Gas, the HPCL brand of LPG, is what keeps the fire burning in millions of Indian homes. Bottled at 44 LPG Bottling Plants throughout the country with a total capacity of nearly 3550 TMTA (thousand metric tons per annum), HP Gas reaches after through checking at every stage right from bottling to distribution.

### **LPG AGENCIES IN INDIA**

LP gas which is used for several purposes all over the world as a fuel in the vehicles and in several of the chemical industries where the flammable gas is required. In several uses of the gas the main use of it lies as the cooking gas. In India, the use of LPG in the cooking is very high as compared

to the other uses of it. There are various companies in India which are in the business of manufacturing the LPG gas in India. Most of the companies are under the government authority while some of them are private organizations also. The several LPG manufacturing companies are as follows:

1. Bharat Petroleum Corporation Limited
2. Hindustan Petroleum Corporation Limited
3. Indian Oil Corporation Ltd (IOCL)
4. Reliance Industries
5. GAIL (India) Limited
6. Cairn India
7. Oil India Ltd.,
8. Petronet LNG Ltd.,

#### **MARKETING AND CONSUMER BEHAVIOUR TOWARDS LPG**

LPG Distributor should ensure availability of sufficient filled cylinders of correct quantity and quality for timely delivery of filled cylinders to the customers by placing timely and sufficient indents for filled cylinders at Bottling Plants of OMCs. Normally filled cylinders stock equivalent to two days of average daily off-take and turnaround time of the truck from the supply point must be available and an indent available at supply point should be the basis for placing the next indent by the distributor. The LPG distributor should provide adequate delivery infrastructure for making home delivery of LPG cylinders commensurate to the average daily refill sales and also to take care of breakdowns/absenteeism. In case of backlog situation, additional

delivery infrastructure as per requirement is to be provided. However, in case of RGGLV, home delivery of LPG cylinders/Cash & Carry rebate is not presently applicable. LPG Distributor should ensure prompt service and courteous behaviour at all times. A suggestion/complaint book must be maintained and made readily available to customers on demand. A message indicating availability of this book must be prominently displayed. The LPG distributors may give the following customer service to their customers:

1. The working hours of the LPG Distributorship should be prominently displayed.
2. Holiday notices should be displayed well in time.
3. The Distributor shall provide one telephone connection for every 4000 refill sales in a month e.g. a Distributor having average monthly refill sales of 10000 should provide 3 telephone connections. However, in cases where the average monthly refill sales exceeds 8000 and IVRS refill booking facility is available/fully operational, two telephones shall be considered adequate.
4. Distributor must prominently display his Name/Telephone number(s) and also Name/Telephone number(s) of the Oil Company personnel who are to be contacted by the customer in case of complaints. In addition, the Distributor should display messages on the Customer Service Cell and posters on Customer Education as provided by the respective Oil Companies from time to time.

5. First Aid Box should be available at the distributorship, with necessary medicinal aids.
6. Distributor to ensure that their distributorship is kept in clean condition and have sufficient sitting space. All required facilities should be adequate.
7. Safety equipments at LPG storage go-down and showroom should be provided as per the statutory requirements and maintained in good working condition.
8. The Distributor and staff should be fully trained in handling and operating these equipments.

#### REVIEW OF LITERATURE

**Vinayagamoorthy et al., (2007)** in their study entitled, "Study on Service Quality Perception of Domestic LPG", stated that the service marketers have really understood that competition can be well managed by differentiating through quality. Significance of service lies in customer service management. In this the complete environment, service quality has become the success mantra in all service sectors. Keeping this in mind, this study has been conducted at Salem city to identify the service quality of "Indane" gas. The result indicates that customers are not highly satisfied with the service provided by the Indane gas. So the company took some serious action to improve the service quality.

**Peter Anyon (2009)** in his report entitled, "LP Gas: healthy energy for a changing World", concluded that, "Making "clean fuel" choices can directly help to improve the wellbeing of whole

communities. Improvements in public health flowing from the use of cleaner fuels not only reduces the cost of providing health care and social services, but also contributes to the broader economy by helping to impacts of diminished productivity. Overall, LP Gas rates very highly and gives little or no ground to any others in the table, across all of the features considered to be of greatest importance in a general-purpose fuel. With its intrinsically clean burning characteristics, LP Gas offers a practical avenue towards cleaning up there we breathe. As well as outperforming most traditional fuels, from a health perspective, LP Gas is readily available, convenient and is frequently a lower cost alternative to other energy sources.

**Mônica Cavalcanti Sá De Abreu & Jonatan César Lins (2010)** in their study titled, "A Demographic Analysis of Consumer Environmental Attitudes about Liquefied Petroleum Gas in Brazil", concluded that, consumers think environmental and safety issues related to LPG are important but lack of information on whether or not companies are taking action on these issues. LPG distributors have an opportunity to strengthen consumer relationships by disseminating practical information to the costumer on the handling of LPG. It is of importance for companies to provide positive feedback on a regular basis in Order to show costumers that they really are making a difference. Businesses which seriously consider environmental issues may create a sustainable competitive advantage.

**Vimal Priyan & Karthihaiselvi (2010)** in their study, "Customers' opinion towards Indane gas dealers", found that, most of the customers are of the opinion that there is a delay in providing cylinder. It is suggested that there should be one more dealer so as to distribute gas cylinder quickly. Majority of the customers prefer Indane gas for the reasons like economy, convenience, time saving and cleanliness. As LPG has been moved towards buyers market, the dealer should provide better customers service that his competitors in order to have repeated sales, increased clientele and eventually sustainable development.

**Babasab Patil (2012)**, conducted a study titled, "Customer satisfaction on Bharat gas agencies in Coimbatore", and he concluded that, the gas agency are well established in providing satisfactory after sales services to its customers. By seeing the observations most of the customers are having positive perception towards that particular gas agency and are satisfied with its services such as Availability of Timely and safe delivery, Staff support, Trained Mechanics etc.

#### **STATEMENT OF THE PROBLEM**

The LPG is known to be the most useful and effective energy alternative for domestic, as well as business, use. The fact that it is offers versatile usage at lower costs than other energy sources, accompanied with its environmentally-friendly nature, greatly increases the demand among people. This can sometimes makes some suppliers to charge more than they should. LPG is subsidized by the government in India.

Increase in LPG prices has been a politically sensitive matter in India as it potentially affects the urban middle class voting pattern. Customer oriented market should make sure that there is healthy competition in the market between different companies. This is necessary because in a competitive business environment, not only the companies but also the customers obtain benefits in the form of competitive prices; along with quality services and facilities provided by the LPG gas company. Consumer satisfaction is the basic requirement of modern concept of marketing. It is the basic philosophy of management, which forces the organization to align its actions with the market mandates.

#### **OBJECTIVES OF THE STUDY**

1. To analyze the customer ship profile towards the LPG gas in the Thanjavur District.
2. To measure awareness towards the LPG gas in respect of the booking, usage, economy and safety in the study area.
3. To examine the problems faced by the LPG customers in the study area.
4. To examine the attitude of the customers towards the LPG and their agent in the study area.
5. To identify the expectations of the LPG customers in Thanjavur District.

#### **PROPOSED CONCEPTUALIZED RESEARCH MODEL**

The research takes the demographic factors of the LPG customers, awareness of the customers, attitudes of the LPG

customers, problems faced by the LPG customers, expectations of the LPG customers as the major variables and they are taken as independent variables for analysis. Customer satisfaction and Customer loyalty are the dependent variables. It is studied how and to what extent the independent variables make changes in the dependent variable. The proposed conceptual research model shows the process of research as follows:

### **RESEARCH METHODOLOGY**

The present study is mainly based on primary data. It is a survey because it takes a small part (sample customers) from a large population. (Customers of the LPG). Thanjavur district is the geographical area of the study.

#### **Dimensions of the study**

The present study takes the following dimensions for its analysis.

- Socio-Economic values of LPG customers.
- Awareness of the LPG customers
- Attitude of the LPG customers
- Problems faced by the LPG customers
- Expectations of the LPG customers
- Satisfaction of the LPG customers
- Loyalty of the LPG customers

The dimensions are further split into various sub dimensions.

#### **Hypothesis of the study**

Based on the objectives and the dimensions of the study the following major hypotheses are framed:

- There is significant association between socio-economic values of the customers and awareness of the customers.
- There is significant association between socio-economic values of the customers and attitudes of the customers.
- There is significant association between socio-economic values of the customers and problems faced by the customers.
- There is significant association between socio-economic values of the customers and expectation of the customers.
- There is significant association between socio-economic values of the customers and satisfaction of the customers.
- There is significant association between Customer satisfaction and loyalty of the customers.

The major hypotheses are split into sub hypotheses in the analysis section.

#### **Data used and sources of the data**

The present study takes both types of data i.e., primary data and secondary data. At first, secondary data have been collected from secondary sources such as books, journals, records, internet etc. Then the primary data are collected from the sample customers by using a standard questionnaire.

#### **Population and samples of the study**

Population of the study means the domestic customers of the LPG. In Thanjavur district, there are three LPG

agents of the government companies' viz., Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited and Indian Oil Corporation. Sample customers are considered from the records of the three gas agents. 600 customers (200 from each company) are selected at random. Care has been taken to include all types of domestic customers of the LPG.

### **Analytical Tools**

Apart from the percentage analysis, the study utilizes chi square test, ANOVA, correlation analysis, multiple regression, factor analysis, Neural Network method and tree Structured Analysis for analyzing the data.

### **FRAME WORK OF ANALYSIS**

The data collected is classified and analyzed keeping in view, the objectives of the study. For the purpose of analysis the statistical tools like Chi-Square Test and Ranking Techniques are used. The analysis of the data consists of the parts. The first part of analysis concerned with the analysis of profile of the respondents. The factors such as age, gender, educational status, occupational status, size of the family, monthly income are analyzed with the help of simple percentage method. In the second part, the consumption pattern of LPG gas are analyzed by finding out the relationship of socio-economic factors such as age, gender, educational status, occupational status, size of the family, monthly income, and the level of satisfaction of the respondents consumption pattern towards LPG gas.

For this Chi-square test has been applied. The factors influencing the consumption pattern of LPG gas such as sources of awareness, LPG dealers, period of usage, additional connection facility, second cylinder facility, and purpose of usage of LPG gas, average consumption, and brand awareness are analysed by applying simple percentage method.

### **LIMITATIONS OF THE STUDY**

The present study has the following limitations:

1. The study takes domestic customers of the LPG of the government gas companies. Commercial and industrial customers are not covered in the study.
2. As the study covers a small geographical area (Thanjavur district), the findings may not be applicable to metro cities.
3. The perception, awareness, satisfaction and attitude of the customers towards the LPG may change in passage of time.

### **FINDINGS OF THE STUDY**

- The awareness about the LPG is very high as the 98% customers timely get the information about the scheme.
- The satisfaction about the services provided by the company, distributors, banks, Government and the helpline is very high. The overall satisfaction of the LPG Domestic customers is also high.
- The LPG utilization hours per day depends on the consumption of the family, which states the increase in



family members may eventually increase the consumption of LPG and Vice versa.

- The reason for purchasing LPG is not related with Age group, which state that the reason for purchasing LPG is not motivated by Age factor; it may be motivated by other personal factors like, family members, income, and education.
- There is significant relationship between the satisfaction level on price of LPG cylinders and Customer preference on purchasing the product.

## CONCLUSION

"The customer is always right" is a famous business slogan. The underlying truth behind this statement is realizing that, the customers are the life blood for any business. In this competitive environment, quality service has become the secret of success in all service sectors. Quality service means, it is absolutely to satisfy the customer needs. Keeping this in mind, this study has been conducted at Thanjavur District to identify the customers' attitude and satisfaction towards the domestic LPG services. The findings of the study depict that the customers has faced the irregularity of price increase and delayed supply of LPG gas cylinders. It is suggested that the LP gas companies should take some necessary action to improve their service quality by the way they can introduce some more dealers in all the places. By seeing the overall customer service and the performance of the company, the results indicate that the consumers have positive attitude

towards referring others to buy the LPG. This study emphasizes that the company needs to improve in customer care area, proper communication while booking and delivery through short message service (SMS). Gas Companies should understand the importance and needs of the customers. It is essential for a healthy business in creating new customers, keeping loyal customers, and developing referrals for future customers.

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## IMPROVING QUALITY IN BUSINESS PROCESS OUTSOURCING THROUGH TECHNOLOGY

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### ABSTRACT

*Introduction - Quality Framework in BPO- Various Quality Dimension in BPO - we identify the quality structure of BPO and distinguish the unique quality characteristics that are different from the traditional service industry. The quality structure includes the major quality measurement criteria, which BPO buyers should consider and BPO service providers should be focus on when offering their services. In conclusion, technology enhances the value of BPO from perspectives of enabling and leveraging the values of standardization, automation, integration, flexibility and innovation.*

*To both BPO service providers and customers, quality and technology are two equally important elements which need to be concerned carefully. A quality framework of a BPO service including seven quality dimensions: reliability, tangibility, conformance, responsiveness, flexibility, assurance and security, and four quality enablers: standardization, integration and automation, innovation.*

### INTRODUCTION

Sufficient evidence shows that Business Process Outsourcing (BPO) is growing rapidly. Technological and communication advances help realize the wide-spread adoption of BPO, due to their quality and cost improvements. Technology applied in BPO through the adopted software, applications and platform has a substantial long-term impact on the whole process, affecting the quality, cost and associated risks of the operation of outsourced activities.

BPO is an important branch and trend of outsourcing. Many corporations, like Dell, AIG, IBM and Citi Group, have been using BPO and leveraging the larger scale of outside service providers to cut costs, improve process quality and speed time to market. Also, many IT

service vendors, like IBM, EDS, Accenture, and SAP, have integrated BPO services into their systems and models.

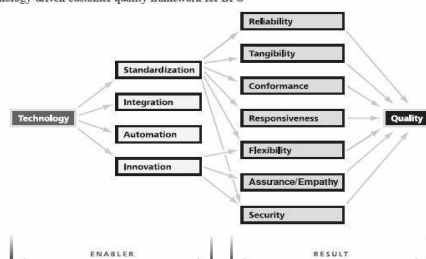
BPO started with non-core processes and is now moving towards more critical applications. It has boomed with call centers and customer support processes, and now is happening with software development, Human Resources (HR), Finance and Accounting (F&A), training, payroll, and procurement. The trend is moving beyond the outsourcing of typical back-office functions into middle-office functions. BPO is catching up with industries like medical transcription, animation production, and even disaster recovery management systems. Moreover, it is not just India or the Philippines that are booming with BPO. Central & Eastern Europe's markets are also.

BPO is growing rapidly at a compound annual rate of 10.9%. Moreover, nearly all processes outsourced are highly IT intensive. The sustainable success of any BPO process depends on technology. Applied BPO technology, like the adopted software, applications and platform, have a substantial long term impact on the whole process, affecting the quality, cost and associated risks of the operation of the outsourced activities. Technology directly drives the process automation through workflows, paperless document management and online interactive.

The right technology enables the balance of personalization and standardization of the outsourced activities, creating the capacity to design processes that suit the specificities of each client, while maintaining a standardization level that enables sustainable long term advantages for both the provider and clients. Technology affects the level of integration between the BPO buyers and the service provider.

To construct a pragmatic service quality framework for the BPO industry, we borrow the European Foundation for Quality Management Excellence Model (EFQM), which divides the quality criteria into enablers and results. Hongyan Li and Joern Meissner: Improving Quality in Business Process Outsourcing through Technology.

Technology-driven customer quality framework for BPO



**QUALITY FRAMEWORK IN BPO**

**Related research on service quality**

It is difficult, however, to measure service quality due to three unique natures of services: intangibility service cannot be measured, counted, inventoried, tested and verified in advance of sale; heterogeneity the consistency of service from a personnel is difficult to measure; and inseparability the difficulty in separating consumption from production.

Table 1 Dimensions of Quality [Source: Ma et al. (2005)]

Framework	Dimension	Definition
Product quality (Garvin (1987))	1. Performance	Primary operating characteristics
	2. Feature	Supplements to basic functioning characteristics
	3. Reliability	Does not malfunction during specified period
	4. Conformance	Meets established standards
	5. Durability	A measure of product life
	6. Serviceability	The speed and ease of repair
	7. Aesthetics	How a product looks, feels, tastes and smells
	8. Perceived quality	As seen by a customer
Service Quality (Parasuraman et al. (1991))	1. Tangibility	Physical facilities, equipment and appearance of personnel
	2. Reliability	Ability to perform the promised service dependably and accurately
	3. Responsiveness	Willingness to help customers and provide prompt service
	4. Assurance	Knowledge and courtesy of employees and their ability to inquire trust and confidence
	5. Empathy	Caring, individualized attention the firm provides gives its customers

BPO shares various features with IT outsourcing and is highly technology dependent. The quality research on IT/IS outsourcing and ASP are the most relevant to the BPO industry. outsourcing involves the quality expectations of both the service provider and the service receiver, and that service quality is measured with tangibility and reliabilities. There are seven factors to measure service quality: features, availability, reliability and assurance, empathy, conformance and security.

E-learning is “the use of technology to manage, design, deliver, select, transact, coach, support and extend learning” The development and implementation of a course must involve several technically proficient people or a programming expert. The growing concern among senior management

regarding the recruitment and retention of talent in the organization. Innovation, integration, and attention to detail are key factors to a quality Human Resource Recruitment Process (HRRP). Most companies' human resource departments spend only 10% of their time on the acquisition of talented recruits; in contrast, HRRP providers are dedicated to enhancing the process by creating access for their clients to the most talented applicants

**Example:** Price water house Coopers Instead of simply sourcing and screening candidates as recruitment agencies do, a full HRRP service covers an end to end recruitment process.

## VARIOUS QUALITY DIMENSION IN BPO

BPO service quality is the degree and direction of variation between the service receiver's expectations and perceptions. Operational excellence, product/service leadership and highly effective client relationship management are keys to assuring superior service delivery. The service provider must have a clearly defined service vision in line with outsourcers' priorities and hones on creating measurable values".

### 1. Reliability

Reliability is how to manage the outsourcing relationship, assuring the successful service delivery after the deal is signed and the outsourced process activities are in operation. The success of outsourcing is heavily dependent on the reliability of the service a service provider provides.

### For Example:

In Human Capital Management, the finalized and easy-to-use results should be available. A full HRRP service begins with the job requisition through hiring the new employee, including: information collection and applications management, candidate sourcing (internally and externally), recruitment agencies management, screening, interviewing and testing, reference checking, offer and contracts management, on-boarding and even any needed initial training.

- ❖ In outsourced E-Learning activities, customer expectations include:
- ❖ Service providers will deliver promised service by a certain time;
- ❖ Accurate learning resources and tools are delivered;
- ❖ Sufficient capacity is provided to record the learner's learning history;
- ❖ The speed and effects will not be impacted by the amount of the users;
- ❖ When customers have a problem, excellent service providers will resolve the issue as soon as possible.

### 2. Tangibility

Tangibility includes the physical evidence of service. Technology is the first visible quality feature in BPO. Technology adds to the BPO quality and success by making the operations more visible by different views suited for different role-based levels in the client's organization, e.g. operational vs. managerial vs. strategic and planning level.

For example, in outsourced E-Learning activities, cutting-edge

technology is one of the critical factors in matching the learning architecture a company needs to provide. When delivering the learning system to a business, the service providers' technology choices should bear in mind the existing technical infrastructure and the needs and skill levels of the employees who will work with whatever products and systems are chosen.

Other customer expectations include:

Physical advances - global expertise in the course relevant field;

- Assessment tools - diversity should be provided, etc.;
- Courses - well designed and structured;
- Easy to apply - a competency model that really works;
- Comprehensive - covers all job descriptions and management levels;
- Automated - most of the analysis can be automated using online assessment tools.

### 3. Responsiveness

Responsiveness concerns the willingness or readiness of employees to provide service. Providers cannot escape errors at any stage of BPO service, so the ability to discover errors swiftly and track down their causes are important. This will result in the quick operation restoration, and thereby increase client satisfaction due to minimum interruption and early discovery of problems.

Using outsourced E-Learning process as an example, other customer expectations include:

- ❖ When a break-down happens, an excellent E-Learning service provider should be able to resolve it promptly;
- ❖ Specific individuals should be available to provide help on any application problems.

### 4. Conformance

Conformance is the degree to which the design and operation of an application of service meets its established standards. Although BPO is usually considered service first, it is actually providing applications to organizations. Any outsourced business process involves some specifications which are usually restricted by a contract. The BPO activities should align the outsourcing objectives with the appropriate contract reviews, performance monitoring and measurement systems.

BPO governance should be built around a partnership to support the increasing dependency between the client and the service provider. Such a trusted provider/supplier relationship would revolve around open communication, fairness and the belief in mutual benefit and interdependence. The conformance performance in BPO involves how the provider is able to align his activities with the evolving goals of the client.

For example, in the HR Recruitment process, the governance team should not only control the cycle time or the cost-per-hire but more importantly, the new-hire efficacy and turnover. Quality in the recruitment process does not end with the hiring step but would also measure how the newly hired employee

fits the job, and how the selection was accurate, reliable, and effective.

For the aspect of conformance, the clients of the E-Learning Process Outsourcing service often have the following expectations:

- ❖ The excellent e-learning service providers understand the specific needs of their customer (learners);
- ❖ The learning process should be more efficient and effective comparing with the legacy system or content;
- ❖ The learning activity is more pleasant.

### **5. Flexibility**

Quality is not only delivering the service but consistency in delivery. BPO contracts are relatively long termed, between 3 and 7 years, and the clients' requirements and needs frequently change. In order to achieve sustainable quality, BPO service providers need to cope with scope or scale changes including clients' organizational restructuring, flexibility is one of the important qualities of BPO service.

BPO agreements should be designed to allow for adaptability. Contracts should enable elements to evolve and adapt to organizations' service level requirements. Quality entails service providers to proactively enhance value, this is an element of being customer focused and aligned to clients' strategic needs. In addition to day-to-day operations, the service providers should engage in frequent benchmarking and innovation for their own processes to be able to cope with the increasing quality demands while maintaining their efficiencies and

economies of skill and scale to drive long-term profitability. While the BPO relationship should be built on partnership, the contracts must be built with the view of the possibility of a breakup, in case of re-sourcing the processes back in-house or move to another BPO provider. The challenge also comes from the change in outsourcing from just operational cost cutting into a strategic way to drive corporate performance and competitiveness.

Outsourcing, especially in the process of HR-Recruitment, provides flexibility to the organization's staffing function. For example; flexibility reflects the ability of BPO service provider to adapt to their clients' seasonal peaks, and scale to maintain their service metrics, like time-to-fill and costperhire, even at times of talent shortages.

In E-Learning Customer expectations include:

- ❖ Flexible learning forms and time should be available;
- ❖ Advanced Learning management system is very important;
- ❖ Dynamic systems that is easily adapted to fit organizational change.

### **6. Assurance and Empathy**

Assurance and empathy are both client focused quality criteria. Assurance is reflected by the knowledge and courtesy of employees and their ability to instill trust and confidence. Empathy is the degree of individualized attention the service provider gives its customers. Assurance and empathy help improve the perceived service quality, customer value and customer satisfaction. In a

HRO deal, the buyer and the provider can hold a monthly virtual meeting between senior managers to measure the each side's satisfaction.

Based the perspective of assurance and empathy, quality BPO service should support the increasing dependency between the client and the service provider. In addition, quality BPO service requires that the service provider has formal systems and procedures to consistently fulfill the requirements of different customers and deliver services to the agreed service levels. Other customer expectations include:

- ❖ Providing effective customer training and education programs;
- ❖ Sharing work practices and problem solving approaches with their clients;
- ❖ Deploying more staff to improving the functions of the system;
- ❖ Helping customer in strategic planning and setting proper expectations;
- ❖ Detailed fee-for services, no hidden costs, etc.

## 7. Security

BPO service has to guarantee the security of the customer business. Concretely, the quality of security should be analyzed from the following aspects:

- ❖ Confidential data and information;
- ❖ Security auditing;
- ❖ Encryption and anti-virus protection;
- ❖ Secure physical environment.

## ENABLING QUALITY BY TECHNOLOGY

The ability of the service provider to deliver quality service beyond the

expectation of the outsourcing firm has a significant impact on the success of BPO. Technology plays an important role in improving quality performance in BPO during the entire BPO life cycle . Technology allows the rapid development of various ready-to-use best-practice templates that suits most needed business processes.

Figure 2 BPO service life cycle



Technology could allow for a smooth, efficient transition of data, processes and knowledge and real-time documentation updates. By enabling and leveraging the values of standardization, automation, integration and innovation, technology impacts BPO and enhances the value of BPO.

## Standardization

For the BPO provider, technology impacts the service quality through affecting the ability to standardize. Providers cannot drive any standardization strategy without having a standard technology; a uniform platform that empowers his standardization activities, For the BPO clients, technology accommodates the exceptions related to the language or the country specific rules and laws with the ability to satisfy the country-specific requirements and dissimilarities. Thus, allowing the company to have a uniform standardized process execution throughout all the different divisions, units, and countries.

The right technology enables the balance of personalization and standardization



of the outsourced activities, creating the capacity to design a process that suits the specificities of each client, while maintaining a standardization level that enables sustainable long term advantages for both the provider and the clients. The standardization reduces the complexity of operations, and thus, helps in reaching higher reliability, responsiveness and conformance.

Analytic data with all personal and company identifiers are removed. For example, companies can contrast their head count cost, their training budgets, their hiring costs and turnover. Technology enables the decentralized execution on the entire business or inter-country level while ensuring the high quality through the centralization of the standardized process blueprint.

### **Integration**

Technology allows an accurate and centralized consolidation of candidates' information gathered from various sources. The integration between the different outsourced processes is easy, neat and tight, and the same for integration with the retained in-house processes and systems. Evolving technology is providing this kind of support integration. The industry is moving forward to embed web services and Service Oriented Architecture (SOA) into solutions offering, in addition to supporting standard technologies like Business Process execution Language (BPEL).

Quality in BPO is often linked to how the service provider can offer an integrated system on which the client

processes will run. An integrated system approach ensures greater leverage of the potential of automation and streamlined workflow across different processes. A fully integrated system also ensures a sustainable quality for the BPO buyers, maintained throughout systems deployment, maintenance and upgrades.

### **Automation**

Standardization and centralization facilitate and leverage another driver for quality called automation. Technology directly drives the process automation through workflows, paperless document management and online interaction. Technology can automate change requests through real-time workflows that make process governance more effective and more efficient. Another effect of applying technology to the BPO process control is the remote monitoring and supervision of the outsourced activities execution. Through automation, technology facilitates this control mechanism, making the process steps clearer.

Automation not only speeds the process and decreases cost, but also delivers a more secure and agile service with an enhanced quality of process and new-hires. Automation transforms processes from the inefficient batch process flow into a synchronized real-time flow. It provides quicker access to accurate and real-time information through streamlined data routing, thereby increasing the quality of decision making.

The impact of automation is also evident in the HR-Recruitment process. For example, the job requisition process

is totally automated through different workflow routes which include:

- Direct online job definition by the hiring manager;
- Candidate pool screening and skill mining;
- Existing and new candidates' data flows directly to and from the candidate pool database;
- Testing, assessment and sometime background checks by third party providers.

In general, organizations can leverage the technologies of automatic data extraction and data mining techniques provided by service providers to reduce the HR recruitment cycle, increasing its accuracy and reliability, and hence, the quality of the recruitment outcome. In summary, the effect of process automation is the reduction in the frequency of errors, and improvement in error detection and correction. This improves the reliability and accuracy of the process outsourced and adds to its perceived quality.

### **Innovation**

Though innovation was never a main driver for outsourcing, many buyers now perceive innovation as one of the biggest advantages of outsourcing. Technology drives innovation and business processes adoption directly, such as the development of different internet tools. Technology enables innovations like intelligent collection, analysis, and mining of information to create better visibility, which in turn creates competitive advantage. Recently, in HR management, innovations have

been created and applied, such as corporate blogs used as a recruitment marketing tool in the recruitment trends of sharing information with candidates. Another example is Really Simple Syndication (RSS), an innovative technology to publicize current vacancies to potential candidates.

Innovation would lead to higher levels of quality. Newly created innovation supports a continuous increase in operational efficiency by allowing easy adoption of changes in processes through the high level of personalization and configuration options. An example of technological innovation that will affect the BPO quality is the use of Wiki web technology that enhances the quality of data support and knowledge management processes. Another example is the advancements in Interactive Voice Response (IVR) and voice recognition technologies. The service reliability of contact centers will increase dramatically by adding the feature of human dialogue, while achieving the economical gains of IVR.

In the HR-Recruitment process, innovative practices improve the quality of the recruitment process. Many, if not all, of the BPO providers offer data mining techniques to automate the initial screening process, by intelligent matching of the vacancies' requirements with the candidates' skill information.

### **Conclusion**

This study developed the theoretical dimensions of service quality for the BPO industry and explored how technology affects these quality factors. Technology

is a main enabler of BPO and a major factor of its Improving Quality in Business Process Outsourcing through Technology success. The effect of technology in BPO is built upon standardization, integration, automation and innovation. These factors not only drive and maintain but also improve the reliability, tangible, and conformance, responsiveness and flexibility, security along the whole of process activities.

Therefore, this study provides the quality factor and standards driven by technology when selecting a BPO service provider. However, the quality dimensions and quality enablers discussed above are not exhaustive and overlapping exists among them.

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## THE INFLUENCE OF GREEN MARKETING ON CONSUMER PURCHASE BEHAVIOR SPECIAL REFERENCE TO THANJAVUR DISTRICT

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### ABSTRACT

*As the ecological issues are getting worse, the consumers' concerns about the environmental protection have led to the diversification in consumer buying approach towards a green lifestyle. Therefore, firms are taking action to develop potential ecological approaches in the green market industry. Green marketing and green product development are useful techniques that are used by firms to increase competitive advantages and stand a chance of gaining the satisfaction of consumers in order to achieve the firm's mission and vision. Green marketing and green product development have various benefits to firms in terms of increasing the sustainable environmental benefits and to increase the awareness of brand image of the firm. This study focuses on the concept of green marketing and green product development, the different consumer consumption in regards to green marketing and green product development, and lastly examines the problems that firms have faced when they have failed to implement green marketing and green product development.*

**Key Words:** *Green Marketing, Environmental Awareness, Green Product Development, Green Consumer, Green Purchasing Behavior.*

### Introduction

The green movement has been expanding rapidly in the world. With regards to this consumers are taking responsibility and doing the right things. Consumer awareness and motivation continue to drive change in the marketplace, notably through the introduction of more eco-friendly products. Compared to consumers in the developed countries, the Indian consumer has much less awareness of global warming issues. Successful marketing has always been about recognizing trends and positioning products, services and brand

in a manner that supports buyer intentions. Today, "Green" marketing has moved from a trend to a way of doing business and businesses that sell should recognize (a) the value of going green and (b) incorporating this message into their marketing program and communicating the green concept to their consumers.

### Green Marketing

Different authors provided different meaning of green marketing. According to Chaudhary, Tripathi, and Monga (2011) the term of "green marketing"

first revealed in the late 1970s. American Marketing Association (AMA) defined it as “ecological marketing”. Green marketing consists of a wide range of business activities which intends to satisfy customers’ needs and wants, as well as diminish the negative impacts on the natural environment. Unfortunately, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourist" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact [May 1991, Ingram and Durst 1989, Troumbis 1991].

### **Green Product Development**

The efficient green product development played an important role in the green marketing strategy. It can help the firms and economies move swiftly towards a sustainable environment. Green product development emphasizes “end of pipe technology” where the firms are aware of ecological issues through process of production and product design (Chen, 1994). In particular, Chen (2001)

discovered that the product designed to minimize the use of non-renewable resource, avoiding toxic materials, and renewable resource during its whole life-cycle would be the most effective manner to display green technological development. Most firms acknowledged integrating environmental laws and regulations such as Registration, Evaluation and Limitation of chemical substances into the process of green product development; hence it can reduce the hazardous risk to the environment while satisfying the consumers’ expectation on green consumption Green product development encompasses food safety concern, label, and price; it may affect the consumers’ buying behavior of green products (Bing, Chaipoopirutana, & Combs, 2011).

### **Green Consumer**

Consumer behavior has been illustrated as the actions of consumers who identify a need or want, searching for information, buying, using, giving feedback on the products and services in order to fulfill their desires (Vyas, 2009). In 20th century, most markets clearly understand the actual behavior, factors, and objectives of the consumers’ buying approach by aiming for the use of environmentally friendly marketing. Due to the detrimental impacts on natural environment, green marketing activities have been a popular tool that used by many firms, and these events caused a shift in consumers’ buying approach towards green products (Cohen, 1973). Therefore, most consumers have adjusted to the concept

of “green consumers” who were aware of the importance of preservation and protection of the natural environment as well as seeking for eco-friendly products as their demand of green consumption grows (Peattie, 2001). Further to this information, Boztepe (2012) emphasized that the green consumers would stop consuming any harmful product which may affect their health, involves torture of animals and causes damage to the environment during production process, disposal or use. Lot of marketers may choose to enhance the consumers’ consciousness of environmental problems by using marketing ploys to get them involved in social charities which motivate the consumers’ to move from conventional products to eco-friendly products (Golkanda, 2013).

### **The Relationship between Green Marketing and Consumer Purchasing Behavior**

The marketing mix includes product, price, promotion, and place (4P’s). The elements of marketing mix in green marketing are essential for marketers to use to achieve the firm’s objectives. According to Young, Hwang, McDonald, and Oates (2010), there are 30% of consumers stated that green products must be energy-efficient, aid in water conservation, be safe in regards to the environment during the process of manufacture, use and disposal. The hazardous content of a product may affect the consumers’ purchasing decisions; hence the manufacturers tend to produce the products which are eco-friendly to satisfy the demand of green

consumers. There are international firms that use green marketing to produced hybrid cars that purposely aim to balance the demand of the firm’s revenues with the firm’ responsibility to reduce the environmental impacts of pollution. For instance, Toyota produces Prius which offers several desirable benefits for consumers and the natural environment (Halbright & Dunn, 2010). Prius has an environmental engine which includes emission-reducing gasoline, so it can decrease the emission of carbon dioxide and nitrogen dioxide in to the atmosphere; lower emissions will result in to a positive impact on the environment, lowering the pollution emitted in to the atmosphere. If enough people were to buy a Prius, it could be argued that it would have a large impact on global warming, but the sale of one of these cars will not solve the problem (May, Cheney, & Roper, 2007). Due to the price of fuel increasing, Toyota produced Prius which can save cost in fuel, which can be a positive factor if many consumer’s opinions. Consumers who have strong environmental concerns, such as considering the environmental claims and safety to the environment, will likely result in ecologically conscious buying and use of a hybrid car (Balderjahn, 1988). It could be said that Prius satisfy the demand of the consumers for an eco-friendly product. As a consequence, the consumers expressed great satisfaction towards the eco-friendly product; it builds up a positive judgment towards Toyota Corporation and the consumers were

likely to trust the reliability of the Toyota's products.

### **WHY ARE FIRMS USING GREEN MARKETING?**

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

- Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990];
- Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990];
- Governmental bodies are forcing firms to become more responsible [NAAG 1990];
- Competitors' environmental activities pressure firms to change their environmental marketing activities [NAAG 1990]; and
- Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior [Azzone and Manzini 1994].

### **Review of Literature**

**Karna, J., Hansen, E. & Juslin, H, (2003)** interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically

connected to each other as hypothesised according to the model of environmental marketing used to guide this study.

**Oyewole, P, (2001).** In his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

**Prothero, A & Fitchett, J.A, (2000)** argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principal agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

**Prothero, A, (1998)** introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

**Kilbourne, W.E, (1998)** discusses the failure of green marketing to move beyond the limitations of the prevailing

paradigm. The author identifies areas that must be examined for their effect in the marketing / environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

#### DATA ANALYSIS AND INTERPRETATION

**Table 1. Gender wise Classification of the Respondents**

Sl. No.	Gender	No. of Respondents	Percentage
1	Male	270	50
2	Female	270	50
<b>Total</b>		<b>540</b>	<b>100</b>

Source: Primary data

From the above table it is inferred that 20% of the respondents are male and 50% of the respondents are female.

**Table 2. Marital Status wise Classification of the Respondents**

Sl. No.	Marital Status	No. of Respondents	Percentage
1	Unmarried	266	49.3
2	Married	153	28.3
3	Married and have children	121	22.4
<b>Total</b>		<b>540</b>	<b>100</b>

Source: Primary data

From the above table reveals that marital status of the employees (266) 49.37% are unmarried. Out of 540 respondents (153) 28.3% are married and 22.4% of the respondents are married and have children.

**Table 3. Age wise Classification of the Respondents**

Sl. No.	Age	No. of Respondents	Percentage
1	16-35	374	69.3
2	36-45	116	21.5
3	46 years old or Over	50	9.3
<b>Total</b>		<b>540</b>	<b>100</b>

Source: Primary data

From the above table it is inferred that 69.3% of the respondents are 16–35 years. 21.5% of the respondents belong to the age group of 36–45 and the remaining 9.3% of the respondents belong to the age group of 46 year and above.

**Table 4. Qualification wise Classification of the Respondents**

Sl. No.	Education	No. of Respondents	Percentage
1	HSC	128	23.7
2	UG/Diploma	196	36.3
3	PG / Professional Degree	216	40
<b>Total</b>		<b>540</b>	<b>100</b>

Source: Primary data

The study reveals that (128) 23.7% respondents out of 540 Higher secondary. The remaining (196) 36.3% respondents are UG / Diploma and (216) 40% respondents are PG and professional Degree.

**Table 5. Income wise Classification of the Respondents**

S. No.	Monthly Income	No. of Respondents	Percentage
1	Up to 10000	174	32.2
2	10,000-20,000	220	40.8
3	Above 20000	146	27
<b>Total</b>		<b>540</b>	<b>100</b>

Source: Primary data



The study reveals that (174) 32.2% of respondents are have up to 10000 monthly income, (220) 40.8% respondents are have 10000 to 20000 monthly income and remaining are have above 20000.

- As result of correlation analysis conducted to determine the relationship between; Environment awareness and green purchasing behavior, a positive significant relation was found. ( $r=0,235$ ;  $p=0,000<0,05$ ).
- Green price and green purchasing behavior, a positive significant relation was found. ( $r=0,270$ ;  $p=0,000<0,05$ ).
- Green product features and green purchasing behavior, a positive significant relation was found. ( $r=0,328$ ;  $p=0,000<0,05$ ).

In this respect, H1, H2 and H3 hypothesis were accepted.

### **Impact of Gender on Purchasing Behavior**

Regression model conducted in order to test exposure level of green purchasing behavior from green marketing for

- Female consumer was statistically significant ( $F=12,220$ ;  $p=0,000<0,05$ ).
- Male consumer was statistically significant ( $F=19,715$ ;  $p=0,000<0,05$ ).

In this respect, while green promotion, environment awareness, green price, green product features affect green purchasing for male consumers, for female consumers only green promotion affect purchasing behavior. H5 hypothesis was accepted. Gender has a moderator effect on model.

### **Impact of Marital Status on Purchasing Behavior**

Regression model conducted in order to test exposure level of green purchasing behavior from green marketing for;

- Unmarried consumer was statistically significant ( $F=13,267$ ;  $p=0,000<0,05$ ).
- Married consumer was statistically significant ( $F=8,330$ ;  $p=0,000<0,05$ ).
- Married and having children consumer was statistically significant ( $F=6,179$ ;  $p=0,000<0,05$ ).

In this respect, while only green promotion affect green purchasing for unmarried consumers and only green price affects green purchasing for married consumers, for married costumers having children, only green product features affect green purchasing. H6 hypothesis was accepted. Marital status has a moderator effect on model.

### **Impact of Age of Purchasing Behavior**

Regression model conducted in order to test exposure level of green purchasing behavior from green marketing for;

- Consumers on 16-35 age group was statistically significant ( $F=18,613$ ;  $p=0,000<0,05$ ).
- Consumers on 36-45 age group was statistically significant ( $F=10,268$ ;  $p=0,000<0,05$ ).
- Consumers on 46 years old or over age group was not statistically significant. ( $F=1,961$ ;  $p=0,117>0,05$ ).

In this respect, while environment awareness, green product features and green promotion affect green purchasing for consumers in 16-35 age group and

green price and green promotion affect green purchasing for consumer in 36-45 age group, for consumer that are 46 years old or over, only green promotion affect green purchasing. H7 hypothesis was accepted. Age has a moderator effect on model.

### Findings

- ❖ The firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing.
- ❖ It is found that only 5% of the marketing messages from Green campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims.
- ❖ Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats.
- ❖ The investors and corporate companies need to view the environment as a major long-term investment opportunity; the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. The corporate should not expect huge benefit for implementing Green Marketing immediately.
- ❖ Green marketing is focusing on customer benefits i.e. the primary

reason why consumers buy certain products in the first place. If the green products are priced very high then again it will lose its market acceptability Lal B. Suresh, (2010).

### Conclusion

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity to enhance your product's performance and strengthen your customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities. Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it.

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## BUYER BEHAVIOUR TOWARDS ELECTRONIC GOODS A CASE OF THANJAVUR DISTRICT

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### ABSTRACT

*Day by day with growing needs and importance, the buying behavior of consumer is changing rapidly. In the overall population, in this study, we divided the consumer groups in to three categories based on significant growth in recent years. The categories are upper class, middle class and below middle class based on their financial status .consumer attitude also studied based on need, information search, evolution of alternatives, purchase decision and purchase behavior here we tried to explain broadly on Select items.*

**Key Words:** *electronic device system, attractive factor*

### Introduction

The consumer electronics industry has growing every day and witnessed a unique growth over the past few years. This growth can be attributed to the increasing effect of state of the art electronic devices on the market. The consumer electronics industry is ushering in the dawn of Convergence. It is the confluence and merging of hitherto separated markets of digital based audio, video and information technology, removing entry barriers across the market and industry boundaries. This convergence of technologies has resulted in a greater demand for consumer devices, be they portable, in-home (mobile phones, digital camera) or in-car (DVD players), offering multiple functions fort) on consumption related items (what they buy, why they buy, When they buy, Where they buy, How

often they buy and use a product or service).

With the increasing disposable income population, their percapita consumption of electronic goods and other products is increasing. They are desirous of improving their standard of living with the hygienic and reasonably high quality products and get ride of the spurious and sub- standard products being supplied to them. They deserve quality products, correct information about a product and a door step delivery. It is remarked that the markets were developed not because of the initiatives of Indian marketers but the "PULL" from the consumers consuming system itself.

Marketing manager who intend to develop the markets have to consider and examine distribution logistics, location, concentration of demand, dealers attitude and motivation, consumer motivation

and buying habits and organizational alternatives identification selection of target markets should be taken in developing marketing mix. Once this is completed appropriate product mix strategies should be developed. It is a usual practice with many markets to sell the same production the markets. This policy does not yield good results. Appropriate changes in tangible and intangible features of the product should be made. The price mix is another critical marketing decision area. The price should tally with the ability to pay by the marketers. Appropriate adjustment should be necessarily made in quantity size packages etc. A different approach is needed for the markets to find a solution to distribution problems and promotion problems.

Alternative distribution channels and method of promotional programmes are to be devised. Branding and packaging are important tools used in markets.

### **Statement of the Problem**

India's electronic device system industry depends heavily on domestically produced circuits. The competitiveness of India's electronic device system sector is adversely impacted by an inadequate domestic supply of quality electronic items.

Another major weakness of the Indian electronic device system sector is a lack of product specialization which, along with a limited electronic base, has restricted India's production and exports to low value-added goods. These are the research problems of the present paper.

### **Objectives of the Study**

1. To analyze the demographic factors towards the customers of the electronic products
2. To examine the relationship among age and gender of the customers of the electronic products with their overall satisfaction.

### **Research Methodology**

This is a sample survey that takes the samples from the large population to study the characteristics of the population. This study takes the buyers of electronic products as the population and 200 samples were selected as per the convenience sampling technique. A well defined questionnaire was used to collect the opinion of the consumers of the electronic products. A 5 point Likert's scale is used to measure the satisfaction. Chi square test is used with the help of software (SPSS, version 16) to test the hypotheses.

### **Demography of the samples**

The sample customers consist of the following features: Gender: [male – 115, female – 85]. Age: [Below 20 age - 40 customers, 20-30 age – 77 customers, 30-40 age– 46 customers, 40-50 age – 21 customers and above 50–16 age customers].

### **Analysis of data**

The data were put in the relevant tables and then the percentage analysis was made. Finally, chi square test was used to test the hypotheses.

**Table 1**  
**Attractive Factors**

Sl. No.	Attractive Factors	No. of Respondents	%
1.	Quality	86	43
2.	Performance	26	13
3.	service	16	8
4.	Offers	60	30
5.	Sellers' approach	12	6
	Total	200	100

**Source:** Primary data

Form the above table it is clear that the quality is the attractive factor that has majority of the customers (43 %). At the same time, offer is the next factor (supported by 30 % customers) that gives utmost attraction to them. Performance, service and seller's approach (least support i.e., 6 percentage) are the other factors.

### TESTING THE HYPOTHESES

#### Null hypothesis (H<sub>0</sub>)

There is no significant relationship between age of the customers and overall satisfaction towards the electronic products.

**Table No. 2**

#### Age of the customers and overall satisfaction

Age	Satisfactory Level of the customers					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Below-20	9	13	10	6	2	40
20-30	35	21	15	5	1	77
30-40	9	16	10	8	3	46
40-50	4	8	5	2	2	21
Above-50	6	4	4	2	0	16
Total	63	62	44	23	8	200

### Chi-square test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.738	16	.282
Likelihood Ratio	19.418	16	.248
Linear-by-Linear Association	.319	1	.572
N of Valid Cases	200		

Degrees of Freedom = 16

Chi Square Value = 18.738

Table Value = 19.418

At 5% level of significant.

Since the calculated value is less than the table value, the null hypothesis is accepted. Hence there is no significant relationship between age of the customers and overall satisfaction towards the electronic products.

### TEST - 2

#### Null hypothesis (H<sub>0</sub>)

There is no significant difference between gender of the customers and overall satisfaction towards electronic products.

**Table No. 3**

#### Gender of the customers and overall satisfaction

Gender	Overall Satisfaction of the customers					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Male	38	33	11	21	12	115
Female	30	26	13	8	8	85
Total	68	59	24	29	20	200

**Chi-square test**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.160	4	.385
Likelihood Ratio	4.271	4	.371
Linear-by-Linear Association	.806	1	.369
N of Valid Cases	200		

Degrees of Freedom = 4

Chi Square Value = 4.160

Table Value = 4.271

At 5% level of significant.

Hence is it understood that the calculated value is less than the tabular value, there for null hypothesis (H<sub>0</sub>) is accepted. There is no significant difference between gender of the customers and overall satisfaction.

**Findings**

- The quality is the attractive factor that has majority of the customers (43 %). At the same time, offer is the next factor (supported by 30 % customers) that gives utmost attraction to them.
- There is no significant relationship between age of the customers and overall satisfaction towards the electronic products.
- There is no significant difference between gender of the customers and overall satisfaction towards the electronic products.

**Conclusion**

The customers have been attracted by the quality of the electronic devices very much. At the same time, it is essential to maintain good service system and offer attractive discounts

also. The sector is full of competition so that it is necessary to adopt effective sales promotional campaigns to retain the existing customers and attract new customers.

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## CONSUMER PREFERENCE ON ONLINE PURCHASING: AN ATTITUDINAL SURVEY IN TRICHIRAPPALI DISTRICT

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### ABSTRACT

*In Today's era, technology is performing the main task for joining the people with company for purchasing of products or services. Online shopping is providing all the information about the product and services available anywhere around the world and it can be opened for 24/7. Therefore, organizations have focused on online facilities for selling and buying of products and services. While selling online, there should be focus on consumer preferences because it has changed in terms of choices, quality, services, selling and buying. The main reason behind this is that, most of the people are connected with internet through electronic devices. Therefore, consumers are showing very keen behavior to buy and sell their chosen products. Online shopping has made positioning in the consumer mind because its saves time, easy payment and it will display many options to choose best of the best of his choice of product.*

**Keywords:** *E- tailing, e-commerce, supply chain, consumer grievances.*

### [1] Introduction

Over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. Presently it is heavily relies upon the internet and mobile phone revolution which has fundamentally changed the way businesses reach their customers. While in countries such as the US and China, e-commerce has taken significant strides to achieve sales of over 150 billion USD in revenue, the industry in India is still at its infancy stage. However over the past few years, the sector has grown by almost 35% CAGR from 3.8 billion USD in 2009 to an estimated 12.6 billion USD in 2013. E-retail in both its forms; online

retail and market place, has become the fastest-growing segment, increasing its share from 10% in 2009 to an estimated 18% in 2013. Calculations based on industry benchmarks estimate that the number of parcel check-out in e-commerce portals exceeded 100 million in 2013. However, this share represents a minuscule proportion (less than 1 percent) of India's total retail market, but is poised for continued growth in the coming years.

If this robust growth continues over the next few years, the size of the e-retail industry is poised to be 10 to 20 billion USD by 2017-2020. This growth is expected to be lead by increased consumer purchases in durable and electronics, apparels and accessories,



besides traditional products such as books and audio-visuals and lately grocery. The paper tries to analyze and understand what is e-retailing, what are e-retailing platforms, the major e-retailers and their marketing wars with emphasis on various Digital advertising websites. The paper also analyzes the future growth of e-retailing in India.

In this study sample, around 65 per cent were males, showing a predominance of male consumers in online shopping. Around 48 per cent of the respondents were in the age group of 25–30 and 40 per cent were below the age of 25. Overall, a predominantly younger population (80 per cent) is shopping online in a big way. The majority of the respondents were employed in private service (42 per cent).

## **[2] E-Retailing**

Electronic retailing or e-tailing as it is being called now is the direct sale of products information and services through virtual stores on the Web, usually designed around an electronic catalogue format and auction sites. There are many stores on e-commerce sites on the Internet that are extensions of existing retailers or start-ups. E-tailing is synonymous with business-to consumer (B2C) transactions in online stores, where a customer can shop for apparel, cell phones, cameras, computers, books, magazines, music CDs and DVDs, shoes, furniture, health equipment, flowers, grocery etc. the list is long and exhaustive and is growing day by day. Electronic retailing has emerged as a new avenue for consumers

to shop in. With the Internet spreading across India at a fast rate, online selling is becoming attractive for e-retailers.

The essence of e-retailing is in its ability to transcend physical boundaries and reach customers in a manner different from the traditional brick-and-mortar stores, to their very door step. However, the base of the e-retailing model is technology and logistical solutions that facilitates the customer acquisition and the final 'reach' process. E-commerce further facilitates differences in customer orders, free delivery; order rescheduling, cancellation, returns and cash-on-delivery.

## **[3] E-Commerce in India**

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. The first e-commerce site in India was rediff.com. It was one of the most trafficked portals for both Indian and non-residents Indians. The past 2 years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues. The web communities built around these portal sites with content have been

effectively targeted to sell everything from event and mouse tickets the grocery and computers. The major pioneer in this services being Rediff.com and the e-commerce sites have popped up everywhere hawking things like groceries, bakery items, gifts, books, audio and video cassettes, computer etc. none of the major players have been deterred by the low PC penetration and credit card.

E-Business Opportunities, Challenges, Drivers and Barriers

e-Business related opportunities	e-Business related challenges
1. Cost savings	1. Lack of awareness
2. Efficiency and productivity gains	2. Increasing market competition, where retailers are highly concentrated
3. Increasing information about the market and the customers (e-marketing)	3. Economic return of e-business
4. Online selling and multi-channel approach	
e-Business drivers	e-Business barriers
1. Trends in demography and lifestyle	1. Lack of interest in internet based applications and sales systems among a large number of retailers
2. Improved systems for increasing the efficiency of supply chain relationships	2. ICT skills gap
3. New private labels	3. Trust and security issues

Source: e-Business W@tch sector study on the retail sector (August 2004)[7]

#### [4] The Online advantage

The advantages of e-retailing are-

- ❖ **No rent or land costs-** E-retailers do not require sophisticated showrooms in prime locations, and operate through their websites or portals. This significantly saves the store maintenance costs, which are very high for brick and mortar or physical store retailers.
- ❖ **Enhanced communication with the client-** E-tailing enables personalized interaction with customers.
- ❖ **Universal reach-** A supermarket has a limited geographical area of coverage. It caters only to a limited

number of customers of a particular area or locality, but a website can be accessed from any part of the globe, which increases its market multifold.

- ❖ **Effortless and joyful shopping-** Online shopping saves time. Shopping in the comfort of your home through the Internet is a huge attraction for customers.
- ❖ **Any time accessibility-** The online store is accessible 24×7 and delivers your products at home, that saves time and effort.
- ❖ **Prices can be compared-** Online shoppers can compare the prices of the products they want to buy on competitive sites, and then go for the purchase.
- ❖ **No duplication of products-** Branded products is sold at competitive prices on credible online portals. This reassures the consumer that no duplicated, low quality products will be sold on these sites.
- ❖ **Minimized turn-around-time (TAT) -** which leads to word-of-mouth publicity, feedback and customer retention to the e-portal or website.
- ❖ **Updated information-** with respect to inventory status, demand schedules and forecasts, shipment schedules and promotion plans among all the stakeholders of the supply chain which forms the backbone of an e-retailer.
- ❖ **Client Data-** The e-retailer can have the data on purchase pattern by demography and geography.

**[5] Major e-retailers in India and what they sell**

- **Flipkart.com:** Books, mobile phones, digital cameras, laptops, watches, clothing and other products.
- **Amazon.com-** Books, mobile phones, digital cameras, laptops, watches, clothing, etc.,
- **Snapdeal.com:** Mobiles, laptops, appliances, clothes, shoes etc.
- **Myntra.com:** Apparel, branded footwear, accessories
- **eBay:** Consumer electronics products, fashion apparel, collectibles, sporting goods, digital cameras, baby items, watches, coupons, etc
- **Homeshop18:** Mobiles, cameras, home and kitchen appliances, jewellery, fashion products, health and beauty products etc.
- **Rediff Shopping:** Gifts, mobiles, electronics, clothes and shoes.
- **Baniya .com.** - Grocery
- **Reliance fresh-** Grocery, fresh vegetables, fruits etc.

**Note:** Myntra.com was acquired by Flipkart.com in May 2014

**[6] What Products Do Consumers Purchase Online?**

Electronics goods are the most purchased products online, with 64 per cent of respondents purchasing these in the last one year. This was followed by clothes (55.2 per cent) and accessories (46.3 per cent). Around 22 per cent of the respondents purchased books online, followed by 15 per cent purchasing

personal care items. A small percentage of respondents purchased products from categories of food and eatables (9 per cent) and stationery and toys (3.5 per cent).

Consumer detriment can cause the satisfaction levels for a consumer to drop when purchasing a product online. Consumers' shopping experience can be marred by unsatisfactory experiences because of delivery problems, poor quality of service, defective products, etc. For the purpose of the study, the focus is limited to problems concerning delay in delivery, non-delivery, defective products, return/ replacement/refund issues and poor response of customer care. Respondents in the sample were asked whether they faced any of these problems.

**[7] Analysis and Interpretation****A. Non-Delivery/Delay in delivery**

Out of the 1,327 respondents covered, 160 (12 per cent) had faced problems related to delivery with one site, and 22 had faced delivery problems with two sites. With a score of 13 per cent, a Shopping India time was listed as the site with the highest percentage of respondents reporting some problem related to non-delivery/delay in delivery. It was followed by Rediff Shopping (9.7 per cent) and Reliance Fresh (8.8 per cent). Sites like Zovi (1.3 per cent), Amazon (1.3 per cent), Jabong (2.1 per cent), Flipkart (4 per cent) and Ebay (4.1 per cent) had the lowest percentage of respondents reporting problems with respect to delivery.

**Table 7.1 Non-Delivery/Delay in delivery**

Non-Delivery/Delay in delivery			
Site	Score	Site	Score
Amazon.com	1.30%	Naaptol	4.80%
Zovi	1.30%	Fashion and you.com	5.40%
Jabong	2.10%	Myntra.com	6.30%
Baniya .com	3.90%	Snapdeal.com	6.40%
Flipkart.com	4.0%	Reliance fresh	8.80%
E-Bay	4.10%	Rediff Shopping	9.70%
Homeshop18	4.70%	Shopping Indiatimes	13.0%

Respondents were also asked whether the site with which they faced a delivery-related problem had provided any reason for the same. It was reported that almost 3 out of 10 were not given any reason by the respective site. This was mainly indicated by those who had purchased from Shopping Indiatimes (6.5 per cent).

Product 'out of stock' was reported as reason for non-delivery by 23 per cent respondents and reported as the main reason given by Rediff Shopping (2.8 per cent) and Baniya .com (2 per cent), followed by problems in reaching address for delivery, as was indicated by 21 per cent respondents. Shopping Indiatimes was found to be the site reporting this response i.e., reaching address for delivery with the highest percentage of 4.3 percent.

### B. Receipt of defective products

Defective products refer to products that are damaged, do not function, have a product/accessory missing, are different from the one ordered, etc. Altogether 121 respondents (9.1 per cent) reported that the product they received from a site was defective.

This was reported highest in the case of Shopping Indiatimes (13 per cent), followed by Rediff Shopping (9.7 per cent) and Baniya .com (7.8 per cent). Amazon (1.3 per cent), Myntra (2.4 per cent), Homeshop 18 (2.6 per cent) and Jabong (2.9 per cent) had the lowest percentage of respondents reporting problems with respect to defects.

Damaged, broken, or non-functional products were the major type of defect found on delivery (26.5 per cent), followed by delivery of a different kind of product from what was ordered (25.2 per cent) and delivery of products of different size, colour, or specification (24.5 per cent). From the list of top 14 sites in the study, the highest percentage of damaged products was found to be in the case of Shopping Indiatimes.

**Table 7.2 : Delivery of Defective Products**

Delivery of Defective Products			
Site	Score	Site	Score
Amazon.com	1.30%	Reliance fresh	4.4%
Myntra.com	2.4%	E-Bay	5.4%
Homeshop18	2.6%	Naaptol	5.5%
Jabong	2.9%	Fashion and you.com	6.0%
Zovi	3.9%	Baniya .com	7.8%
Flipkart.com	4.0%	Rediff Shopping	9.7%
Snapdeal.com	4.4%	Shopping Indiatimes	13.0%

### C. Refund

Respondents who faced such problems like non delivery or defective products were asked whether they had claimed for a refund of the purchase amount and what was the response of the site. A total of 124 (9.3 per cent) out of 1,327 respondents reported asking for

refund of amount from one or two sites. The highest percentage of respondents asking for refund was reported by Baniya.com (7.8 per cent), followed by Reliance Fresh (4.4 per cent) and Shopping Indiatimes (4.3 per cent). Majority of the respondents who had asked for refund received only partial refund (52 per cent). One-fifth of the respondents also reported that they received only vouchers or credit points for future purchases and only-one tenth of respondents received full monetary refund. This suggests exercising of caution by online shoppers in confirming the e-commerce site's refund policy before the order is placed.

**Table 7.3: Refund of Purchase Amount**

Refund of Purchase Amount			
Site	Score	Site	Score
Naaptol	0.7%	Myntra.com	3.5%
Homeshop18	1.9%	Jabong	3.5%
Snapdeal.com	2.5%	Flipkart.com	3.6%
Amazon.com	2.6%	E-Bay	3.8%
Zovi	2.6%	Shopping Indiatimes	4.3%
Rediff Shopping	2.8%	Reliance Fresh	4.4%
Fashion and you.com	3.4%	Baniya .com	7.8%

#### D. Return / Replacement of products:

Respondents were asked whether they had asked for return/replacement of a product they purchased from a site. Altogether 157 (11.8 per cent) of the total sample reported asking for a return/ replacement of the product they purchased from one or two sites. Asking for a return/replacement was found to be the highest in case of products purchased from Baniya .com (9.8 per cent) followed

by Shopping Indiatimes (6.5 per cent) and Myntra (5.5 per cent).

**Table 7.4 : Return / Replacement of Products**

Return / Replacement of Products			
Site	Score	Site	Score
Reliance fresh	1.5%	Snapdeal.com	4.2%
Homeshop18	1.9%	Rediff Shopping	4.2%
Amazon.com	2.6%	Jabong	4.7%
Zovi	2.6%	Naaptol	4.8%
Fashion and you.com	2.7%	Myntra.com	5.5%
E-Bay	3.8%	Shopping Indiatimes	6.5%
Flipkart.com	4.2%	Baniya .com	9.8%

It was also found that in nearly 7 out of 10 cases (68.4 per cent) the product was returned or replaced within the time frame specified by the sites. This was reported by all 16 respondents who had purchased from Jabong, showing that this site had an effective service recovery process in place. This also suggests caution: before placing an order with a site, consumers must confirm if it was able to deliver a timely replacement to their address in case of such problems. Around 16 per cent also reported that the product was returned / replaced within considerable time and this was reported mainly by those who had purchased from Shopping India times (2.2 per cent) and Baniya .com (2 per cent). These durations can vary by location and type of products as different products may be shipped from different warehouses. Also, products out of stock may take longer to be replaced.

### E. Poor customer care service

Respondents were asked whether they experienced any deficiency of service in the e-commerce site's customer care in terms of failure to service/repair the product in time, failure to provide bill of purchase, etc., and what were the accessibility and response of the customer care in that regard.

Around 111 respondents had reported such deficiency in service, the majority belonging to those who had purchased from Baniya .com (11.8 per cent) followed by Rediff Shopping (8.3 per cent) and Fashion and you.com (5.4 per cent).

**Table 7.5 : Poor Customer Care Service**

Poor Customer Care Service			
Site	Score	Site	Score
Amazon.com	1.3%	Flipkart.com	2.9%
Zovi	1.3%	Naaptol	3.4%
Snapdeal.com	1.7%	Shopping Indiatimes	4.3%
Homeshop18	1.7%	Reliance fresh	4.4%
Myntra.com	2.4%	Fashion and you.com	5.4%
Jabong	2.4%	Rediff Shopping	8.3%
E-Bay	2.5%	Baniya .com	11.8%

### [8] Advice for Consumers

Go ahead and shop. Risks are low as compared to benefits. It is important to note that the number of respondents facing problems when shopping online – out of the total number of respondents using a particular site – ranges from one to ten per cent. Hence, the probability of facing a problem when shopping online is at the most one out of ten. This suggests that the risk is small and consumers should not avoid shopping online merely because some consumers

have faced problems and that too in small percentages. You are advised to go ahead if you feel there are benefits like cost savings or convenience. Also, problems in the nature of return/replacement only go to show that consumers are asking for returns / replacements of products if they find them unsatisfactory. It is heartening to note that consumers are getting savvy as they are willing to complain if they face any consumer detriment, so be prepared to complain if you face a problem. The customer care contact number or email ID must be kept handy to lodge a complaint as soon as you face a problem.

Popular sites also have respondents reporting some problems related to delivery, defects, etc., However, such problems do not stop consumers from shopping online because of the benefits like convenience, lower prices and the range of products.

We feel that online shopping is giving traditional brick-and-mortar retailers strong price competition. Online sellers are able to offer lower prices and consumers can compare prices in their local store before purchasing online. There are also consumers who check and compare prices/benefits online and then may buy offline in their nearby shopping centre if the price is about the same as offered by an online store.

### 8.1 Reason for the growth of e-Commerce in India

It includes busy lifestyles, urban traffic congestion and lack of time for offline shopping; lower prices compared

to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs; increased usage of online classified sites, with more consumer buying and selling second-hand goods; evolution of the online marketplace model with websites like Jabong.com, Flip kart, Snap deal, and respectively.

## 8.2 Consumer Participation in E-Business

From the consumer standpoint, the most likely people to participate in e-business are those that are comfortable with computers and technology. Most of the participation is by the younger generation users who are approximately under 30 years of age. People who are on the go with work, school, and home life are also more likely to participate in e-business methods because of their existing time constraints and busy schedule. It is hard for them to make it to stores during normal working hours without losing time elsewhere.

### [9] Future of E-Business Success Factors & E-Business Opportunities

The Internet has become a standard in the consumer's way of life and very few people have not been on the Internet at one point or another. As Internet access speeds continue to advance with the adoption of broadband technologies, the activities possible on the web and beyond will only increase. Like most markets, this one is driven by the consumer. Today's consumers want more flexibility in the way they do

business with companies. If a company does not have e business capabilities, it is limiting its ability to effectively compete with other companies. The major catalyst to a successful e-business lies in a company's ability to think dynamically about an ever changing industry and implement a nonlinear approach. Consider a variety of factors, such as:

- 1) Is the company working with suppliers and partners efficiently over the Internet?
- 2) Are there steps in the value chain that should be removed or added?
- 3) Has the company found the most profitable spot within the chain?
- 4) Can buyers and suppliers streamline processes, enhance productivity and reduce costs?
- 5) Senior management must be sincerely committed to the strategic, policy and operating levels of transformation.

Even though there are still many issues and concerns to be dealt with, the future of e-business is bright. Future e-business growth will come from various areas of all types of e-business.

### [10] Conclusion

The essence of e-retailing is in its ability to transcend physical boundaries and reach customers in a manner different from the traditional brick-and-mortar stores, to their very doorstep. Although the basic definition of an e-commerce platform is 'software' that enables transaction via the internet', these platforms have quickly developed into comprehensive, all encompassing

online retail solutions. Allowing retailers to target, capture, engage and retain customers, through not just the traditional web store, but also via offline, mobile and social media channels. The ecommerce market in India is estimated to grow at 30 percent year-on-year. E-tailing helps retailers build loyal customers and is aimed at selling in areas where they don't have a physical presence. The online retail segment in India is growing at an annual rate of 35 per cent, which would take its value from `20 billion in 2011 to `70 billion by 2015. Online shopping has come of age in India, with people shopping through the convenience of online portals from the comfort of their drawing rooms. Online retail in India is expected to penetrate categories beyond apparel and electronics, as companies attempt to sell essentials such as grocery and personal care products online. Companies that are able to use technology to their benefit will move far ahead of those that do not.

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## THE ROLE OF ENTREPRENEURSHIP IN INDIA'S FUTURE ECONOMIC DEVELOPMENT

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### INTRODUCTION

The progress of Indian economic development from 1997 to the present provides further evidence that individuals do respond to incentives in their pursuit of self-survival and accumulation of wealth. Further, the nature of this response depends on the economic climate, particularly the role of the government. India's economy struggled long as long as it was based on a system of government regulations with little interaction with economic forces outside the country. The economic reforms of the early 1990's set the stage for substantial improvements in the Indian economy.

Indian can do more, to further advance its economic development. Indeed, one of the more recent microeconomic approaches to economic growth is the promotion of entrepreneurial activities. Entrepreneurial effort has been found to generate a wide range of economic benefits, including new businesses, new jobs, innovative products and services, and increased wealth for future community investment.

The following narrative explains in considerable depth how entrepreneurial activities have succeeded in several countries and how it can now be used to further to India's economic development.

An extensive study of entrepreneurship in 21 countries, Reynolds, Hay, Bygrave, Camp and Autio (2000) concluded that successful entrepreneurial activity is strongly associated with economic growth. Their research was subsumed under the "Global Entrepreneurship monitor" (GEM), a joint research initiative conducted by Babson College and London Business School and supported by the Kauffman center for Entrepreneurial Leadership. Their findings, based on surveys of the adult population of each country, in-depth interviews of experts on entrepreneurship in each country, and the use of standardized national data, supported their conceptual model depicting the role of the entrepreneurial process in a country's economic development.

### THE GEM CONCEPTUAL MODEL

The GEM conceptual model suggests that the Social – cultural political context within a country must foster certain "General National Framework conditions" which can generate not only the opportunities for entrepreneurship but also the capacity for entrepreneurship in particular, the skills and motivation necessary to succeed. Together, the entrepreneurship opportunities, on the one hand, and the

skills and motivation, on the other, lead to business dynamics that yield **creative destruction**, a process in which new firms are created and older, less efficient firms are destroyed. The overall result for a country is economic growth of the eight “General National Framework Conditions” listed in figure, the Reynolds, et al (2000) highlighted among these especially important are the “availability of financing” for new entrepreneurship, the need for government policies which are supportive of entrepreneurial efforts, and the opportunities for education and training in entrepreneurship.

#### **ENTREPRENEURIAL EFFORTS CAN HELP PROVIDE JOBS**

Recent researches on entrepreneurship around the world indicate that the cultural characteristics that can foster successful entrepreneurial activities and its related economic benefits are a strong education base, the necessary financial support, opportunities for networking among entrepreneurs, and a well defined, minimal role for the government. In the case of India specifically, an emphasis upon entrepreneurial activities in the information technology sector also seems relevant. Consider first the need for a strong education base. The study of 21 nations by Reynolds et al (2000) found that providing opportunities for education in entrepreneurship was critical to success in new entrepreneurship efforts. For example, experts interviewed in the 21 nations felt strongly that new entrepreneurs

needs training in the skills needed to convert a market opportunity into a commercial enterprise. **Gupta (2001)** says that India now has the extraordinary talent pool suited to entrepreneurship. However, he also says that the government must ensure that new entrepreneurs have access to both the functional and entrepreneurial skills needed for success in business startups. He sees both sets of skill still somewhat lacking in India. The **functional skill** includes abilities in such areas as marketing, finance and product development. The **entrepreneurial skill** includes managing risk, building an effective team and raising funds. Gupta says that India’s educational institution can play a major role in the development of these skills. For example, the Indian School of Business (ISB) at Hyderabad has already produced a curriculum suited to the development of entrepreneurial leaders. It will soon have a new Entrepreneurship center that will be funded, need and managed by several leading Silicon Valley entrepreneurs. **Lall (2001)** claims that a technology intensive structure is desirable for a country that has substantial industrial base although India has such an industrial base, its export structure is still dominated by low – technology products. Lall says that a low – technology export structure is based in products such as textiles garments, simple metal and plastics products, and furniture. However, these types of products are produced by low – skilled labour and are undifferentiated, so do

not yield the competitive advantages necessary for broad economic growth. A high – technology export structure, on the other hand, relies upon such products as complex electronic machinery, precision instruments and fine chemicals.

This type of structure, based in complex skills and fast-changing technologies, generally does yield competitive advantages and export based economic development. Given India's extraordinary talent pool (Gupta, 2001). It would seem that the country is poised to take advantage of a high-technology export structure. Consider next the financial support required to produce successful entrepreneurial efforts. On the one hand, as **Solomon (2003)** indicated, foreign capital has been pouring into India recently, with one of its aims being to tap the country's emergence as a center for software development and information technology services. However, much remains to be done, the government can play a major role in the area. Among other things, India must ensure that its new entrepreneurs will have access to venture capital. Gupta (2001) suggests the establishment of a global support network to venture capitalists and other funding sources (also known as "angles") who would be willing to support the new entrepreneurs. He also says that India must create "areas of excellence" breeding ground where ideas grow into new businesses similar to those created in Silicon Valley in the United States. They can attract the ideas, the venture capital, and the management talent often found to succeed in other

entrepreneurial efforts around the world. India can begin to create these areas of excellence by drawing upon the resources of its universities and other educational institutions, including the Indian Institutes of Technology.

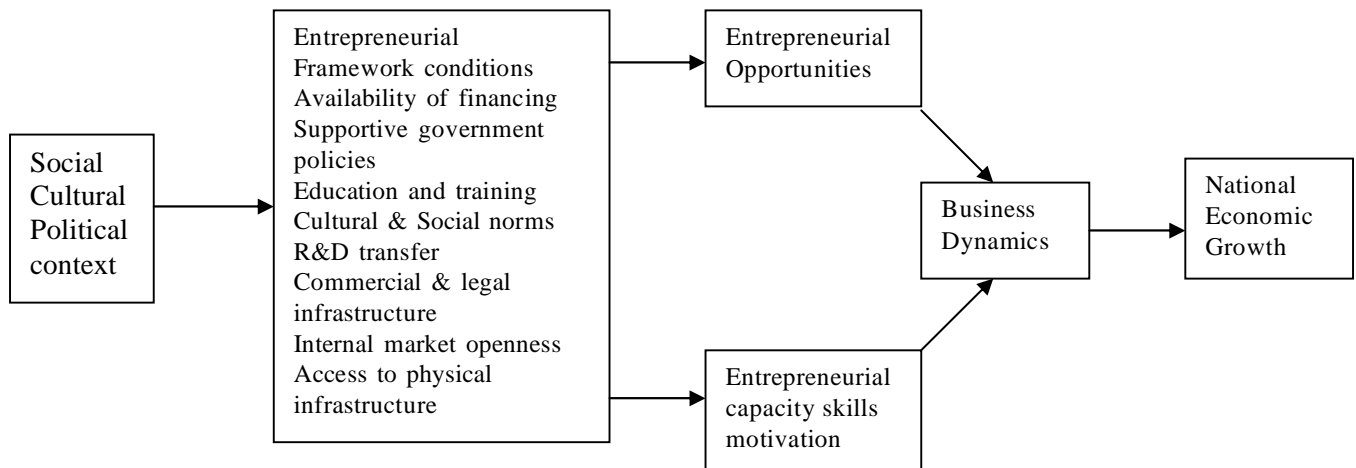
Providing opportunities for networking amount entrepreneurs themselves also can help new business get started on the foot. In particular, Gupta (2001) says that India needs to foster networking and exchange amount both new and established entrepreneurs. The obvious reason is that entrepreneurs can learn not only through their own experience but also through that of others. An effective approach to encouraging this type of network might be to follow the academic model and bring to schedule conferences, experienced entrepreneurs should present their ideas on what has worked for them (and what has not). Entrepreneurs just getting started could describe what they hope to achieve in their new business and get feedback on their plans from other entrepreneurs present. Obviously, newer entrepreneurs would like to be careful not to divulge important company secrets. The Indian government might have to provide small grants to subsidize the travel and lodging expenses of individuals lacking the resource to attend such conferences. However, just as in the academic setting, those grants could be awarded based on the merits of an individual's ideas for a start-up business.

The government can play its role in the encouragement of entrepreneurial

efforts. Clearly, the government can develop policies concerning education and financial support. Government policies on taxing and regulation of business also are relevant here, given

that such policies can either promote or hamper entrepreneurial efforts. And the government can certainly help to provide networking opportunities among new and experienced entrepreneurs.

### THE GEM CONCEPTUAL MODEL



Social entrepreneurship is another field where modern youth could be involved in civic, economic development, environmental health, human growth and learning education endeavors.

The Tech innovator Dr. Gururaj Deshpande spoke in his convocation address to IIM Bangalore on March 25, 2009 that, India has now found confidence with demonstrated success, knowledge of sophisticated technology and management skills. With demonstrated success, knowledge of sophisticated technology and management skills. With this combination, India can come up with innovative solutions that can impact billions in the world. Entrepreneurship and innovation will be essential to come up with new solutions.

**Software technocrat Nandan Nilkenl has given certain factors that have contributed to India's faster economic development.**

- India is a young country in the aging world.
- Entrepreneurs have now become role models.
- Technology is empowering the youth.
- Indians are comfortable with globalization
- Democracy is now embedded in India.
- English is seen as an essential language.

We can say that India can generate additional economic growth by fostering entrepreneurial activities within its borders, particularly within its burgeoning middle class. Not only has entrepreneurship been found to yield significant economic benefits in a

wide variety of nations, but also India specifically has reached a point in its development where it can achieve similar results through entrepreneurial efforts. Among other things, India is poised to generate new business startups in the high technology area that can help it become a major competitor in the world economy. For example, it has a strong education base situated to entrepreneurial activities, increased inflows of foreign capital aimed at growing information technology services sector, and a host of successful new business startups.

### **CONCLUSION**

Obviously, the government can play a substantial role in helping to provide three types of opportunities. It can also provide the appropriate tax and regulatory policies and help the citizens of India to understand the link between entrepreneurial efforts and economic prosperity. However, its role overall must be minimized so that the influence of the free market and individual self – interest can be fully realized. Only time will tell us if increased entrepreneurial activities in India will actually yield the economic benefits found in so many other nations of the world. Should India decide to pursue that avenue of economic development, then future research needs to examine the results of India's entrepreneurial programme. Perhaps more important is that research also needs to determine how India's success in entrepreneurial efforts might differ from other pursued in developed nations.

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## KNOWLEDGE MANAGEMENT FOR E-BUSINESS PERFORMANCE

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### ABSTRACT

*Within the last few years, the topic of knowledge management has gathered a lot of interest in the corporate sectors. Although there is no commonly agreed upon definition of knowledge management, companies, governments, institutions and organizations are demonstrating an increasing interest in the topic. The key argument of this article is that most current interpretations of knowledge management are relevant to the industrial world of business of the past era. Given their origin in the 'old world' of business, many such interpretations of knowledge management may have serious and adverse implications for information strategy of enterprises, governments and institutions.*

### INTRODUCTION

The business environment is experiencing a shift from labour-based industries to knowledge-based industries where know-how and skills stand as “the only sources of long-term sustainable competitive advantage” (Davenport and Prusak, 1998). As societies are moving towards an era where knowledge is recognized as one of the most important assets, organizations realize that “their competitive edge is mostly the brainpower or intellectual capital of their employees” (Liebowitz, 1999).

Information strategy executives observed some significant transitions during the last quarter of the twentieth century. More recently, the E-everything phenomenon with the emergence of the Internet and electronic commerce as key factors in business and IT strategy. There is no relationship whatsoever between computer expenditures and company performance. The confusion between knowledge and information has

caused managers to sink billions of dollars into information technology investments that have often yielded marginal results. The disconnect between IT expenditures and the firms' organizational performance could be attributed to an economic transition from an era of competitive advantage based on information to one based on knowledge creation. The earlier era was characterized by relatively slow and predictable change that could be deciphered and “controlled” by most formal information systems. During this period, information systems based on programmable recipes for success were able to deliver their promises of efficiency based on optimization for given business contexts.

Another way to understand the disconnect between information technology investments and organizational performance is to reflect upon the difference between knowledge and information.

More specifically, knowledge is interpreted in terms of potential for action. “Knowledge resides in the user and not in the collection of information ... it is how the user reacts to a collection of information that matters.” only human beings can take the central role

in knowledge creation. Computers are merely tools, however great their information-processing capabilities may be. Knowledge resides in the user’s subjective context of action based on that information.

<b>Transition from Incremental to Radical Change</b>		
	<b>TQM</b>	<b>BPR</b>
Level of Change	Incremental	Radical
Start from	Existing Process	Clean Slate
Frequency	One-time/Continuous	One-time
Time Required	Short	Long
Participation	Bottom-up	Top-down
Typical Scope	Narrow [within]	Cross-functional
Risk	Moderate	High
Primary Enabler	Statistical Control	IT
Type of Change	Cultural	Cultural/Structural

**CONTINUOUS IMPROVEMENT TO RADICAL REDESIGN**

During the past few years: that from Total Quality Management to Business Process Reengineering (BPR), In contrast to the traditional emphasis on continuous marginal improvements in existing processes, the proponents of BPR emphasized IT-intensive radical redesign of business processes. They proposed a clean-slate approach to rebuild the company’s information architecture and information strategy by rethinking the company’s business in terms of business processes rather than discrete functions and hierarchies.

The price for the high level of integration of data related to business processes was paid in terms of the agility

and flexibility resource planning (ERP) models — developed by companies such as SAP — is still evolving to develop better external information flow linkages in terms of customer relationship management (CRM) and supply chain management (SCM). Meanwhile, new start-ups, such as Siebel and Ariba, are offering needed external information flow functionality and information interfaces in terms of CRM and SCM. The continued challenge remains in terms of ensuring the adaptability and flexibility of information interfaces and information flows — both internally and externally — required for coping with dynamically changing business and competitive environments.

## **CHANGE IN BUSINESS FUNCTIONS AND PROCESSES HAS GENERALLY PROGRESSED OVER THREE PHASES**

1. **Automation** — increased efficiency of operations
2. **Rationalization of procedures** — stream-lining of procedures and eliminating obvious bottlenecks that are revealed by automation for enhanced efficiency of operations.
3. **3. Reengineering** — radical redesign of business processes that depends on information technology-intensive radical redesign of workflows and work processes.

The deployment of information technologies in all the three phases was based on a relatively predictable view of products and services as well as contributory organizational and industrial structures.

Most Net-based start-ups have realized that although technology is important, business model innovation is the key lever for global market share. Examples of such new business models include Amazon.com. the new Net-based companies have fundamentally redefined the value equations related to their internal value chains and supply chains. Such business model innovations represent “paradigm shifts” that characterize not only transformation at the level of business processes and process workflows, but radical rethinking of the overall business model as well as the information flows between organizations and industries. As noted by the business strategist Gary Hamel at an Academy of Management international

meeting, the paradigm shifts characterizing the transition from the old world of business to E-world of business could account for as much as 70 percent of the known competitive players for many established companies. Taking this figure as a rough approximation in terms of risks and returns, one may speculate that more than 70 percent of risks and returns will depend upon companies’ E-business model innovation strategies compared with the 30 percent that will depend upon use of less radical measures.

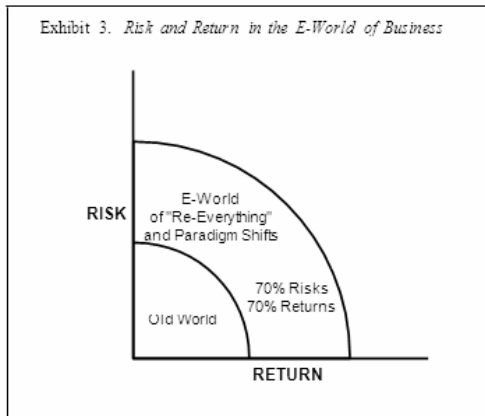
## **BUSINESS PROCESS REDESIGN TO E-BUSINESS MODEL INNOVATION**

Brian Arthur, the proponent of “increasing returns,” working with the Santa Fe Institute, has described the new world of information enabled business enterprises as a “world of re-everything.” In this new world of business, success or failure for most enterprises depends on their ability to incessantly question and adapt their programmed logic of the way things are done. Such reality checks of the company’s ways of doing business are necessary to keep up with the sustained dynamic and radical changes in the business environment.

However, companies’ competitive survival and ongoing sustenance would depend primarily on their ability to continuously redefine and adapt organizational goals, purposes, and the organization’s “way of doing things.” “The future is moving so quickly that you can’t [predict] it ... We have put a tremendous emphasis on quick response instead of



planning. In the new world of E-business, literally everything is up for grabs, including traditional concepts of industries, organizations, products, services, and channels of marketing, sales, and distribution.



## FROM INFORMATION PROCESSING TO KNOWLEDGE CREATION

The information processing view, evident in scores of definitions of knowledge management in the trade press and academic texts, has often considered organizational memory of the past as a reliable predictor of the dynamically and discontinuously changing business environment. However, there are major problems that are attributable to the information-processing view of information systems.

### MYTHS ABOUT KNOWLEDGE MANAGEMENT

***Myth 1: Knowledge management technologies can deliver the right information to the right person at the right time***

This idea applies to an outdated business model. Information systems in

the old industrial model mirror the notion that businesses change incrementally in an inherently stable market and executives can foresee change by examining historical data and trends. The new business model of the Information Age, however, is marked by fundamental, not incremental, change. Businesses cannot plan for the long term; instead, they must shift to a more flexible “anticipation-of-surprise” model. Thus, for most significant decisions, it is impossible to build a system that can predefine and predict who the right person is, what is the right time, and what constitutes the right information.

***Myth 2: Knowledge management technologies can store human intelligence and experience***

Technologies such as databases and groupware applications store bits and pixels of data, but they cannot store the rich schemas embedded in human minds that are used for making sense of bits and pixels.

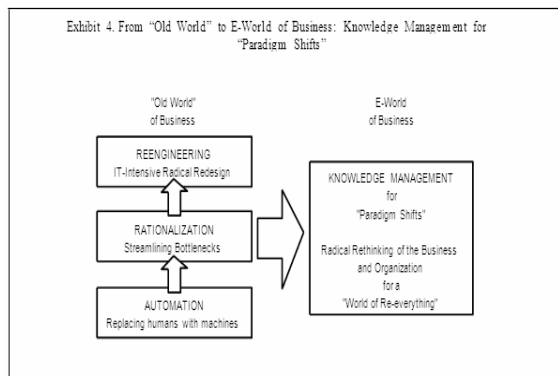
The same assemblage of data can evoke different responses from different people at different points in time or in a different context in terms of decisions, action, and performance.

***Myth 3: Knowledge management technologies can distribute human intelligence***

Again, this assertion presupposes that companies can predict the right information to distribute and the right people to distribute it to. As noted earlier, for most important business decisions, technologies cannot communicate

the meaning embedded in complex data as it is constructed by human minds.

Often, it is assumed that compilation of data in a central repository would somehow ensure that everyone who has access to that repository is capable and willing to use the information stored therein. Past research on this issue has shown that despite the availability of comprehensive reports and databases, most executives make decisions based on their interactions with others who they think are knowledgeable about the issues.

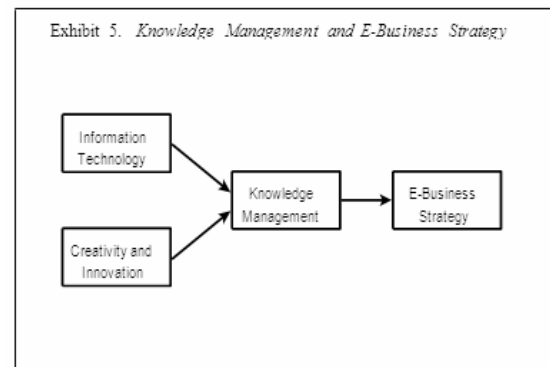


A few years ago, technologies such as intranets, Lotus Notes, and MS-Exchange were being considered as enablers of knowledge management. The more recent interest is in technologies related to knowledge portals, artificial agents, and push based technologies. Despite significant advancement in technologies and substantial investment by companies in such technologies, most organizations are still trying to find answers to such simple questions as how to capture, store, and transfer knowledge and how to ensure that knowledge workers share their knowledge.

In the new world of E-business,

the scarce resource is not information, but human attention. It seems logical to account for the human attention, innovation, and creativity needed for the renewal of archived knowledge, the creation of new knowledge, and innovative applications of knowledge in new products and services that build market share.

Its primary focus is on outcomes in terms of performance rather than on the specification of inputs. With rapid advancements and availability of technologies, there would be multiple choices in terms of technologies that could facilitate a specific E-business strategy, such as customer relationship management (CRM), supply chain management (SCM), or selling chain management.



### Reconciling knowledge management and E-business strategy

It was suggested that many current interpretations of knowledge management are based on an outdated model of business strategy and may have adverse implications for E-business performance. These shifts are explained in terms of business strategy, information technology, role of senior management,

organizational knowledge processes, corporate assets, and organizational design. These are interrelated issues, inasmuch as each of them has implications for other issues.

Exhibit 6. *Transitions to the World of E-Business*

	Industrial Business	E-Business
Strategy	Prediction	"Anticipation of Surprise"
Technology	Convergence	Divergence
Management	Compliance	Self-Control
Knowledge	Utilization	Creation and Renewal
Assets	Tangibles	Intangibles
Organizations	Structure	Edge of Chaos

**Paradigm shift in business strategy**

The new world of business imposes the need for variety and complexity of interpretations of information outputs generated by computer systems. Instead of long-term prediction, the emphasis is on understanding the multiple future world views by using techniques such as scenario planning.

The organization plans for its future, but does not rely on its plans! This observation is more representative of several Internet-based start-ups that question their business logic everyday while competing in Internet time. Acute attention and response to market needs is a key determinant for most business organizations; how-ever, for Net enterprises such as Yahoo!, iVillage.com, and eToys.com, it resulted in market leadership, stellar business performance, and multibillion dollar IPOs.

In this model, access to an organizational information base, authority to take decisive action, and the requisite skills are embedded at the front lines where real action takes place so that

strategy is devised and implemented in real-time.

**Paradigm shift in design and use of technology**

With increasing computerization in organizations, organizational routines originally embedded in standard operating procedures and policies often become embedded in the firm’s programmed logic. Often, they take the form of congealed “best practices” embedded in computer programs and databases. The resulting information systems tend to be inflexible as they store a static representation of a dynamically changing business environment.

Dynamic pricing models, and comparison-shopping agents do take into consideration dynamically changing market data. Regardless of the decision to build or buy, the challenge of walking the tightrope between adoption of the latest technologies and remaining up to speed with ongoing business and technology developments is becoming more acute in the E-world of business.

**Paradigm shift in the role of senior management**

As noted by Chris Argyris, the explicit bias of command and control systems for seeking compliance makes such systems inadequate for motivating divergence-oriented interpretations necessary for ill-structured and complex environments.

Hence, it has been suggested that the role of the senior management needs to change from command and control to sense and respond. The new emphasis should be on building

commitment to organizational vision rather than compliance to rules and pre specified best practices. Senior managers need to view the organization as a human community capable of providing diverse meanings to information outputs generated by technological systems.

### ***Paradigm shift in organizational knowledge processes***

Often, effective knowledge management in such an environment may need imaginative suggestions more than it does concrete, documented answers. However, increasing dynamics of the business environment mandate greater emphasis on ensuring doing the right thing than on doing the thing right. With ongoing reassessment of key assumptions, the emphasis is more on the ongoing renewal of existing knowledge, the creation of new knowledge, and its application in business practices.

Knowledge management may be highlighted by the contrast between two U.S. companies. One of them, a U.S.-based global communications company had indicated its preference for the information-processing model of knowledge management. Its knowledge management strategy could be summed up in the words of a top executive: "What's important is to find useful knowledge, bottle it, and pass it around." As is evident from the foregoing discussion, the latter approach matches the knowledge management model proposed above.

### ***Paradigm shift in economics of organizational assets***

Peter Drucker has argued that in the emerging economy, knowledge is the primary resource for individuals and for the economy overall; land, labor, and capital — the economist's traditional factors of production do not disappear, but they become secondary.

Similar observations are unraveling traditional accounting procedures that cannot account for new factors of production such as knowledge capital, intellectual capital and intangible assets. (A detailed account of these concepts is available in Tom Stewart's *Intellectual Capital*.) The successes of Net companies and other information-centric companies such as Microsoft are attributed by some to "increasing returns."

### **Example**

Traditional factors of production are limited by threshold of scale and scope as every marginal increase in land, labor, or capital results in diminishing returns on the production outcomes. In contrast, information assets and knowledge capital seem to be governed by a different law of economic returns: investment in every additional unit of information or knowledge created and used results in a higher return.

### ***Paradigm shift in organizational design***

In the proposed model, designers of organizational knowledge management systems can, at best, facilitate the organization's "self-designing." Not only do the organization's members define

problems for themselves and generate their own solutions, they would also evaluate and revise their solution generating processes. By explicitly encouraging experimentation and the rethinking of premises, this process promotes reflection-in-action and creation of new knowledge.

Instead of emphasizing best practices archived in databases, this model encourages continuous pursuit of better practices that are aligned with the dynamically changing business environment.

### Conclusion

During the past few years, the corporate world has seen the emergence of interest in knowledge management and adoption of the term by information technology vendors and industry solution providers.

There is a need for developing a better and more accurate understanding of knowledge management as enabler of information strategy for the E-world of business. The proposed conceptualization is based on the need for synergy between the capabilities of advanced information technologies and human creativity and innovation to realize the agility demanded by emerging business environment. The above discussion explained the transition from the old world of business to the new world of E-business in terms of fundamental transitions or paradigm shifts. Better and accurate understanding of the strategic relevance of knowledge and knowledge management is expected to contribute to more effective E-business strategies that result in sustained business performance.

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## **INTRAPRENEUR THE NEXT WAVE TO ENTREPRENEUR - A CASE STUDY**

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### **ABSTRACT**

*Entrepreneurship continues to prosper in almost all corners of the world, remodeling the business environment and creating a world in which their companies play an important role in the prosperity of the global economy. Forecasting change within established enterprise- meaning intrapreneurship. In this context the paper provides a review of theoretical studies on the concepts of corporate entrepreneurship, pinpointing the connection between intrapreneurship creativity and innovation as well as the differences between entrepreneurship and intrapreneurship.*

### **Introduction**

The global economy creates profound and significant changes for organizations worldwide. The market is changing rapidly, technologies evolve and the only thing that seems to be truer now than ever is change. According to Peter Drucker change is the only constant thing in the business world. In order to compete and stay in the market, organizations must comply with these changes, which tend to become part of their daily life.

Companies in the 21st century face two immeasurable challenges. On the one hand, they must be constantly innovative and ready for change, and on the other hand, they are expected to create a lasting identity, designed to attract attention in a world saturated with communication.

To stay competitive companies need to bring something new on the market. The only way to achieve this is

through continuous differentiation and innovation. This may refer to creating new products and services or reorganizing the processes or business models.

Researchers have shown that the survival and growth of companies, in the dynamic business environment that is today, depends largely on the company's ability to promote creativity and innovation. Although not all change involves innovation, "certainly all innovation throughout the company means change" (West & Farr, 1990:11). In accordance with the approach to organizational innovation, innovation does not only refer to the development of the whole organization, but also to the implementation of new ideas in working groups or teams (West & Anderson, 1996).

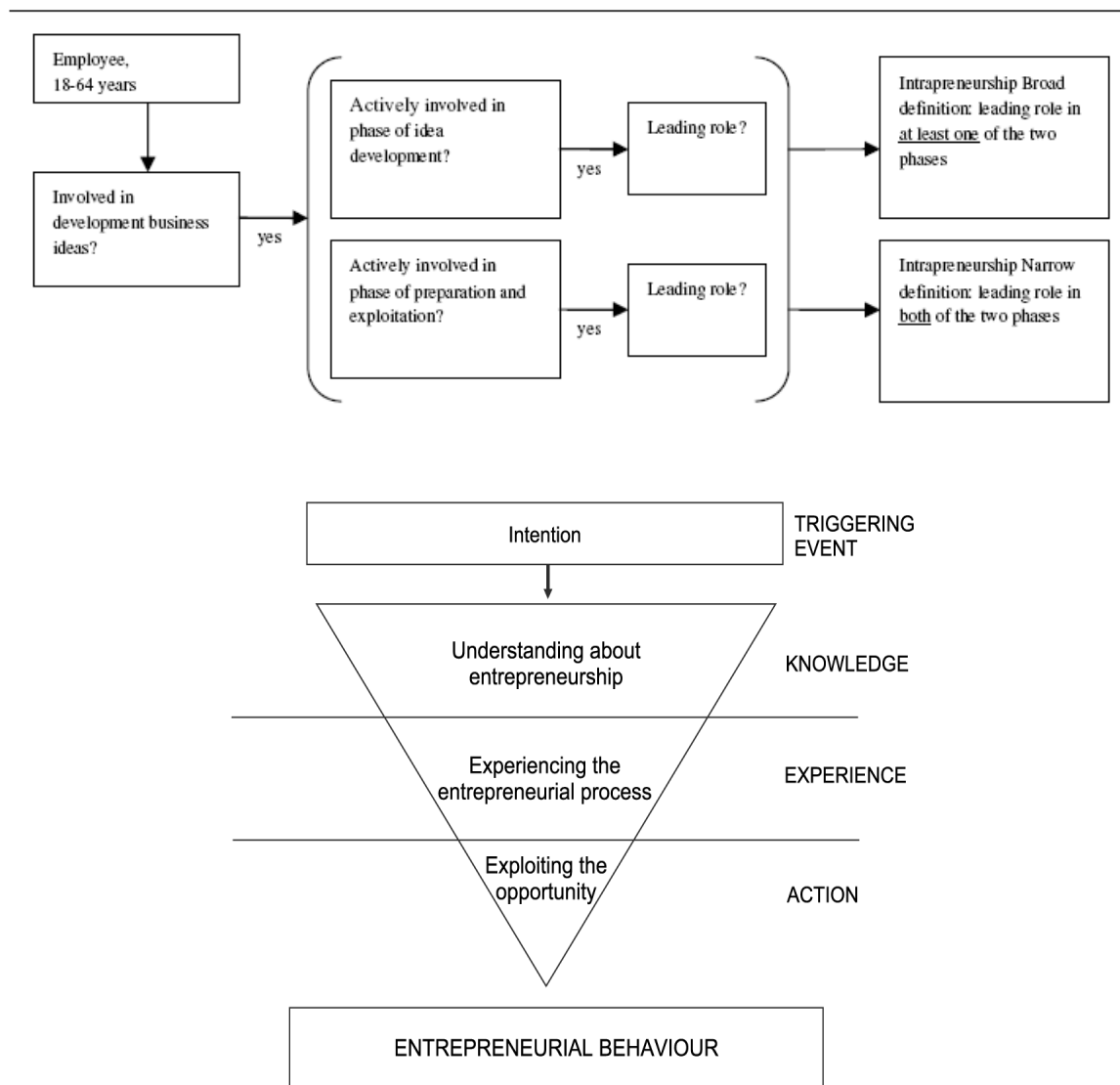
If the firm learns how to be innovative so as to generate a continuous series of technical innovations and successful management, it can generate

sustainable competitive advantage and can thrive even in a highly competitive environment.

**There are three foundations of Entrepreneurship:**

- **Innovation** - the ability to see things in novel ways.
- **Calculated risk taking** - the ability to take calculated chances and to embrace failure as a learning experience.
- **Creativity** - the ability to conceive of multiple possible futures and to proactively create the one you most desire.

Figure 1 Broad and narrow definitions of intrapreneurship used in this study





However, innovation tends to be come harder as an organization gets larger for the following reasons:

- "The larger a company gets, the harder it is for anyone to know what everyone is doing.
- The specialization and separation that help business units maintain focus also hamper communication.
- Internal competition magnifies the problem, because it encourages groups to hoard, rather than share what they've learned."

**Corporate entrepreneurship**

Although scholars generally agree that entrepreneurial activities can exist within established companies, the differences in the terminology used to describe those activities have created confusion.

A closer look upon the literature reveals that different authors use different terms to describe entrepreneurial activities within an existing organization. In some cases, the same term is used by different authors to describe different things.

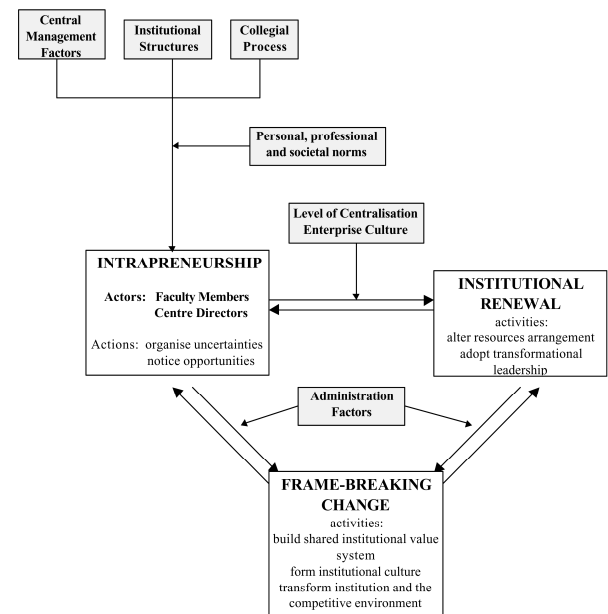
Despite the increased interest in the concept of corporate entrepreneurship and the recognition of the importance of entrepreneurial activities within companies, scientists have not reached a consensus on this concept. Researchers use terms such as intrapreneurship (Kuratko, 1990), internal corporate entrepreneurship (Schollhammer, 1982), corporate ventures (Ellis & Taylor, 1987), and new ventures (Roberts, 1980)

to refer to different aspects of corporate entrepreneurship.

Some scholars believe that corporate entrepreneurship is a concept that should be limited to creating new businesses within an existing organization (Burgelman, 1984). Others support the idea that corporate entrepreneurship should include the struggle endured by large companies in order to renew themselves by carrying out new combinations of resources (Baumol, 1986).

**Importance of corporate entrepreneurship**

Corporate entrepreneurship occurred as the result of some major changes, mainly of economical and organizational nature. According to Nicolescu & Nicolescu (2008) the conditions that helped shape corporate entrepreneurship are:



<sup>a</sup> Modified and expanded based on the framework proposed by Stopford and Baden-Fuller (1994).

- rapid growth of large and medium sized enterprises, along with their embedded complexity and diversity of activities - especially in developed countries;
- the relatively low degree of resources used in many large and medium sized enterprises - especially the technical and human resources;
- partial change of the management and the content of the organization, reflected in shaping significant dimensions referring to the development of the entrepreneurial spirit, the strategic vision upon the evolution of the organization, operational flexibility approaches, the focus on rapid innovation and effective motivation of employees and complex groups of employees;
- Increased awareness, by a part of the population, of the great advantages arising out of the entrepreneurial activities for individuals and organizations.

### **Intrapreneurship As A Platform For Internal Networks**

Networks play an important role for both innovation and growth. Networks are relationships between individuals and groups (Doubini & Aldrich, 1991), and are important for the survival of the organization.

- **External network:** Talking about external network we think about the opportunities to be creative and innovative and develop new knowledge and competencies outside the barriers of the company. Chang (1998) calls this type of corporate

entrepreneurship – exopreneurship. Exopreneurship means according to Chang (1998:187) that an organization purchases innovation through external networks, such as strategic alliance, joint ventures, subcontracting and external venture capital.

- **Internal network:** Talking about internal network we think about the opportunities to be creative and innovative and develop new knowledge and competencies inside an existing organization. Pinchot (1978) refers to this type of corporate entrepreneurship – intrapreneurship. The bases of a company are their employees because everything a company knows is inside the heads of its people. An internal network is created if the people voluntarily exchange information, tacit knowledge and create shared perspectives.

### **Creativity, innovation and intrapreneurship**

Intrapreneurship refers to the employees' initiative to undertake something new without them being requested to do so (de Jong & Wennekers, 2008:4). Therefore we can say that intrapreneurs focus on innovation and creativity, being able to turn an idea into a profitable company, while operating in a corporate environment.

Intrapreneurship is an example of employees' motivation, which through their creative spirit is indispensable for their company, thus becoming a key component of this phenomenon. By stimulating the creativity of employees, the company can achieve its objectives,

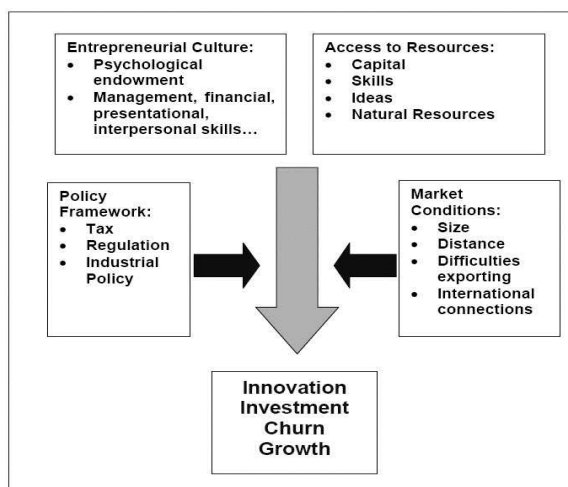
to be innovative and to renew itself from a strategic point of view.

Employees / intrapreneurs can use their creative and innovative ideas to create new products, processes or new divisions for their company having full support from the company and the availability of the necessary resources.

Entrepreneurial firms combine risk taking with innovative approaches and techniques to motivate and stimulate employees, encouraging them whilst they remain within the company to exercise their creative talents. Intrapreneurship is a double win for both company and employees.

**Why is Intrapreneurship more important now than ever before?**

No-one needs another web page telling them that the world is changing now faster than ever before. Organizations are finding it harder and harder to survive by merely competing. They are, therefore, increasingly looking towards their Intrapreneurs to take them beyond competition to create new businesses in new markets.



"As competition intensifies, the need for creative thinking increases. It is no longer enough to do the same thing better... no longer enough to be efficient and solve problems. Far more is needed. Now business has to keep up with changes... And that requires creativity. That means creativity both at a strategic level and also on the front line, to accompany the shift that competitive business demands... from administration to true entrepreneurship."

Intrapreneurship describes the process of developing new products, services, and lines of business within an existing company. It is perhaps best understood as a form of internal entrepreneurship that takes place with the encouragement and support of management. An employee who takes responsibility for developing an innovative idea into a marketable product is known as an intrapreneur.

Experts recommend that business organizations create a culture that provides employees with both freedom and encouragement to develop new ideas. They emphasize that support for intrapreneurship must start with top executives and work its way down in the form of policies, programs, and reward systems. "The real challenge for any company trying to unleash new businesses is that people have to believe that this is not an unnatural act,"

Employees who succeed as intrapreneurs tend to possess many of the same talents and traits as traditional entrepreneurs as well as a commitment to the organization and its goals. Working within an existing

company—rather than launching an independent start-up business—offers a number of advantages to such individuals. Access to the company's resources increases their chances of success, for example, while maintaining a salaried position provides them with added security in case of failure. Intrapreneurs also gain experience that they can apply to future entrepreneurial ventures, as well as a stimulating work environment. In this way, supporting intrapreneurship can help companies retain valuable employees.

For example, Microsoft is an institutionalized provider of office application and operating system software, but began as an entrepreneurial enterprise offering a BASIC programming language interpreter. The General Electric Company, one of the largest enterprises in the world, has its roots in Thomas Edison's laboratory.

For example, even though IBM Corporation is an innovative institutional enterprise in its own right, it acquired Lotus Development Corporation in order to strengthen its position in client/server and collaborative software markets.

For example, Digital Equipment Corporation was an innovator of minicomputer products, but as it institutionalized, it struggled in the personal computer market. It was acquired by Compaq Computer Corporation, who in turn merged with The Hewlett-Packard Company.

The practice of intrapreneurship can result in the incubation of entrepreneurial enterprises, which can be spun off as either entrepreneurial or

institutional enterprises. For example, Medco Health Solutions, Inc. is an institutional spin-off from Merck & Co., Inc.

Intrapreneurs have to find internal sponsors for their ideas and initiatives who have political clout just like entrepreneurs have to find investors. In fact, even initiatives that were previously approved by top management can lose momentum over time, and be subject to cancellation.

There is a dire need of innovation within the organizations in today's scenario. If these exemplary business standards and different yet unique strategies can be opted by the entrepreneurial firms then why can't these existing organizations utilize their opulence in fostering innovation more readily? The epicenter lies in the fact that the leaders within a company say CEO, manager, executives are not treated as people who enable others and that's the reason why renowned IT companies like Wipro and Infosys have intrapreneurial structures which are not yet fully result oriented.

The much talked about Google news is an outcome of an intrapreneurship opportunity given to an Indian employee Krishna Bharat. Moreover, here the 20 percent of the time can be allotted to the desired project which has a far reaching impact in elevating the innovative ideas of intrapreneurs. The service called "Shopping Trip 360" introduced by Infosys Technologies to help retailers and consumer packaged goods (CPG) companies to acquire visibility in in-store activity is an intrapreneurial

effort. This should prove to be the trend setter for the other Indian companies as well. Various MBA institutes and B - schools have also shown their contribution by including global entrepreneurship programmes which include 20 entrepreneurs and intrapreneurs in the campus.

**Measuring Intrapreneurship**

Intrapreneurship, or the process of an individual (or team) starting a business (or business line) for an existing employer, is a concept not often measured within existing entrepreneurship metrics. This makes sense since it is more difficult for government statisticians to capture intra-firm dynamics in a meaningful way.

**Global Entrepreneurship Monitor team of scholars**

If each implementing national team has implemented these concepts with strict adherence to protocol and is working with a quality survey vendor, then I think this was a really helpful exercise. First, the questions and logic are simple and straight forward. Second, capturing intrapreneurship should be a strength of household survey frames, which GEM uses. And, lastly, the scholars attempt to differentiate across different levels of intrapreneurship, although there are still broader conceptions of intrapreneurship that have been employed by others.

Table 3 Prevalence of intrapreneurship (narrow definition) across firm size classes

	< 10 employees	10 - 249 employees	> 250 employees	Total
Low income countries	1.1	2.1	3.4	1.8
High income countries	2.2	2.7	3.0	2.6
All countries	1.4	2.5	3.2	2.2

Source: Global Entrepreneurship Monitor 2008

**Entrepreneurship and intrapreneurship: advantages and disadvantages**

ENTREPRE-NEURSHIP	INTRAPRE-NEURSHIP
<b>Advantages</b>	
<ul style="list-style-type: none"> <li>You are your own boss - independency</li> <li>The income increases</li> <li>You have the chance to be original</li> <li>You have part of excitement and adventure</li> <li>There are a lot of possibilities</li> <li>Salary potential – you decide upon your own salary</li> </ul>	<ul style="list-style-type: none"> <li>Ability to stay in a friendly, well known environment</li> <li>Practicing your skills within an organization – lower risk</li> <li>Using companies resources, good name, knowledge</li> <li>Access to customers, infrastructure</li> </ul>
<b>Disadvantages</b>	
<ul style="list-style-type: none"> <li>Money pressure – giving up on the security of a regular paycheck</li> <li>Less benefits as the business is new</li> <li>Long working hours</li> <li>Mistakes are magnified</li> <li>All decisions must be made alone</li> </ul>	<ul style="list-style-type: none"> <li>Reward may not be up to expectation</li> <li>Innovation may not be appreciated accordingly</li> <li>You can be innovative but to a certain limit – you are not your own boss</li> </ul>

The companies create an environment that allows employees to act entrepreneurial within the company. Workplace environment can have a

dramatic impact on how the employees work. It can affect mood, motivation, creativity and productivity of staff. Employees must be given the freedom to come up with new ideas and to not be punished if they do mistakes, because through mistakes the company can learn and prosper. Therefore we can say that the essence of a company are the employees, because they are the ones behind a business and have a lot of creative ideas that can be put into practice.

In view of this, firms have different methods to stimulate employees' creativity but we believe that an important role is to adapt these creative ideas to the market needs. Certain structures are needed in order to allow the company to exploit the creativity of employees at maximum intensity and to initiate and sustain the innovation process. Financial resources are also essential in the innovation process, because without money it is very hard to support innovation.

Through a regular control of their activities the companies are able to support innovation and thus remain competitive in the market. The feedback received from customers, the number of sold products and the analyses of information from the past allow firms to identify their market position and to determine whether innovation must be improved or not. Innovative ideas are usually loaded with high risk and as such more easily inclined to fail. An important aspect is to analyze the cause of this failure. Failure must be seen here in a constructive way because companies

can learn from failure and they won't do the same mistake a second time.

Intrapreneurship is important no matter the field of activity or the size of the company and it has a significant influence on the profitability and growth of the company.

The interviewed companies consider that there is in some way, a connection between the field of activity of a firm and intrapreneurship, in the sense that in some areas, greater emphasis is placed on intrapreneurship or this is just simply more visible to the outside world.

Regarding the connection between the size of the firm and intrapreneurship, opinions are divided, namely:

- The economical impact affects differently large firms and therefore they must be more innovative to stay competitive on the market.
- Although small and medium sized enterprises give employees more freedom to come up with innovative ideas, they lack the financial resources needed to support intrapreneurship. Large firms have the infrastructure and financial resources to develop the creative ideas of employees.
- There is no connection between the firm size and intrapreneurship, because any business can be intrapreneurial if the management supports it and if the company culture allows it.

### **Intrapreneurs-Sony PlayStation**

The story of Intrapreneurial (corporate entrepreneurship) corporate struggle, determination and the creation

of highly successful Sony PlayStation absolutely continuous and driven by Ken Kutaragi intrapreneur, the international success Intrapreneurial has become one of the most famous in the history of business. Intrapreneurship has been used successfully by corporations, partnerships, and nonprofit companies in the United States, Europe, Asia and Africa.

### **For Example**

Now for the history of successful product creation and launch international marketing Sony intrapreneurial invention, the internal entrepreneur Ken Kutaragi, the success of their highly successful intrapreneur with PlayStation.

Ken Kutaragi, trained as an electrical engineer, Sony Corporation of Japan came in 1975 at the age of 25. Ken Kutaragi has been working in the sound lab at Sony when he bought a Nintendo console young. Ken noticed his son playing with a new Nintendo game, but he was upset with Nintendo's games sound quality. Because the training and experience in electronics Ken concluded that digital chips, just to specific sounds, greatly improve the quality of the Nintendo game systems.

Because of Sony Corporation is not involved in computer games, Ken Kutaragi, Sony negotiated his job to keep, while working as a consultant outside (entrepreneurs) on their Nintendo video game device. Ken develop "SPC7000" for the next generation of Nintendo games / machines.

### **Conclusions**

This paper attempts to explain the logic behind the intrapreneurial

process. For this purpose the difference between intrapreneurship and entrepreneurship is underlined, the connection between creativity, innovation and intrapreneurship is explained and the theoretical aspects are checked in practice through expert interviewing.

The success of any company depends on its potential to be creative and innovative. It is crucial for companies to know the difference between creativity and innovation, because these two terms are not synonymous at all. If a company really understands the difference, it can start its road to success, by releasing the creative spirit within it.

As an overall conclusion we can say that in the current economic climate, innovation is more important than ever, because it can increase the business efficiency and it can bring new flows of income. However, there is the temptation that in a difficult business environment, the company is tempted to reduce the expenses for innovation, which is often counterproductive. Innovation means finding new and better ways of doing things to help improve business. A planned process of innovation is vital to any company.

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## A STUDY ON CUSTOMER AWARENESS TOWARDS INTERNET BANKING – WITH REFERENCE TO TUMKUR DISTRICT

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### ABSTRACT

*The E-Banking is increasingly becoming popular because of convenience and customer-friendly. It has reduced transactional costs for the financial institutions and helped them to provide variety of services to their clients. E-Banking has not only reduced the time consumed in financial transactions, it has shrunk the geographical frontiers to make their business truly global. The present paper explores the customer's perception towards e-banking in India. The e-banking services divided into two. One is payment services and the other is Request services. Customer's satisfaction towards payment services, request services and e-banking issues are analyzed. The results are discussed along with suggestions for improving e-banking services in India.*

### INTRODUCTION

Internet Banking (or E-banking or on line banking) refers to the deployment of banking services and products over electronic and communication networks directly to customers. It can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone.

This type of banking allows consumers to check the balances in their accounts, transfer funds and order electronic bill payments. Internet banking systems allowing customers to apply for loans, trade stocks or mutual funds, and even view actual images of their checks or deposit slips. The services available for Internet banking vary from bank to bank. Nowadays the Internet is the main channel for electronic banking. Internet banking offers many benefits to

banks and their customers (Karjaluo, 2002). The main benefits to banks are cost savings, reaching new segments of the population, efficiency, enhancement of the bank's reputation and better customer service and satisfaction (Jayawardhena and Foley, 2000). To customers Internet banking offers also new value. With the help of the Internet, banking is no longer bound to time or geography. Consumers all over the world have relatively easy access to their accounts 24 hours per day, seven days a week. It makes available to customers a full range of services including some services not offered at branches. Internet banking has the advantage that the customer avoids traveling to and from a bank branch. In this way, Internet banking saves time and money provides convenience and accessibility (Karjaluo, 2003).

## LITERATURE REVIEW

The Internet, much like the ATM that came before it, is fundamentally a new distribution channel through which banks can deliver traditional banking products and services. Consumers have developed a high degree of comfort for using remote basic banking services, as demonstrated by the rapid proliferation of ATMs since their introduction 30 years ago. Initially, banks promoted their core capabilities, namely, products, channels and advice, through the Internet. Then, they entered the Internet commerce market as providers / distributors of their own products and services. The vast majority of the banks that avoided Internet banking in the beginning did so because they simply did not see the benefits of using it. Polatoglu & Kin (2001) state that the average internet banking transaction costs the institution only one twentieth of a teller transaction. An extensive study conducted in 2001 by the Consumer Bankers Association indicates that Internet banking usage remained stagnant from 1996 to 1998, with less than 10% of the market utilizing the service. This characterizes the early adoption phase where the banking industry, in its striking transformation, has embarked on an era of 'anytime, anywhere' banking. In fact, earlier researchers (Reil et al., 2001; Long & McMellon, 2004) point out that automated service is still at its infancy stage and there is no generally accepted theoretical conceptualization of automated service quality. Banks that had the capability of implementing such a

system became the first movers and focused primarily on the technological benefits offered by such a setup in order to capture technology enthusiasts at that time. Since then, Internet banking has been able to successfully cross the chasm as a complete service within the financial services industry but not up to the mark. As mentioned above, technologies in the early market provided many single services and not complete solutions during this period. These examples demonstrate the development of a complete service that becomes widely used within a small segment of the pragmatic early majority, representing an entry into the bowling alley. Conclusions of study undertaken for European Commission on public perceptions (September, 2003) say that lack of trust has been frequently cited to be one of the key factors that discourage customers from participating in e-commerce, while cultural differences affect the formation of trust. Apart from trust, there are other variables which influence the usage of Internet banking. They are intention, beliefs, and subjective norms, trust in the bank, attitude, perceived usefulness and perceived ease of use (Journal of Services Research, 2007). Demography may also affect the usage pattern of Internet Banking. It is interpreted that the female respondents are yet to get fully involved in Internet purchase (Journal of Internet Banking and Commerce, 2006). Therefore, enhancing the level of service performance acceptance is the major issue to get competitive advantages. Service quality has received much attention because of

its obvious relationship with financial performance, customer satisfaction and retentions (Al-Hawari et al., 2005). Suganthi et al. (2001) conducted the review of Malaysian banking sites and revealed that all domestic banks were having a web presence. Only 4 of the ten major banks had transactional sites. The remaining sites were at informational level. There are various psychological and behavioral issues such as trust, security of Internet transactions, reluctance to change and preference for human interface which appear to impede the growth of Internet banking Corrocher (2002) investigated the determinants of the Internet technology adoption for the provision of banking services in the Italian context and also studied the relationship between the Internet banking and the traditional banking activity, in order to understand if these two systems of financial services delivery are perceived as substitutes or complements by the banks. According to the results of the empirical analysis, banks seem to perceive Internet banking as a substitute for the existing branching structure, although there is also some evidence that banks providing innovative financial services are more inclined to adopt the innovation than traditional banks. Technology has had a remarkable influence on the growth of service delivery portions (Dabholkar & Bagozz, 2002). Rao et al. (2003) provide a theoretical analysis of Internet banking in India and found that as compared to banks abroad, Indian banks offering online services still have a long way to go. For online banking to reach a

critical mass, there has to be sufficient number of users and the sufficient infrastructure in place. I.T. has introduced new business paradigms and is increasingly playing a significant role in improving the services in the banking industry. Internet banking is becoming more and more popular today, as is banking via digital television. Beyond doubt, a substantial part of the future of banking business lies in a banking environment that is less and less branch-based and where customers are able to access banking services remotely. The automated service quality research has been limited to relationship management rather than service quality or its acceptance by consumer. Even comprehensive definition of banking service quality is lacking Innovative Marketing, Volume 3, Issue 4, 2007 69 (Parasuraman et al., 2005). Only discusses automated service quality within the service that is delivered through web sites. In addition to internet banking, service quality, telephone banking and ATM service quality need to be addressed in particular service environment. Black et al. (2001) performed a qualitative study on the adoption of internet services and found out that those with the highest income with a greatest use of information technology were most likely to purchase financial services using internet channel. Education and gender were not studied in this study. Earlier studies (Barczak et al., 1997; Danniell & Strong, 1997; Lia et al., 1999; Polatoglu & Ekin, 2001; Devlin & Yeung, 2003) report factors such as convenience, flexibility, security concern, complexity,

and responsiveness being associated with a higher propensity to use internet banking.

### **RESEARCH PROBLEM**

Changes in banks' external environment, including globalization and deregulation, have made the banking sector highly competitive. Banks find it hard to compete on price, and need to look at other ways to retain customers. As customers become more sophisticated, it becomes imperative for banks to consider the use of technology to respond to their continuously changing requirements.

### **NEED FOR INTERNET BANKING**

One has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In true Internet banking, any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Providing Internet banking is increasingly becoming a "need to have" than a "nice to have" service. The net banking, thus, now is more of a norm rather than an exception in many developed countries due to the fact that it is the cheapest way of providing banking services.

### **OBJECTIVES OF THE STUDY**

The following objectives are framed for this study;

1. To study the awareness of the customers towards the internet banking in Tumkur district

2. To analyse the factors motivating customers to use the of internet banking.

### **RESEARCH METHODOLOGY**

The present research is held in Tumkur district. This district is selected due to the effective functioning of large number of public and private sector banks and more poultry farms are running at large level. And the small industries are operated by the rural mass and they are wide spread throughout the district.

### **AREA OF THE STUDY**

The present study takes up six banks, three from private sector and three from public sector. State Bank of India, Indian Bank and Indian Overseas Bank are selected from the public sector. On the other hand, ICICI Bank, HDFC Bank and City Union Bank Limited are selected from the private sector.

### **SAMPLING DESIGN**

Population of the study consists of all customers using the internet banking facilities of the six banks. Form the large population, 600 customers (100 customers from each bank) are selected at random. The samples are selected from the branches from towns and villages.

### **Variables of the Study**

The present study uses two types of variables such as demographic variables and research variables. The demographic variables are the personal characteristics of the customers i.e., gender, age, educational, occupation and income. The

research variables are the aspects that are related to the study. The variables are based on the objectives of the study.

### Sources of Data

Primary data are collected by means of a structured questionnaire. Secondary data are collected from various journals, books, annual reports of the bank, and internets.

### Questionnaire

Questionnaire is the tool to collect the primary data for the study. It consists of the personal data of the customers and multiple choice questions related to the research variables.

## FINDINGS AND ANALYSIS DEMOGRAPHIC PROFILE

### Demography of the customers

Sl. No.	Variable	Divisions	No. of Customers (N=600)	Percent
1.	Gender	Male	540	90
		Female	60	10
2.	Age (in years)	20-40	204	34
		41-60	324	54
		60 & above	72	12
3.	Marital status	Married	216	36
		Unmarried	384	64
4.	Educational qualification	Upto HSC	96	16
		Degree/Diploma	144	24
		P.G Degree	228	38
		Professional	132	22
5.	Occupation	Employee	396	66
		Business	108	18
		Professional	60	10
		Agriculture	12	2
		Household	24	4
6.	Annual Income (in Rs.)	Upto 1 Lakh	12	2
		1-2 Lakhs	108	18
		2-3 Lakhs	144	24
		3 Lakhs & above	336	56
7.	Area of Residence	Village	210	35
		Town	390	65

Source: Primary Data

1. The above table reveals that 90% respondents of this study belonged to male and 10% respondents of this study belonged to female.
2. The above table reveals that 34% respondents were belonged to 20-40 years of age, 54% respondents belonged to 41-60 yrs of age and 12% respondents belonged to above 60yrs of age. Therefore maximum numbers of respondents were youngsters i.e. their age is below 41-60years
3. The above table reveals that 36% of respondents of this study were married and 64% respondents were unmarried. Therefore majority of respondents were unmarried.
4. The above table reveals that 16% respondents were either higher secondary, 24% respondents were graduates or diploma, 38% respondents were Post graduate and 22% respondents belonged to professional degree. Professional degree includes C.A (IIB), B.E, B.L and B.Tech.
5. The above table reveals that 66% respondents were salary person (Employee), 18% respondents were self-employed (Business) 10% respondents were professionals, 2% of respondents were farmers and 4% of respondents were house wife. Therefore maximum numbers of respondents were salary person.
6. The above table reveals that 2% respondents earning below Rs.1,00,000 p.a., 18% respondents are earning between 1,00,000 – 2,00,000 p.a., 24% respondents earning 2,00,000 – 3,00,000 p.a., and 56% respondents

were earning above 3,00,000 as their annual income. Therefore majority of respondents were earning above 3,00,000 as their annual income.

7. The above table reveals that 35% of respondents of this study are residing in village and 65% respondents are from semi-urban

area. Therefore majority of respondents are from semi-urban area.

### PERCENTAGE ANALYSIS

Percentage analysis was used to study customers awareness towards the internet banking.

Sl. No.	Sub Dimensions	Fully aware %	Sufficiently aware %	Less aware %	Not aware %	Total
1.	Log in and Log out	68	18	14	-	100
2.	Level of Awareness towards Credit Card	34	40	20	6	100
3.	Change of password	34	35	15	16	100
4.	Internet browser	68	18	14	-	100
5.	Online Enquiry	16	24	38	22	100
6.	Online Payment	13	25	40	22	100
7.	Depository Service	18	54	24	2	100
8.	e-Transfer of Funds	20	60	18	2	100
9.	Level of Awareness towards Debit Card	36	46	14	4	100
10.	Level of Awareness towards Mobile Banking	14	66	16	4	100

Source: Primary Data

The above table reveals that customers are aware of various aspects of internet banking. Especially awareness towards basic information and safety aspects such as internet browsing, Login & Log out, changing their passwords, Debit card, Credit card, Depository services and mobile banking. However, bankers has to educate their customer how to make online payment and to file the online enquiry.

**Factor analysis was performed to identify the most influencing factors of customers towards internet banking**

#### Factor analysis

Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy/Bartlett's Test of Sphericity Prior to the extraction of the factors, several tests are required to be used to assess the suitability of the respondent data for factor analysis.

These tests include Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy, and Bartlett's Test of Sphericity.

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.624
Approx. Chi-Square	12230.302
Bartlett's Test of Sphericity	df 276
Sig.	.000

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is a statistics that indicates the proportion of variance

in variables that might be caused by underlying factors. In this study, the value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.624. Bartlett's tests the hypothesis that correlation matrix is an identity matrix, which would indicate that variables are unrelated and therefore unsuitable for structure detection. A small value (less than 0.05) of the significance level indicates that a factor analysis may be useful with data.

**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	5.423	22.595	22.595	5.423	22.595	22.595	4.013	16.719	16.719
2	4.360	18.165	40.760	4.360	18.165	40.760	3.592	14.967	31.687
3	2.841	11.839	52.599	2.841	11.839	52.599	3.422	14.260	45.947
4	2.327	9.698	62.296	2.327	9.698	62.296	2.678	11.159	57.105
5	1.663	6.930	69.226	1.663	6.930	69.226	2.324	9.685	66.790
6	1.237	5.153	74.379	1.237	5.153	74.379	1.821	7.589	74.379

Extraction Method: Principal Component Analysis.

Factor analysis is used in data reduction to identify number of factors that explain most of the variance observed in a much larger number of manifest variables. The loadings of the item in factor explain the correlation between item and that factor. An eigenvalue for a Factor is obtained by

squaring the every item on that factor, and adding these squared factor loadings together. In this study factor analysis is performed to analyze the Customers attitude towards Internet banking and accordingly the results are as follows.

**Rotated Component Matrices**

	Component				
	1	2	3	4	5
Time saving	.867	-.012	-.019	-.019	.184
Safety	.822	.021	-.074	.067	.096
Willing to bear additional charges if any	.814	-.147	.118	.077	-.166
Wider coverage	.746	.149	.122	-.245	.440
Willing to wait	.702	.011	.326	-.083	.089
Encouragement of bank	-.127	.774	-.020	-.245	.213

Low cost	-.112	.742	-.211	-.164	-.127
More responsive service	.134	.725	-.015	-.279	.318
Easiness	-.243	.710	-.207	.396	-.079
Recommendation	.049	.663	-.453	-.305	.050
Switch over	.103	.639	.327	.125	-.156
Usage in Emergency	.350	.595	.259	-.133	.490
Bank's help	-.078	.008	.875	-.065	.037
Possible for big loss	.174	-.134	.791	-.146	-.215
Compatibility	.211	-.097	.737	-.102	.035
TRUST Managing financial transactions	.234	.089	.656	.082	.015
Difficulty in User ID	-.292	-.070	.608	.194	.445
Fulfillment of banking needs	-.116	-.263	-.061	.859	.108
Easy access	-.116	-.010	-.053	.809	-.270
REACTION Confusion	.221	-.118	.028	.737	-.216
More Easy in future	.104	.159	-.190	-.137	.840
Under Control	.082	.116	-.022	.162	.870
Risky nature	.297	.027	-.133	.303	.700
Independence	.477	.068	.140	.005	.696

### Factor – 1 Security

With the ongoing expansion of internet services, virtually every bank, savings and loan, lending institution and brokerage firm is using the internet to communicate and allow their customers the advantages of conducting transactions online. The convenience this offers to customers, and the cost savings this represents to the businesses is enormous, and when done correctly, can be as safe as, and potentially safer than, transactions through the mail. Privacy refers to the idea that personal information of the users is kept confidential and not misused for any inappropriate purpose. In the absence of privacy concerns, the customers are unlikely to transact through internet banking. The respondents highly agreed that they had substantial privacy when

using internet banking services. Security is defined as the freedom from danger, risk, or doubt. It involves physical safety, financial security and confidentiality. Moreover, security is defined as personal and possessions safety of the customers. It includes confidentiality maintained by service providers

- Internet banking saves my time .867
- I assure safety / privacy of transactions while using net banking .822
- I am willing to bear any additional charges if any towards the usage of Internet banking .814
- Internet banking covers a wider range of banking transactions .746
- I am will willing to wait in case of technical fault .702



### Factor – 2 Customer services

Technology has made it extremely convenient for the bank as well as the customer to access to a host of wonderful services by simply logging in. These services include financial planning capabilities, functional budgeting and forecasting tools, loan calculators, investment analysis tools and equity trading platforms which are available as simple applications on the bank's website. Additionally most banks also provide the facility of online tax forms and tax preparation. For the successful internet banking services, it is highly important that banks must provide reliable and consistent services and keep their promises and commitments. In this regard, some of the respondents disagreed which suggest that banks need to improve its commitment level to meet the expectations of customers. The results from secondary data have evaluated that the promises of banks regarding reliability and efficiency services influence customers to shift towards internet banking. In addition, it is more likely that when a bank fulfils the commitment level of customers through traditional banking, it will also meet the expectations of customers through internet banking services.

- My bank encourages me to maintain internet banking .774
- Internet banking incurs low cost .742
- Internet banking provides more responsive services .725
- Internet banking practices can be easily learnt .710

- I am willing to recommend the Internet banking to others .663
- In case of frequent network problem, I will switch over to traditional banking .639
- Internet banking is useful only in emergency situations.595

### Factor – 3 Trust

Trust not only refers to the idea that internet banking service provider is trustworthy but it also means points out the system probably web through which transactions are processed and carried is also trustworthy. This needs to be accomplished through establishing a close contact with the customers. The banks need to take measures such as loyalty programs and membership programs for assuring customers that they are valuable assets from the banks. This will result in positive perceptions of the customers towards bankers. This will also result in the creation of positive word of mouth marketing of the internet bankers and will communicate a positive message to the public. Moreover, the existing customers of the internet bankers will also use the internet banking services to a greater extent. Moreover, positive perceptions of customers will also make the, to recommend the internet banking services to their peers and reference groups.

- If any problem occurs my bank helps me .875
- Small negligence / ignorance in the Internet banking leads to big loss .791
- My Net Banking is compatible with my life style .737

- I can manage banking and financial transactions through e banking effectively .656
- It is difficult to remember and protect my user ID .608

#### **Factor – 4 Conveniences**

Convenience: This is the single most important benefits that outweigh any shortcoming of internet banking. Making transactions and payments right from the comfort of home or office at the click of a button without even having to step out is a facility none would like to forego. Keeping a track of accounts through the internet is much faster and convenient as compared to going to the bank for the same. Even non transactional facilities like ordering check books online, updating accounts, enquiring about interest rates of various financial products etc become much simpler on the internet.

- Internet banking fulfills my all needs relating to banking transactions .859
- I can access into my account page easily .809
- Sometimes, I get confusion while using the Internet banking .737

#### **Factor – 5 Ease of use**

Online accounts are easy to set up and require no more information than a traditional bank account. Many offer the option of inputting your data online or downloading the forms and mailing them in. If you run into a problem, you have the option of calling or emailing the bank directly. One advantage of using online checks is that the payee's information is retained,

which eliminates having to reenter information on subsequent checks to the same payee.

Online banking is also environmentally friendly. Electronic transmissions require no paper, reduce vehicle traffic and are virtually pollution-free. They also eliminate the need for buildings and office equipment. Ease of use is as the factor influencing the adoption of Internet banking, and related to an easy-to-remember URL address, well-organized, easy in site navigability, concise and understandable contents, terms and conditions

- Internet banking will become more easily in future .840
- All My Net Banking transactions are under my control .870
- Internet banking is risky practice but it is necessary to me .700
- While using net banking I am independent .696

#### **Conclusion**

The present study has analyzed the various aspects of the internet banking in view of the customers of public and private sector banks in Tumkur district. Awareness, satisfaction and awareness of customers of the banks are the important aspects of the study. The research shows that the customers of private sector banks are of high level that that of the public sector banks in respect of these aspects. So, the study concludes that the public sector banks must have commitment to net banking along with a deeper understanding of customer needs. This becomes possible only when they provide

better service quality to the customers. At the same time, the both sector banks should maintain effective e-banking practices by all means.

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## GST MODEL IN INDIA

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### GST Model India – CGST, IGST, UTGST, SGST for India 2017

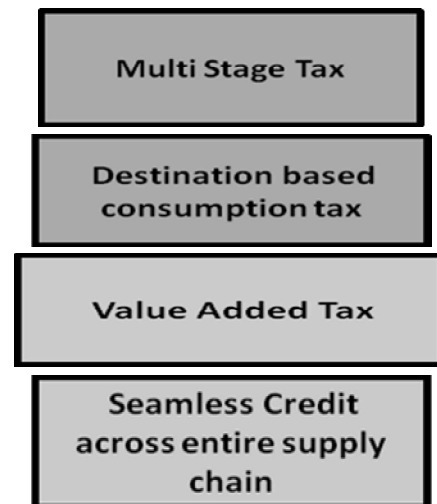
GST model in India, Goods and Service Tax, the forthcoming biggest reform in the taxation era of Indian Economy, on implementation facilitates the brand of India in world's business friendly countries and boosts the economy by eliminating hindrance in the present indirect taxation structure. Till now, the varying taxation structure across the states within India created unhealthy competition among the states and hampered the overall growth with increased compliance cost to the business environment.

Goods and Services Tax would be a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace the various indirect taxes levied by the Central and State governments. France was the first country in the world to introduce GST system in 1954 and almost 160 countries across the world have already implemented the GST. Now check more details about "GST Model For India – Proposed, Central and State GST" from below...

#### What is GST?

- A tax charged on supply of Goods and Services or both for consideration.
- GST is a destination based consumption tax.

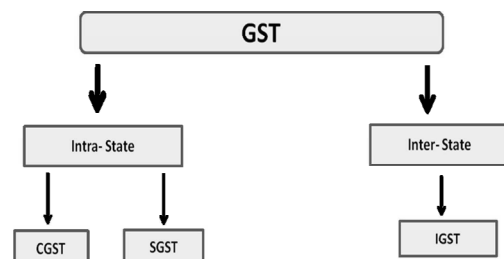
- GST is a value added tax to be levied on both goods and services, (except the exempted goods and services).
- The tax will be levied on the value of the product or service supplied and not sold.



#### CONCEPT OF GST

- ✓ Will it reduce the price of Products?
- ✓ Will it reduce the cost of services?
- ✓ Will it increase Government revenue?

#### CONSTITUENTS OF GST



#### Central GST

Under CGST, Both Central and State government combine their levels to bring into existence a single unified taxation system at the center level, with appropriate revenue sharing arrangement among them and leaving no room or very little for tax levy by state government.

- CGST on supply of goods or services or both will be charged for within the state transactions.
- Tax revenue is meant for Central Government and tax rates will be common all over India.
- The expected rate of CGST is around 9%.

**State GST**

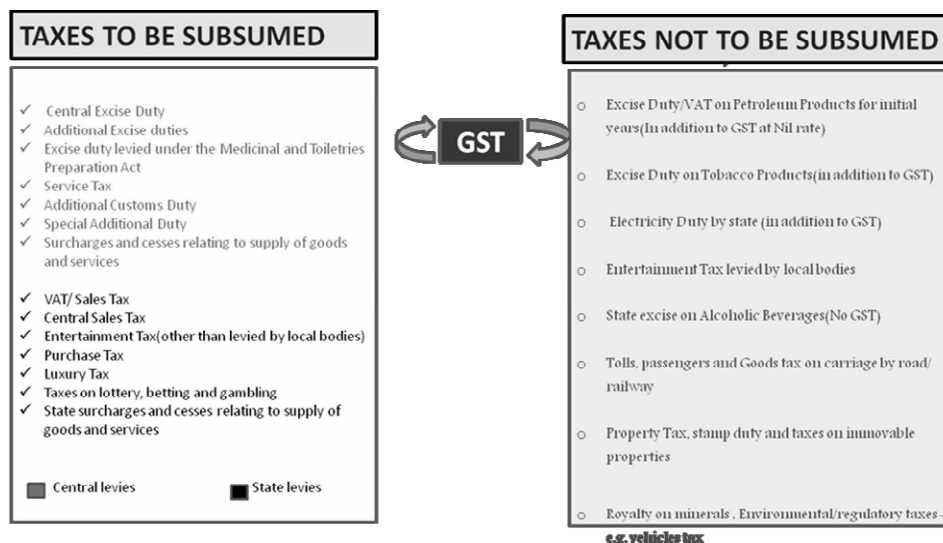
Under SGST, only States alone levy GST and the Centre withdraws power to levy the tax completely on goods or services. This would significantly enhances the revenue generating power of states and the center offsets its revenue loss by reducing its fiscal transfer benefit to the states or by suitable revenue sharing arrangement if

required. State GST increases the compliance cost to business houses as it will have to comply with tax laws of each state within same country and brings unhealthy competition among the states.

- Tax revenue is meant for State Government and tax rates will be decided by each State
- The expected rate of SGST is around 9%.

**IGST**

- IGST is charged on interstate movement of G&S.
- Tax revenue is shared by both Central Government and State Government.
- Tax rates will be common all over India.
- The expected rate of IGST is around 18%. Tax on imported goods will continue at a rate equal to IGST. Unlike in the present regime, the States where imported goods are consumed will now gain their share from this IGST paid on imported goods.



**GST TAX STURUCTURE**

**Intra State Taxable Supply**

- Excise and Service Tax will be known as CGST
- Local VAT & Other taxes will be known as SGST

**Inter State Taxable Supply**

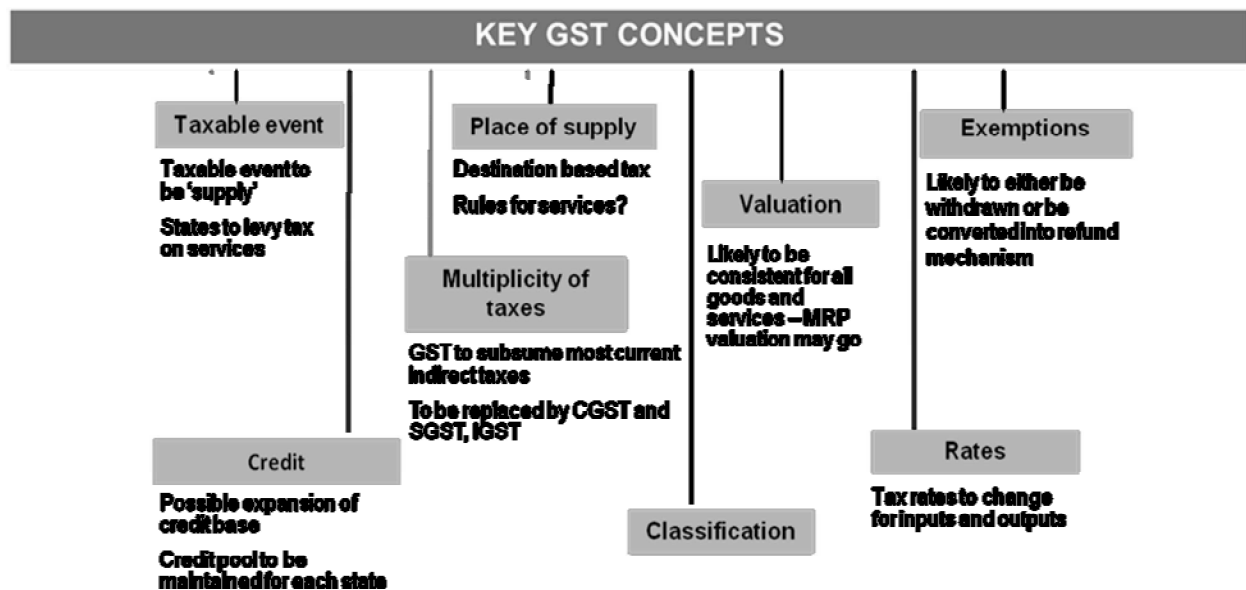
- CST will be replaced by Integrated GST (IGST)

- Approx. Sum Total of CGST and SGST

**Import From Outside India**

- Custom Duty
- In Place of CVD and SAD, IGST will be charged

**OVERVIEW OF THE NEW LANDSCAPE**



**Taxable Event**

**1. Existing Practice**

- Excise Duty- Manufacturing,
- Sales Tax/VAT- Sale of Goods
- Service Tax- Realization of Service

**2. GST**

- Taxable event is “Supply “ of Goods & service
- The location of the supplier and the recipient within the country is immaterial for the purpose of CGST.
- SGST would be chargeable only when the supplier and the recipient are both located within the State.

- Inter- state Supply of goods and services will attract IGST.

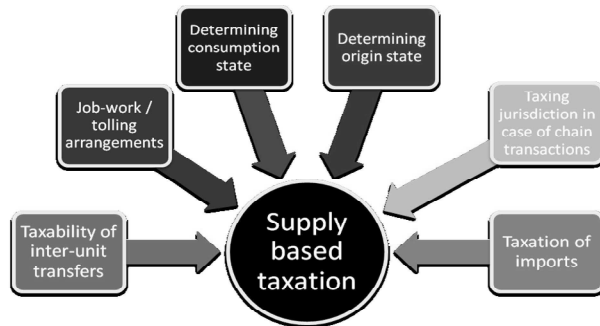
**INDUSTRY EXPECTATIONS FROM GST**

- Low compliance cost- unlikely
- Simple business processes-near to reality
- Less requirement of automation initially-unlikely
- Minimal ITC refund cases –near to reality
- Exemptions instead of exclusions from GST-possible

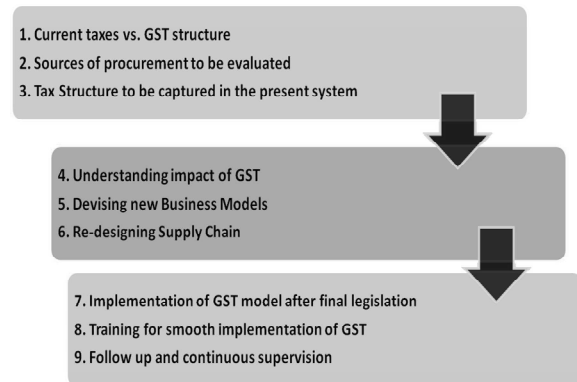
- Seamless flow of input credit-possible
- Seamless flow of information between, supplier, buyer and tax administration-possible
- Need for IT portal or agency like TINXSYS, NSDL- required
- Automation of process by way of e-registrations, e-returns, e-payment-required
- No requirement of verifications during inter-state movement of Goods-unlikely
- Zero rating of supplies to exporters
- Administrative efficiency in case of assessment and adjudication
- Ease of compliance-unlikely
- Self-policing-required

- ★ Concessional Procurement rates for electricity generation
- ★ Remission of tax on supplies found deficient in quantity
- ★ Eligibility of credit on construction works contract for setting up business / factory / office
- ★ Scope of expression 'input tax charged to him' under definition of input tax
- ★ Clarity on timing of availment of Input tax credit
- ★ CGST Registration – whether single or State specific

**ISSUES TO BE ADDRESSED WITH NEW REGIME**



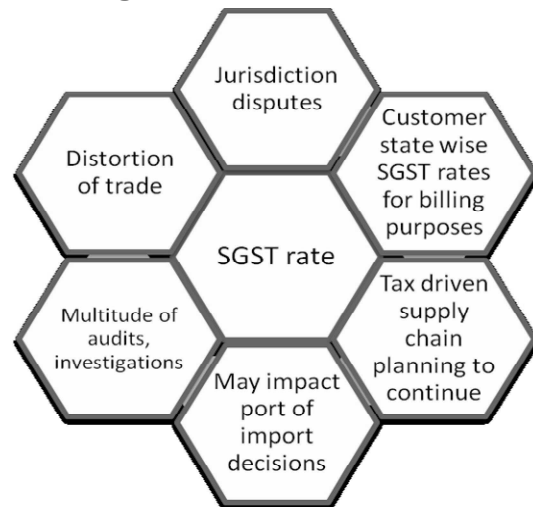
**HOW TO PROCEED?**



**ISSUES TO BE ADDRESSED WITH NEW REGIME**

- ★ Valuation of stock transfers – market value or 110% of manufacturing cost and valuation of inter unit Supplies
- ★ IGST on imports - to be computed on sum of transaction value & BCD (similar to computation of CVD) or transaction value alone?
- ★ Scope & valuation provisions for transactions without consideration

**Difference in SGST rates – likely challenges**



“King must collect taxes like honey bee, it should be enough to sustain but not too much to destroy.”

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## A STUDY ON EFFECTIVENESS OF KNOWLEDGE MANAGEMENT IN AVR MANUFACTURERS AT CHENNAI (TAMILNADU)

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### ABSTRACT

*On a global basis, organizations are recognizing the importance of knowledge as a means to gain or sustain competitive advantage. The only thing that is sustainable, for successful businesses, in the New Millennium – is what it knows, how it uses what it knows, and how fast it can know something new. In the past, the dilemma was finding enough information, but now the problem has shifted to identifying and managing the nuggets of mission-critical knowledge amongst the mountains of meaningless noise. Knowledge Management (KM) has already reached the level of a scientific discipline and attracts increasing interest in research and practice. The aim of this study is to find out that the effectiveness of the km in AVR and to find out the knowledge management techniques adopted by the company.*

### 1. INTRODUCTION

In the present day market scenario of intense competition, organizations need to know what they know and be able to leverage on its knowledge base to gain competitive advantage. In this knowledge era, organisations can create and sustain competitive advantage through initiation of appropriate knowledge management processes. The organisations that can leverage technology to exploit the data will realize the benefits by creating a competitive advantage for itself. The competitive advantage could be in the form of identifying trends, unusual patterns, and hidden relationships.

The recent emphasis on knowledge management arises out of the need for organizations to manage resources more effectively in a hyper-competitive, global economy. Successful companies are

those that consistently create new knowledge, disseminate it widely throughout the organization, and quickly embody it in new technologies and products'. The importance of knowledge has been stressed by many management researchers and authors.

Peter Drucker has declared that knowledge is just not another resource like labor, capital, but is the only important resource today. Toffler subscribes to the views of Drucker, by proclaiming that knowledge is the source of the highest-quality power and is the key to the power shift that lies ahead. Quinn shares a similar view while stating that the economic and the producing power of modern organisations lies more in its' intellectual assets and capabilities more than the other tangible assets. According to De Jarnett

Knowledge management is knowledge creation followed by interpretation, knowledge dissemination and use, and knowledge retention and refinement.

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

### 1.1. IMPORTANCE OF KNOWLEDGE MANAGEMENT

In the new global environment, an organization's competitive capability is intrinsically tied to the ability to rapidly collaborate with customers and key stakeholders. The primary concern today is to ensure that the knowledge necessary to drive critical business processes is available where it needs to be, when it needs to be.

A variety of market factors have contributed to the growth of interest in knowledge management. They include:

- Accelerated pace of change

- Staff attrition – especially that resulting from years of downsizing and reengineering
- Growth in organization scope – geographic dispersion associated with globalization of markets
- Global integration
- Increase in networked organizations
- Growing knowledge - intensity of goods and services
- Revolution in enabling technology

### 1.2. PLANNING OF KNOWLEDGE MANAGEMENT

Knowledge Management planning includes the following:

1. Develop an understanding of why a knowledge initiative is being undertaken. The key to this is a clear set of business objectives. These may be one or more of the following:
  - Focus on enriching relationships with customers (understanding their requirements, giving them better service and delivery, informing them of potential developments)
  - Focus on product leadership (better, more innovative features, higher quality, better value for money, improved reliability)
  - Focus on operational excellence (reduced lead times, better forecasting of delivery times, improved performance in meeting delivery promises, better quality of manufacture)
  - Increase market share in particular sector up to a specific percentage through improved marketing, sales organization competitive pricing, and availability and performance of product).

2. Obtain a knowledge landscape, of the organization, to identify those activities that are likely to give an immediate and significant payback.
3. Focus on the knowledge-focused requirements for competent execution of complex decisions and tasks.
4. Identify areas where knowledge is missing for particular business and support processes.
5. Identify repositories of knowledge and determine whether any of the gaps in the knowledge requirements may be filled from these repositories.
6. Identify bottlenecks in knowledge transfer or knowledge distribution, and attempt to eliminate them.
7. Identify how to organize appropriate approaches to standardize knowledge acquisition so that knowledge can be cumulated and merged with other knowledge.

### 1.3. Knowledge Development Cycle

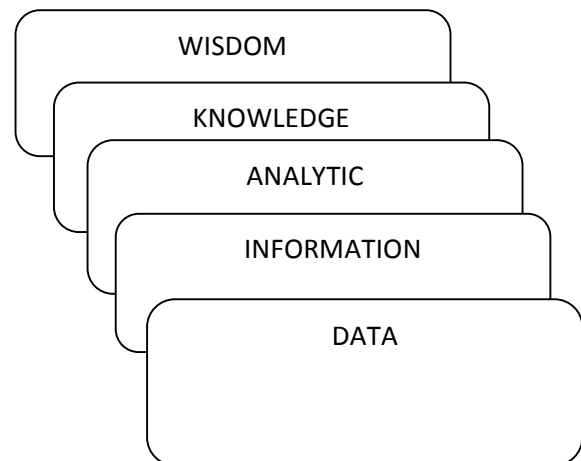
The knowledge development cycle is defined as the knowledge management process in an organization, as a cyclic process from knowledge creation to knowledge review and revision.

The knowledge creation process involves the creation of new knowledge in the organization. This also includes activities like research and development, consulting, education etc. The knowledge adoption process involves the adoption of created knowledge and adapting the knowledge. The knowledge distribution and knowledge review and revision process involves the conversion of converting the individual knowledge to organizational knowledge.

### 1.4. KNOWLEDGE CREATION

The ideal knowledge management process would work as follows: Data enters an organization in product and service transactions. The data becomes information when it is analyzed to create summaries of customer, account, service, product, and business unit activity and performance. This information populates databases and is mined into knowledge repositories, where it can be integrated with other relevant information.

Knowledge is created when data and information from these repositories are used in the normal course of business and the results are recorded and codified.



### 1.5. METHOD OF KNOWLEDGE SHARING

#### 1.5.1. PEER ASSIST

British Petroleum (BP) introduced Peer Assist in 1994. Peer Assist is a method of cooperation, based on dialogue and mutual respect among peers. Peer Assist involves a meeting organized by a work team who are starting up a new project (the hosts). The hosts call on another group who already have

experience with a similar project. They introduce the background and data of their project and their capabilities. They then express their specific needs. Once the situation is explained, both teams work together to identify possible solutions to the problem.

### **1.5.2. AFTER ACTION REVIEW**

The US Armed Forces originally developed After Action Review (AAR). AAR's main purpose is learning by talking and thinking about a completed activity or project. Its goal is simply to state lessons learned, rather than to solve problems or criticize.

AAR must be done in-house. If possible, it must be done right after the activity discussed. The exercise aims to capture the lessons before they are forgotten. All stakeholders in the process, and they alone, are invited to join the discussion group. Everyone must take part with an open mind. The success of this exercise depends on the participant's goodwill.

### **1.5.3. STORYTELLING**

People have told stories for thousands of years. Even today, stories are part of our daily lives. Stories have recently been rediscovered as a way to transfer knowledge. Stories allow us to describe employee relations or activities in a formal or informal way. The aim is to transmit tacit knowledge that an organization can use. Stories are a simple and accessible way to communicate complex ideas, key messages and lessons learned.

Telling stories out loud engages people's minds, imaginations and emotions. This makes storytelling much more accessible than theory and a very powerful way to transfer knowledge. But we must recognize the importance of analytical thought. We must use stories to complement other tools.

### **1.5.4. MENTORING**

Mentoring is a learning relationship between two employees. Mentors are experienced employees who share their knowledge, experience and ideas with less experienced employees, or associates. Associates are people who have shown what they can do. Associates really want to acquire new knowledge and skills. Mentoring is not specific to a position. A mentor is not the employee's manager. Mentoring occurs outside any formal employer- employee relationship.

Mentoring looks to the future. Its aim is career development. Its aim is to give associates the general management and/or leadership skills that will prepare them to meet the demands roles and responsibilities that lie ahead. Mentoring is based on mutual commitment respect and trust.

### **1.5.5 COACHING**

Coaching is not mentoring. In mentoring, employees are guided by the advice and experience of senior counterparts who "take them under their wing". Coaching specifically aims to develop new qualifications and skills in an employee. It aims to improve that person's learning and job performance, so that he/she can then reach organizational

goals. The coach does not convey his or her personal vision to the employee. Coaching focuses solely on the employee's predefined needs as these relate directly to his/her job; however, this relationship does not necessarily mean that the person reports to the coach. Coaching aims to develop abilities to meet targeted goals in a given work situation.

## II. AVR MANUFACTURERS – PROFILE

AVR Manufacturers established in the year 2003, with an immense industry experience of 30 years, have achieved a prominent position in the manufacturing and supplying of sheet metal components, pressed components and automotive components. These encompass sheet metal parts, special type washer, precision sheet metal press components, deep drawn components, and oil seal inner shells. Based on the latest technology, these are widely used in industries such as Automobile, Automotive and also in other engineering firms.

With knowledge and expertise, AVR Manufacturers broadened its horizons into manufacturing of automobile sheet metal components after surveying and studying both technical and marketing aspects. Over the last 10 years, the company has achieved a distinct place in the market. It has a strong and satisfying clientele. AVR channel their endeavours towards achieving absolute customer satisfaction by offering its clients with qualitative products. AVR products, owing to its functionality, durability, efficiency, and cost effectiveness

are preferred by a wide list of clients across India. In addition to exhibiting finest quality, its entire product range is competitively priced, enabling us to earn immense credibility and faith of our valued clients. With the help of company's experienced team of professionals, AVR offer customization facility to its clients. AVR manufacture these components and assemblies in various designs and sizes to meet the specified requirements of AVR clients.

## III. REVIEW OF LITERATURE

**Michal Przemyslaw Rudzki and Fredrik Jonson (2004)** in their thesis "Identifying and Analyzing Knowledge Management aspects of Practices in Open Source Software Development" explore how knowledge management is performed in open source projects? Open source projects are often perceived as informal, even unmanaged. Still, they appear to manage knowledge acquisition and sharing sufficiently well to successfully develop software in such a distributed environment as the Internet. They present three main conclusions- the nature of open source drives the creation and adoption of development practices, such that those practices support knowledge sharing sufficient enough for the community to create a successful software development environment.

**Singh (2005)** extends management research to consider collaborative networks as determinants of knowledge diffusion patterns. Unlike Cummings (2004), Singh hypothesizes that individuals within an organization (from either the

same region or same firm) possess closer collaborative links; thereby influencing a greater probability of knowledge flows. The researcher finds intra-regional and intra-firm knowledge flows represent stronger ties influencing knowledge diffusion among individuals when compared to those across regional or firm boundaries. Curiously, the effect of regional or firm boundaries on knowledge flow decreases when Singh accounts for interpersonal ties in. Belonging to the same region or firm has little additional effect on the probability of knowledge flow among investors who already share close network ties.

**Tanriverdi (2005)** finds that IT relatedness of business units enhances the cross-unit KM capability of the firm, which then has a direct impact on corporate performance. Tanriverdi's model theorizes that KM capability creates and exploits cross-unit synergies from the product, customer, and managerial knowledge resources of the firm. These synergies increase the financial performance of the firm. IT relatedness also indirectly influences corporate performance through the mediation of KM capability.

**Manish Kumar, Souren Paul and Suresh Tadisina (2005)**, "Knowledge Management Practices in Indian software development companies: findings from an exploratory study". In this paper, they report the findings of an exploratory study where they investigate the KM practices of eight leading software consultancy companies in India and compare their findings with results from a similar study by Alavi and Leidner

(1999). They found that Indian software companies are aware of the capabilities of KMS and are using it to improve productivity, reduce defects, facilitate reuse of software components, and share lessons learnt in execution of projects. Finally, they suggest a technical and social infrastructure to help enhance KM capability of software development companies in India.

**M.D. Singh, Ravi Shankar, Rakesh Narain, Adish Kumar, (2006)**, "Survey of knowledge management practices in Indian manufacturing industries" The objective of this paper is to understand the KM practices in Indian manufacturing organizations, which are going through a major transition in this area. The new world of knowledge-based organizations is distinguished from the organizations of the last millennium by its emphasis on monitoring and controlling the organization by shared knowledge derived from internal and external data sources. Organizations need to create a culture by rewarding and encouraging employees for sharing their knowledge.

**Martin Werner (2007)**, "Knowledge Management-the presence of Knowledge Management theory in companies" The purpose of this dissertation is to investigate if theoretical knowledge management exists in companies. They found that theoretical Knowledge management can be found in all type of companies regardless of type. Still a majority of Knowledge Management Projects fails. So if the theory present in companies but still the failure rate is high, it would assume that theory is not

perfect. It shows the difficulty of controlling knowledge and there outcomes Knowledge management.

**Stavros Sindakis, Audrey Depeige, Eleni Anoyrkati (2015)** extends that "Customer-centred knowledge management challenges and implications for knowledge-based innovation in the public transport sector. This study aims to explore the role of knowledge management practices in supporting current and emerging passengers' and customer needs, aiming to create value. Specifically, the research examines the importance of customer-centred knowledge management in the delivery of innovative services and practices in the public transport sector, promoting the role of interactions between mobility stakeholders and travellers. The researcher finds that the results show that the development of sustainable innovation and technologies in the transport sector requires knowledge management practices, which enable the access to knowledge about users' needs, the mapping and evaluation of innovative knowledge, the promotion of knowledge-based innovation through collective approaches, as well as the acquisition and integration of new knowledge.

#### **IV. STATEMENT OF THE PROBLEM**

On a global basis, organizations are recognizing the importance of knowledge as a means to gain or sustain competitive advantage. The only thing that is sustainable, for successful businesses, in the New Millennium – is what it knows, how it uses what it

knows, and how fast it can know something new. In the past, the dilemma was finding enough information, but now the problem has shifted to identifying and managing the nuggets of mission-critical knowledge amongst the mountains of meaningless noise. Knowledge Management (KM) has already reached the level of a scientific discipline and attracts increasing interest in research and practice. As a consequence, the number of KM related research is growing exponentially. The aim of this study is to find out that the effectiveness of the km in AVR and to find out the knowledge management techniques adopted by the company.

#### **V. OBJECTIVES OF THE STUDY**

1. To analyse the knowledge management process in AVR manufacturers.
2. To assess knowledge management techniques adopted by AVR
3. To find out that the level of effectiveness of the km in AVR
4. To give valuable suggestions based on the findings of the study.

#### **VI. RESEARCH METHODOLOGY**

##### **6.1 RESEARCH DESIGN**

This study is descriptive in nature.

##### **6.2 SAMPLING METHOD**

Simple random sampling is used in this study.

##### **6.3 SAMPLE UNIT**

The area selected for this study is AVR manufacturers in Chennai.

##### **6.4 SAMPLE SIZE**

The population size is 250. The sample size for the study is 60.

## 6.5. INSTRUMENT FOR DATA COLLECTION

Both primary and secondary data were used. Questionnaire was used to collect primary data from the sample and secondary data were collected through magazines, newspapers and journals.

## 6.6. TOOLS FOR DATA ANALYSIS

According to the chosen methodological research approach the quantitative data we reanalyzed using statistical tools such as percentage, chi-square test and one way ANOVA.

## VII. DATA ANALYSIS AND INTERPRETATION

**TABLE 1: EDUCATIONAL QUALIFICATION OF THE RESPONDENTS**

Qualification	Frequency	Percentage
UG	13	22
PG	17	28
Diploma	12	20
Professional	8	13
Others	10	17
<b>Total</b>	<b>60</b>	<b>100</b>

**Source:** Primary data

The above table shows the educational qualification of respondents: 22% of respondents are under graduates, 28% of the respondents are post graduates, 20% of the respondents are having diploma qualification, 13% of the respondents are professionals and 17% of the respondents are others. Hence it is concluded that majority of the respondents are post graduates.

**TABLE 2: METHODS USED IN AVR TO CREATE KNOWLEDGE**

Method of Knowledge Creation	Frequency	Percentage
Tacit	15	25
Implicit	6	10
Explicit	13	22
Declarative	8	13
Strategic	18	30
<b>Total</b>	<b>60</b>	<b>100</b>

**Source:** Primary data

From the above table it is inferred that 25% of respondents said that tacit method is followed, 10% respondents said that implicit method is followed, 22% of the respondents said that explicit method is followed, and 30% of the respondents said that strategic method is followed to create knowledge. Hence it is concluded that majority of the respondents are following strategic method to create knowledge.

**TABLE 3: METHOD OF CAPTURE KNOWLEDGE**

Method of Capture Knowledge	Frequency	Percentage
Colleagues/IR	12	20
Intranet	9	15
Internet	16	26.7
Video Conferencing	13	21.7
Extranet	10	17
<b>Total</b>	<b>60</b>	<b>100</b>

**Source:** Primary data

The above table shows the respondents view on method of capturing knowledge: 20% of respondents accepted that they are using colleagues/IR method to capture knowledge, 26.7% of the respondents are using internet, 21.7% of the respondents are using video



conferencing and remaining 17% of the respondent are using extranet method to capture knowledge. Hence it is concluded that majority of the respondents are using internet method to capture knowledge.

**TABLE 4: METHOD OF SHARING KNOWLEDGE**

Method of Sharing Knowledge	Frequency	Percentage
Peer Assist	12	20
After Action Review	7	12
Story Telling	4	7
Coaching	20	33
Mentoring	17	28
Total	60	100

Source: Primary data

From the above table it is inferred that 20% of respondents are using peer assist to sharing knowledge, 12% of respondents are using after action review method 33% of respondents are using coaching method and 28% of respondents are using mentoring method, hence it is concluded that majority of the respondents are using coaching method to share their knowledge in AVR.

**TABLE 5: CURRENT STATUS OF KM PRACTICES IN AVR**

Status of Km	Frequency	Percentage
Creation	14	23
Introductory	6	10
Intermediate	19	32
Growth	17	28
Maturity	4	7
Total	60	100

Source: Primary data

The above table shows the current status of KM in AVR: 23% of respondents accepted that company is in creation stage, 10% of respondents accepted that it is in introductory stage, 32% of the respondents accepted that KM is in intermediate, 28% of respondents accepted that KM is in growth stage and 7% of respondents accepted that KM is in maturity. Hence it is concluded that majority of the respondents accepted that the company is in intermediate status.

**TABLE 6: INCENTIVES AND REWARDS FOR SHARING KNOWLEDGE**

Incentives and Rewards	Frequency	Percentage
Yes	52	87
No	8	13
Total	60	100

Source: Primary data

The above table shows the respondents view on incentives and rewards: 87% of respondents accepted that they are getting rewards and incentives for sharing knowledge. Hence it is concluded that majority of the employees in AVR are getting rewards and incentives for sharing knowledge.

**TABLE 7: IMPROVEMENT IN PERFORMANCE THROUGH KNOWLEDGE MANAGEMENT**

Km Helps to Improve Performance	Frequency	Percentage
Strongly Agree	18	30
Agree	34	57
Neither Agree Nor Disagree	8	13
Disagree	0	0
Strongly Disagree	0	0
Total	60	100

Source: Primary data

From the above table it is inferred that 57% of respondents agree that KM helps to improve their performance. Hence it is concluded that majority of the respondents accepted that the KM helps to improve their performance.

**TABLE 8: SATISFACTION TOWARDS KM IN AVR MANUFACTURERS**

Satisfaction Towards Km	Frequency	Percentage
Highly Satisfied	23	38
Satisfied	31	52
Just Satisfactory	6	10
Dissatisfied	0	0
Highly Dissatisfied	0	0
Total	60	100

**Source:** Primary data

The above table shows the satisfaction of respondents towards KM: 38% of respondents are highly satisfied, 52% of respondents are satisfied and 10% of the respondents accepted that knowledge management is just satisfactory. Thus majority of the respondents accepted that the knowledge management in AVR is satisfactory.

**TABLE 9: LEVEL OF EFFECTIVENESS OF KNOWLEDGE MANAGEMENT**

Level of Effectiveness	Frequency	Percentage
Low	13	22
Medium	36	60
High	11	18
Total	60	100

**Source:** Primary data

The above table shows the level of effectiveness of KM: 18% of the respondents accepted that knowledge management effectiveness level is high, 60% of the respondent as medium and remaining 13% of the respondents said that the knowledge management effectiveness is low.

### CHI SQUARE TEST-I FORMULATION OF HYPOTHESIS

#### Null hypothesis (H0)

There is no significant relationship between knowledge management effectiveness and method of creation of knowledge.

#### Alternative hypothesis (H1)

There is a significant relationship between knowledge management effectiveness and method of creation of knowledge.

### ASSOCIATION BETWEEN KNOWLEDGE MANAGEMENT EFFECTIVENESS AND METHOD OF CREATION

Method of creation	Knowledge Management Effectiveness			Total	Chi-square value	P value
	Low	Medium	High			
Tacit	4 (26.7)	10 (66.7)	1 (6.7)	15 (100.0)	9.445(a)	0.015
Implicit	0 (.0)	3 (50.0)	3 (50.0)	6 (100.0)		
Explicit	3 (23.1)	6 (46.2)	4 (30.8)	13 (100.0)		
Declarative	2 (25.0)	6 (75.0)	0 (.0)	8 (100.0)		
Strategic	4 (22.2)	11 (61.1)	3 (16.7)	18 (100.0)		
<b>Total</b>	<b>13 (21.7)</b>	<b>36 (30.0)</b>	<b>11 (18.3)</b>	<b>60 (100.0)</b>		

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. There is a significant relationship between the knowledge management effectiveness and method of creation. Hence it is

concluded that the implicit method of knowledge creation is more effective than other methods.

**CHI SQUARE TEST-II**

**ASSOCIATION BETWEEN KNOWLEDGE MANAGEMENT EFFECTIVENESS AND METHOD OF CAPTURING**

Method of capturing knowledge	Knowledge Management Effectiveness			Total	Chi-square value	P value
	Low	Medium	High			
Colleagues / IR	3 (25.0)	8 (66.7)	1 (8.3)	12 (100.0)	3.862(a)	0.869
Intranet	2 (22.2)	5 (55.6)	2 (22.2)	9 (100.0)		
Internet	4 (25.0)	8 (50.0)	4 (25.0)	16 (100.0)		
Video conferencing	1 (7.7)	9 (69.2)	3 (23.1)	13 (100.0)		
Extranet	3 (30.0)	6 (60.0)	1 (10.0)	10 (100.0)		
<b>Total</b>	<b>13</b> (21.7)	<b>36</b> (60.0)	<b>11</b> (18.3)	<b>60</b> (100.0)		

Since P value is greater than 0.05, the null hypothesis is accepted at 5% level of significance. There is no relationship between the knowledge management effectiveness and method of capturing.

**ANOVA- I FORMULATION OF HYPOTHESIS**

**Null hypothesis (H0)**

There is no significant relationship between the overall satisfaction and incentives and rewards system for sharing knowledge.

**Alternative hypothesis (H1)**

There is a significant relationship the overall satisfaction and incentives and rewards for sharing knowledge.

**ASSOCIATION BETWEEN OVERALL SATISFACTION TOWARDS KNOWLEDGE MANAGEMENT AND INCENTIVES AND REWARDS OF THE EMPLOYEES**

Factor	Rewards and incentives	N	Mean	S .D	Source	Sum of Squares	df	Mean Square	F	Sig
Satisfaction level	YES	52	4.50	0.535	Between groups	0.433	1	0.433	1.058	0.308
	NO	8	4.25	0.653	Within groups	23.750	58	0.409		
	Total	0.640	4.28	0.640	Total	24.183	59			

Since P value is greater than 0.05, the null hypothesis is accepted at 5% level of significance. There is no relationship between overall satisfaction and incentives and rewards for sharing knowledge.

**ANOVA - II FORMULATION OF HYPOTHESIS**

**Null hypothesis (H0)**

There is no significant relationship between overall satisfaction and experience of the employees.

**Alternative hypothesis (H1)**

There is a significant relationship between overall satisfaction and experience of the employees.

**ASSOCIATION BETWEEN OVERALL SATISFACTION TOWARDS  
KNOWLEDGE MANAGEMENT AND EXPERIENCE OF THE EMPLOYEES**

Factor	Experience	N	Mean	S.D	Source	Sum of Squares	df	Mean Square	F	Sig
Satisfaction level	Fresher	10	3.90	0.738	Between groups	4.425	4	1.106	3.080	0.023
	1 to 2 years	6	4.33	0.516						
	2 to 3 years	19	4.11	0.658	Within groups	19.758	55	0.359		
	3 to 5 years	17	4.47	0.514						
	Above 40 years	8	4.75	0.463	Total	24.183	59			
	Total	60	4.28	0.640						

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. There is a significant relationship between the satisfaction and experience of the employees. It is concluded that satisfaction level of fresher is very low compared to others.

**VIII. SUGGESTIONS**

✓ The company is in the intermediate stage of knowledge management practice. The company may use the some other techniques of developed companies to move the organization towards the advanced stage. The company can introduce new techniques of knowledge sharing like knowledge cafe which will enable a group of people having an open and creative conversation in an informal environment on a topic of mutual

interest. It can also introduce knowledge market place which starts connecting people to people, people to document and document to people.

- ✓ The company has to change the incentives and rewards system. It has to increase the monetary benefit to the employees for sharing the knowledge.
- ✓ More support is required from the other departments of AVR manufacturers to take responsibility for knowledge creation & sharing.
- ✓ Employees of this company emphasized that the external training programs should be conducted which will be helpful to improve their knowledge.

**IX. CONCLUSION**

Knowledge management is an essential part of strategic management process. Knowledge is a value-addition

to organizations if it is taken undue care and recognition. For making knowledge to be of value - addition it must be recognized, appreciated, motivated and disseminated. The whole study was conducted in two phases. The first phase was concerned with identifying the major aspects of an effective structure of Knowledge Management. In the second phase, the researcher formulated the questionnaire for gathering necessary data, which was analysed to reach the research findings. The findings conclude that the level of the knowledge management effectiveness is medium. Employees rated knowledge management as satisfactory. KM is everybody's job and through the open, encouraging and supportive culture the company can move to an advanced stage of knowledge management practice.

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## A STUDY ON DIFFERENT STYLES OF LEADERSHIP TO INCREASE EMPLOYEE MOTIVATION WITH REFERENCE TO INDIA CEMENTS CORPORATE OFFICE LTD, CHENNAI

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### ABSTRACT

*Employee motivation is the process of stimulating the employee into the action, to accomplish desired goals of the organization. The efficiency of a person depends on two factors, firstly, the level of ability to do a certain work, secondly, the willingness to do the work. So for as the first factor is concerned it can be acquired by education and training, but the second factor can be created by motivation.*

*The study aims at identifying the impact of different leadership style on increasing employee motivation level in the organization, to study the factors that needed to improve the employee motivation, how employee motivation leads to the higher job satisfaction.*

### I. INTRODUCTION

Leading a team or group is a real skill that takes time, thought and dedication. Leadership is the most studied aspect of business and organization because it is the one overarching topic that makes the difference between success and failure. At times it may seem overwhelmingly complex, but by focusing on some fundamentals you will find that you can lead your team with confidence and skill.

Leaders help themselves and others to do the right things. They set direction, build an inspiring vision, and create something new. Leadership is about mapping out where you need to go to “win” as a team or an organization; and it is dynamic, exciting, and inspiring.

### 1.1. INDUSTRY PROFILE

#### Cement Industry

Companies in this industry manufacture cement, ready-mix concrete and concrete products such as blocks, pipes, bricks, walls, and girders. Major companies include Ash Grove Cement Company, Martin Marietta Materials, US Concrete, and Vulcan Materials (all based in the US), as well as Anhui Conch (China), CEMEX (Mexico), CRH (Ireland), Heidelberg Cement (Germany), and Lafarge Holcim (Switzerland).

Worldwide demand for cement is forecast to grow more than 4% per year through 2019, reaching a volume of 5.2 billion metric tons, according to Freedonia Group. China, India, the US, Iran, and Turkey are the world's top producers of cement. China and India

consume the majority of global cement output.

## 1.2. INDIA CEMENTS COMPANY PROFILE

The year was 1946. The Second World War was over and political freedom was round the corner. It was then The India Cements Ltd. began its humble moorings in the form of a cement factory at Talaiyuthu, an almost unmapped tiny hamlet in Tirunelveli district, Tamil Nadu. As one of the oldest Indian corporates, established in 1946, the company set up its first plant in 1949 at Sankarnagar (Talaiyuthu).

The India Cements Ltd. is indeed a pioneer enterprise during the post-independence era to become a public limited company. The first annual report appeared on 21.4.1947. The company's prospectus was favorably received and the public issue was oversubscribed.

The India cements branch's are:

- Sankar Super Power
- Coromandel King
- Raasi Gold

### 1.2.1. MILESTONES

2010- Acquisition of Indo-Zinc Ltd., by picking up 60.89% equity stake by the company's subsidiary

2010- India Cements picks up almost the entire stake in Coromandel Minerals Pvt. Limited (CMPL), Singapore, making CMPL a subsidiary

2010- Upgradation of Chilamkur plant to 4500 tonnes per day

2011- Commencement of commercial production by Trinetra Cement (formerly Indo Zinc), the

company's subsidiary, of its 1.5 million tonnes cement plant in Banswara District, Rajasthan

2011- Receipt of IS/ISO 9001:2008 Certification by Dalavoi Plant

2011- Receipt of ISO 9001:2008 Certification by Sankari Plant

2012- Commissioning of captive power plant of 48 mw capacity by Sankarnagar

2012- Receipt of ISO 9001:2008 Certification by Yerraguntla plant

2012- Acquisition of third bulk carrier by the shipping division

2012- Release of the Indian Postal Department's, Commemorative Postage Stamp on the Birth Centenary of Sri T.S.Narayanaswami

2013- Arrival of the first shipment of 41,960 metric tonnes of Coal from own mines in Indonesia

2014- During the year, the 50 M W power plant at Vishnupuram in Telangana, commissioned in two phases, stabilised operations.

2014- IS\ISO 14001:2004 Certification by BIS, Chennai, for the Occupational Health & Safety Management Systems for Sankari Plant

2014- IS 18001:2007 Certification by BIS, Chennai, for the Occupational Health & Safety Management Systems for SankariPlant.

2014- IS\ISO 9001:2008 Certification by BIS, Chennai, for the Quality Management Systems for Malkapur Plant.

## II. REVIEW OF LITERATURE

**Gopal R., Ghose Chowdhury R. (2014)** “Transformational leaders do more with followers and colleagues than transactional leaders do (Avolio et al. 1991). They provide a vision and a sense of mission, inspire pride, and gain respect and trust through charisma, as opposed to a simple exchange and agreement”

**Voon, M.L., Lo, M.C., Ngui, K.S. & Ayob, N.B. (2011)** Leadership is a process influence between leaders and subordinates where a leader attempts to influence the behavior of subordinates to achieve the organizational goals. Organizational success in achieving its goals and objectives depends on the leaders of the organization and their leadership styles. By adopting the appropriate leadership styles, leaders can affect employee job satisfaction, commitment and productivity.

**Fein, E., Tziner, A. and Vasiliu, C. (2010)** “these findings offer guidance in the development and implementation of leadership development initiatives and change management interventions for organizations operating in Romania, and present one example of cohort-based and leadership-specific attitude change in a country that is transitioning from communism to a free market system”.

**Hansen, J.R. & Villadsen, A.R. (2010)** “leadership style is explained by the characteristics of the manager, the employees, and their job. This study explains leadership by the manager's job context: the degree of job complexity, role clarity, and job autonomy. We argue that differences in job context explain

the use of different leadership styles in the public and private sector”.

**Jandaghi, Gh, Matin, H.Z., and Farjame, A. (2009)** “Organizations in both the private and public sectors are in need of revolutionary, transformational change. Incremental change and modest improvements won't be enough. Everything must be done better, smarter, and faster while doing more with less and building organizations that attract and retain talented leaders and staff. The organizations that hear this call for change and take a proactive approach to making the changes that can and must be made have a good chance of thriving”

**Samuel, M.O. & Chipunza, C. (2009)** “research looked at the extent to which identified intrinsic and extrinsic motivational variables influenced the retention and reduction of employee turnover in both public and private sector organizations”

### III. NEED OF THE STUDY

Employee motivation is playing vital role in the every organization. Every concern requires physical, financial and human resources to accomplish the goals. It's important that the top management should improve leadership style to increase employee motivation to make the full use of the employees working in the organization. Employee motivation leads to achieve increase in productivity, reducing cost of operations, improve superior communication, and improving overall efficiency. Employee motivation level can be measured at a regular interval for the purpose of



understand the employees contributions, communication, and relationship towards the organization. This study analyses the factors that needed for the different leadership style to increase employee motivation.

#### IV. OBJECTIVES OF THE STUDY

- To identify the leadership style presently used by India cement.
- To analyze the influence of leaders on employee commitment.
- To determine the opinions and ideas of employees to improve leadership for sustainable success.
- To give valuable suggestions based on the findings of the study.

#### V. RESEARCH METHODOLOGY

##### 5.1. RESEARCH DESIGN

This study is descriptive in nature.

##### 5.2. RESEARCH INSTRUMENT

Instrument used to collect data is questionnaire.

##### 5.3. SAMPLE SIZE

On the basis of discussion with both internal and external factors the sample size was identified as 114 out of 250.

##### 5.6. TOOLS USED FOR DATA COLLECTION

Questionnaire was used as a tool for data collection. Questionnaire is the heart of survey operation. The questionnaire were constructed using a structured format comprising of closed ended questions based on 5 point scales respectively.

##### 5.7. DATA COLLECTION

Both primary and secondary data were used in this study. Questionnaires were circulated to collect data from employees. The secondary source of data were collected from Company records, Books, Magazines and Internet

##### 5.8. SAMPLING TECHNIQUES

Simple random sampling technique is used in this research.

##### 5.9. PERIOD OF THE STUDY

The study was undertaken for a period of 3 months at India cements ltd, Chennai. The company permitted to conduct research study from January 2017 to March 2017.

##### 5.10. STATISTICAL TOOLS & ANALYSIS

- ✓ Simple percentage test
- ✓ ANOVA table
- ✓ Chi-square
- ✓ Correlation

#### VI. DATA ANALYSIS AND INTERPRETATION

##### 6.1 Classification of respondents on the basis of department

Department	Frequency	Percentage
Admin	12	10
Marketing	17	15
Finance	7	6
HR	11	10
Other	67	59
Total	114	100

**Source:** Primary Data

From the above table it is inferred that, 59% of the respondents have worked in other department, 10% of the respondents worked in HR department,

10% of the respondents worked in admin department and 15% of the respondents have worked in marketing department.

### 6.2 Leadership style followed by ICL

Leadership style	Frequency	Percentage
Autocratic	12	10.5
Democratic	39	34.2
Relationship	42	36.8
Transactional	10	8.8
Other	11	9.6
Total	114	100

**Source:** Primary Data

From the above table it is inferred that, 10.5% of the respondents are following autocratic leadership style, 34.2% of the respondent are following democratic leadership, 36.8% of the respondents are following relationship leadership, 9.6% of the respondents are following other leadership style.

### 6.3 Leaders support in taking tough decisions

Opinion	Respondents	Percentage
Strongly agree	35	30.7
Agree	49	43
Neutral	18	15.8
Disagree	8	7
Strongly disagree	4	3.5
Total	114	100

**Source:** Primary Data

From the above table it is inferred that, 30.7% of the respondents strongly agree, 43% of the respondents agree, 15.8% are neutral, 4% of the respondents strongly disagree that the leaders normally support in taking tough decisions.

### 6.4 Improve morale of his subordinate of the respondents

Opinion	Respondents	Percentage
Strongly agree	22	19
Agree	43	38
Neutral	36	31
Disagree	8	7
Strongly Disagree	5	5
Total	114	100

**Source:** Primary Data

From the above table it is inferred that, 19% of the respondents strongly agree, 38% of the respondents agree, 31% of the respondents are neutral, 5% of the respondents strongly disagree that leadership style improves morale of the employees.

### 6.5 Plans made after seeking opinion from subordinates.

Opinion	Respondents	Percentage
Strongly agree	25	21.9
Agree	40	35.1
Neutral	41	36
Disagree	5	4.4
Strongly Disagree	3	2.6
Total	114	100

**Source:** Primary Data

From the above table it is inferred that, 21.9% of the respondents strongly agree, 35.1% of the respondents agree, 36% of the respondents are neutral, 2.6% of the respondents strongly disagree that the superiors seek opinion from subordinates.

**6.6 Managers motivate subordinates to take initiatives**

Opinion	Respondents	Percentage
Strongly agree	23	20.2
Agree	44	38.6
Neutral	30	26.3
Disagree	10	8.8
Strongly Disagree	7	6.1
Total	114	100

Source: Primary Data

From the above table it is inferred that, 20.2% of the respondents strongly agree, 38.6% of the respondents agree, 26.3% of the respondents are neutral, 6.1% of the respondents strongly disagree that the managers motivate subordinates to take initiatives.

**CHI-SQUARE – I  
FORMULATION OF HYPOTHESIS  
Hypothesis**

**1. Null Hypothesis H0:** There is no significant Association between Continuance commitment and clear communication of the respondents.

**2. Alternate Hypothesis H1:** There is a significant Association between Continuance commitment and clear communication of the respondents.

**Association between continuance commitment and clear communication of the respondents**

	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	42.406 <sup>a</sup>	16	.000
Likelihood Ratio	46.295	16	.000
Linear-by-Linear Association	12.261	1	.000
N of Valid Cases	114		

Since the significant association between continuance commitment and

clear communication for longer duration of the respondents is 0.000 the alternative hypothesis is accepted.

**CHI-SQUARE –II  
FORMULATION OF HYPOTHESIS  
Hypothesis**

**1. Null Hypothesis H0:** There is no significant Association between Motivate and Innovative of the respondents.

**2. Alternate Hypothesis H1:** There is a significant Association between Motivate and Innovative of the respondents.

**Association between Motivation and Innovation of the Respondents**

	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	39.402 <sup>a</sup>	16	.001
Likelihood Ratio	29.223	16	.022
Linear-by-Linear Association	8.223	1	.004
N of Valid Cases	114		

Significant value 0.001 is less than 0.05, hence Alternative hypothesis is accepted. Therefore it is concluded that the motivation doesn't influence the innovation of the Respondents.

**ONE WAY: ANOVA- I  
FORMULATION OF HYPOTHESIS  
Hypothesis**

**1. Null Hypothesis H0:** There is no significant association between democratic leadership and experience of the respondents.

**2. Alternate Hypothesis H1:** There is a significant association between democratic leadership and experience of the respondents.

**Association between democratic leadership and experience of the respondents**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	9.416	4	2.354		
Within Groups	88.417	109	.811	2.902	.025
Total	97.833	113			

Significant value 0.025 is less than 0.05, hence Alternative hypothesis is accepted. Therefore it is concluded that the experience doesn't influence the democratic leadership of the respondents.

## VII. SUGGESTION

- ✓ Regular feedback from the higher authority will help to improve the motivation level of employees.
- ✓ Skills of the employees should be appreciated.
- ✓ The employees to participate in decision making and accept their new ideas and opinions.
- ✓ Management can conduct a entertainment programs for employees (male, and female) in order to increase the motivation level.
- ✓ A well-structured incentive scheme should be implemented on all employees. Employees expect improvement from the organization in case of democratic and supportive leadership.
- ✓ Each and every employees should be treated equally without any bias because most of the employees has respondend that employees were not provided fair and equal treatment.
- ✓ Skills of the employees should be appreciated.

- ✓ Makes the employees to participate in the decision making and accept their new ideas and suggestions.
- ✓ Focussed efforts can be undertaken by leaders or managers to adopt more of democratic leadership styles since that act as extrinsic motivator.

## VII. CONCLUSION

This study was concerned with some of the critical determinants of employee performance, how leadership style impacts commitment and how leadership style impacts motivation. The findings of this study indicated that democratic and supportive leadership styles positively impacted the level of employee commitment.

The results revealed that the majority of the employees were found to be continuance commitment to the organization. The majority of the employees observed their leaders to exhibit democratic and supportive leadership characteristics, but expect their heads to which they report to be more transformational in nature and follow continuance commitment as well as management.

This study suggests that the company should improve the employee motivation system because employees are the back bone of the company. Still the organization should concentrate on specific areas which evolve in this study like career advancement, recognition among the employees in order to make motivation system effective.

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## CORPORATE SOCIAL RESPONSIBILITY: DRIVING FORCES AND CHALLENGES

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### ABSTRACT

*Large companies are immensely powerful entities, to the point that they have frequently trumped the interest of sovereign nations. Corporations can have enormously detrimental effects on the environment. Oil spills are some of the most conspicuous examples, but industries as varied as chemical manufacturing, mining, agriculture and fishing can do permanent damage to local ecosystems. Climate change can also be attributed in large part to corporations. While their responsibility is hard to untangle from that of the consumers who demand electricity and transportation, it is difficult to deny that many corporations have profited from the deterioration of the global environment. In order to account for the importance of social and ecological considerations in doing business, some organizations advocate the concept of the "triple bottom line": "social, environmental and economic" – or "people, planet, profit."*

### 1. INTRODUCTION

Corporate social responsibility, often abbreviated "CSR," is a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. The term generally applies to efforts that go beyond what may be required by regulators or environmental protection groups. CSR may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

### 2. GAIL INDIA LIMITED

**Gas (India) Limited (GAIL)** (formerly known as Gas Authority of India Limited) is the largest state-owned natural gas processing and distribution company in India. It is

headquartered in New Delhi. It has the following business segments: natural gas, liquid hydrocarbon, liquefied petroleum gas transmission, petrochemical, city gas distribution, exploration and production, GAILTEL and electricity generation.

#### 2.1. INFRASTRUCTURE

GAIL owns the country's largest pipeline network, the cross-country 2300 km Hazira – Vijaipur - Jagdishpur pipeline with a capacity to handle 33.4 MMSCMD gas. Today the company owns and operates more than 11000 km long cross country natural Gas Pipeline in India having presence in 22 states in the country. It also owns and operates more than 2000 km long LPG pipelines in the country and has the pride to operate one of the world's longest exclusive LPG

pipeline in the country from Jamnagar in Gujarat to Loni in Uttar Pradesh.

## 2.2. GAIL INDIA LIMITED: CORPORATE SOCIAL RESPONSIBILITY

In terms of the guidelines issued by the Department of Public Enterprises, GAIL has allocated an annual budget of 2% of the previous year's profit after tax for CSR activities, which is effectively used for carefully chosen programmes. Socially useful programmes have been undertaken in GAIL since its inception in and around the areas adjoining its major work centres under the SCP/TSP Plan. But over the years, the scope of the CSR activities, the nature of programmes undertaken and the systems adopted for the implementation of these programmes have been streamlined and strengthened and the work under SCP/TSP came under the wider scope of CSR.

Today, CSR & sustainability development is accorded high priority in the organisational ethos and attempted to be interwoven in all the business activities and the projects that are being undertaken by the company. During the year 2010–11, the company has taken up programmes of a value of approximately ₹575 million (US\$9.0 million) for implementation under the seven thrust areas, which include Community Development, Infrastructure, Healthcare / Medical, Skill Development / Empowerment, Educational Aids, Environment Protection, Drinking Water / Sanitation.

### 2.2.1 Natural gas transmission

GAIL has built a network of trunk pipelines covering the length of around 11,000 km. Leveraging on the core competencies, GAIL played a key role as gas market developer in India for decades catering to major industrial sectors like power, fertilizers, and city gas distribution. GAIL transmits more than 160 MMSCMD of gas through its dedicated pipelines and has more than a 70% market share in both gas transmission and marketing. However, there are regional imbalances in the gas supply across the country. To bridge this gap in infrastructure, the Ministry of Petroleum and Natural Gas, in 2007, authorized five new pipelines to GAIL covering a length of over 5,500 km.

S. No.	Pipeline	Length km/ capacity in MMSCMD	Commissioning
1.	Dadri Bawana Nangal*	610 km/31 MMSCMD	2011–12
2.	Chainsa Jhajjar Hissar**	300 km/35 MMSCMD	2011–12
3.	Dabhol Bangalore	1386 km/ 16 MMSCMD	2013–14
4.	Kochi Kanjirokkod Bangalore	860 km / 16 MMSCMD	2012–13
5.	Jagdishpur- Haldia Bokaro- Dhamra	2500 / Unknown	2019-20

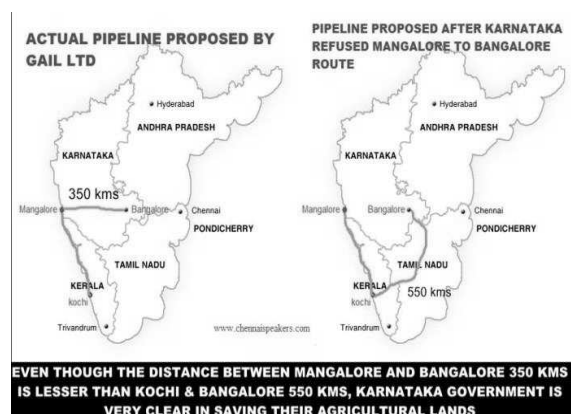
\* Phase-I completed till Bawana

\*\* Phase-I completed till Sultanpur

In addition to these, GAIL is augmenting the capacities of its two existing pipelines, viz. Dahej– Vijaipur pipeline and Vijaipur – Dadri pipeline. All these projects are progressing well and are expected to be completed in

phases by 2013 -14 or so. When these pipelines are commissioned, the capacity of GAIL pipeline system is expected to increase from 157 MMSCMD at present to over 300 MMSCMD and cover over 14,000 km.

***The Distance Between Bangalore to Mangalore 350 kms and is lesser than Kochi and Bangalore 550 kms, Karnataka Government is very clear in saving their Agriculture Lands***



The pipeline traverses seven districts and as many constituencies — Krishnagiri, Dharmapuri, Salem, Namakkal, Erode, Tirupur, Coimbatore and Pollachi. Farmers are opposed to the project as the underground pipeline running through their farms will seriously constrain the use of land. Our tamil nadu agriculture will destroy by this project. The farmers will affected by this project.

### **2.2.2. PIPELINE LEAKAGE IN ANDHRA PRADESH**

Gas line project already done in Andhra Pradesh. On June 27, 2014 a massive fire broke out following a blast in Gas Authority of India Limited

(GAIL) 18" size underground gas Pipeline in East Godavari district of Andhra Pradesh, India. The accident took place near Tatipaka refinery of Oil and Natural Gas Corporation (ONGC), about 180 km from state capital Vijayawada. 22 peoples killed by the blase of GAIL gas project and many others injured. In Other hand Andhra losses not only people and many other crops coconut tress agriculture fields cattle and wild birds in over 10 acres were reduced to ashes.

### **3. PROTEST IN TAMILNADU (Kathiramangalam)**

It's hard to miss the police presence at Kathiramangalam, 60km from Thanjavur, where villagers have been agitating since May against the Oil and Natural Gas Corp. Ltd (ONGC).

ONGC has been operating in the region for close to 25 years, exploring the Cauvery delta for oil.

The villagers claim the work has contaminated their water, and spoilt their land. ONGC blames "vested interests".

On 30 June, there was an oil leak from an ONGC pipeline. Locals protested. Since then, the locals and environmental activists on one side, and the company on another, have traded charges. ONGC's latest move is the release of promotional videos on its YouTube channel, debunking the claims made by the locals. Meanwhile, Kathiramangalam is on the boil.

The protests that began in Kathiramangalam have spilled across the Cauvery delta, called the granary of Tamil Nadu, and which is reeling under



its worst drought in 140 years. It is a drought that has frayed tempers, and amplified differences.

### 3.1. Risk Screening Approach of GAIL Limited

Some of the common hazards associated with the regular drilling operations are:

- ❖ Fires and Explosions
  - Non-Process Hydrocarbon Leak (Diesel, lubricating Oil, etc.);
  - Non-Process Fire;
  - Control system failure including electrical failure in control room.
- ❖ Impact and Collisions
  - Accidental Falling of Object from Crown Block.
- ❖ Loss of Station Keeping / Loss of Stability
  - Structural Failure;
  - Equipment Failure.
- ❖ External Hazards
  - Failure due to Extreme Weather, Strong Winds, Earthquake and Sabotage

### 3.2. PIPELINE LEAKAGE IN KATHIRAMANGALAM

It was found that there was a leakage in pipeline. What spilled was not just oil. It was water mixed with oil. The water was the colour of sandalwood. The smell was unbearable, nauseating, suffocating. There was a strong smell of oil, kerosene and cooking gas.” It appears that what spilled from the leaky pipeline was not just crude oil, but crude mixed with one of the most intractable and dangerous waste streams associated with petroleum production — “Produced

Water.” The villagers were unknowingly partaking of a deadly cocktail of poisons.

## 4. PRODUCED WATER

Petroleum is always found in association with natural water either in the rock zone beneath the reservoir or in the pores of the same rock zone that holds the petroleum. When oil/gas is extracted, the pressure in the reservoir drops sucking the water into the well. This water is known variously as **produced water**, oilfield water, oilfield brine. As the oil/gas well ages, the quantity of produced water per unit of petroleum extracted increases. Depending on the age of the well and the nature of production, between two and nine barrels of produced water can be generated for every barrel of oil extracted.

### 4.1. HAZARDS OF PRODUCED WATER

Produced water is highly saline and corrosive. It will contain hydrocarbons like the toxic benzene, xylene, toluene and polycyclic aromatics, sulphurous gases such as hydrogen sulphide, heavy metals like lead, chromium, nickel, selenium, barium, strontium, arsenic, mercury and antimony, and naturally occurring radioactive material (NORM) like dissolved uranium, radon and radium. Pipelines or vessel interiors used to store or transport these effluents are prone to corroding and developing scales and salt deposits. The scales themselves tend to concentrate the toxins within the effluent, and ought to be handled as hazardous wastes. The lighter aromatics like benzene, xylene,

toluene, and the nerve-numbing Hydrogen Sulphide is likely to get airborne and spread wide. Benzene is a **cancer-causing** chemical that can cause **childhood leukemia** or **blood cancer in children**.

## 5. HYDROCARBON AT NEDUVASAL

The project at Neduvasal, recommended for award to a private company, would seek to extract both oil and natural gas from hydrocarbon sediments in an area about 10.1sqkm. This announcement was made public by the Press Information Bureau on 15th February. According to the notification, many of these wells were discovered several years ago but were not monetized due to several constraints. They were therefore put on offer through an online bid as recommended by the Cabinet Committee on Economic Affairs. These contract areas have been awarded under the new regime of Revenue Sharing model. Award of contract is expected to provide faster development of fields and facilitate production of oil and gas thereby increasing energy security of the county. It is expected that in-place locked hydrocarbons volume of 40MMT oil and 22.0 BCM of gas will be monetized over a period of 15 years. The production from these contract areas will supplement the domestic production.

### 5.1. EXTRACTION OF HYDROCARBON

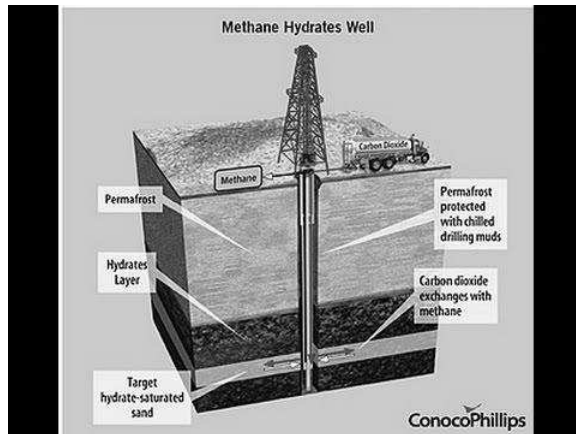
#### 5.1.1. Shale Gas

Coming to the hydrocarbon extraction project, being specific to the projects undergoing, it is a wholesome

attempt from the oil and gas companies like ONGC to extract shale gas from sand beds. If you ask what is a shale gas, it is a natural gas trapped within shale formations. **Shales** are fine grained sedimentary rocks which are formed by the accumulation of sediments at the earth's surface and within water bodies. These rocks could be porous or non-porous rocks which should be pierced or broken to get access to these shale gases. There comes the hydraulic fracturing into scene. It is the process of drilling exploratory wells in the chosen places to release natural gas and oil from deep beneath the surface of the earth.

#### 5.1.2. Hydraulic fracturing process

The process employs the injection of high pressure fracturing fluid into the sedimentary rocks which crack the rocks. This high pressure fluid is made of WATER, SAND and a massive amount of chemicals. If you wonder the quantity of water for this process, it is roughly 5 lakh litres of water. As you can see from the figure below, the well is drilled from the sand bed which becomes a horizontal well when it reaches the rocky bed surface. Now a pressure difference is created between the earth surface and the rock bed surface where the fracturing occurs. The sand and chemicals facilitates the gas to be extracted from the shale which is later extracted along the pressurized well which will be further treated. Of course, the water pumped inside will be treated as well.



### 5.1.3. RISK INVOLVED IN THE PROCESS

#### 5.1.3.1. Water contamination

Earth is no closed box. It is connected not just in macro scale but in atomic scale. The main risk associated with this extraction process is the potential contamination of drinking water with chemicals used in the fracking process. If the volume of water is 5 lakh litres, the volume of additives could be more than 40,000 litres.

### 5.2. HEALTH HAZARDS

- ❖ The chemicals used in this process are high likely to cause respiratory, gastrointestinal, dermatological, and ocular effects;
  - ❖ 40% to 50% could be neuro-, immuno- and nephrotoxic;
  - ❖ 37% could be endocrine disruptors and
  - ❖ 25% could be carcinogenic.
- Other possible effects are:
- ❖ Fresh water depletion,
  - ❖ Air quality deterioration and
  - ❖ Greenhouse gas emissions.

Added to this, the noxious flares and fume gas can cause immediate health

threat to the locals and the labours working around.

## 6. CONCLUSION

The United states Environmental protection Agency have found high concentrations of benzene, xylenes, and other hydrocarbons in the shale gas extraction sites in British Columbia, Canada. Believe it or not, the authorities in British Columbia have even documented methane contaminated drinking water which could lead to adverse effects on safety. Agriculture is the Primary occupation in Tamilnadu. This project will lead to decrease in ground water level. Without water, human life is not possible. If this situation continues, we might be in a compulsion to migrate to other country for water, food and employment. Primary occupation of Tamilnadu will be destroyed due to this project. Before commencing any project, sustainable development should be taken into consideration to avoid health hazards and to save our natural resources.

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## MANAGEMENT OF E-WASTE IN INDIA

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### ABSTRACT

*Waste electrical and electronic equipment (WEEE) or e-waste is becoming major thread to the whole world. Electronic waste (e-waste) is one of the fastest growing waste streams in the country. Growth of Information and Communication Technology sector has enhanced the usage of the electronic equipment exponentially. Faster obsolescence and subsequent up-gradation of electronics product, are forcing consumers to discard old products, which in turn accumulate huge e-waste to the solid waste stream. E-waste is formal sector using primitive and hazardous methods. Adequate legislative measures and cost-effective, environmental friendly, technological solution would be needed to address the issue. This article provides the basic information on electronic waste management in India and environmental, health effects on e-waste.*

### 1. Introduction

Advances in the field of science and technology brought about industrial revolution in the 18th Century which marked a new era in human civilization. In the 20th Century, the information and communication revolution has brought enormous changes in the way we organize our lives, our economies, industries and institutions. These developments in modern times have undoubtedly enhanced the quality of our lives. At the same time, these have led to manifold problems including the problem of massive amount of hazardous waste and other wastes generated from electric products. These hazardous and other wastes pose a great threat to the human health and environment. The problem of e-waste has become an immediate and long term concern as its unregulated accumulation and recycling can lead to major

environmental problems endangering human health.

The technical process acquired during the last century has posed a new challenge in the management of wastes. For example, personal computers (PCs) contain certain components, which are highly toxic, such as chlorinated and brominated substances, toxic gases, toxic metals, biologically active materials, acids, plastics and plastic additives. The hazardous content of these materials pose an environmental and health threat. Thus proper management is necessary while disposing or recycling e-wastes.

### 2. E-Waste

The discarded and end-of-life electronics products ranging from computers, equipment used in Information and Communication Technology (ICT), home appliances, audio and video products and all of their peripherals are

popularly known as Electronic waste or E-waste.

The electronics industry is the world’s largest and fastest growing manufacturing industry. In the last few years, it has played a significant part in socio-economic and technological growth of societies. The Basel convention defines wastes as substances or objects which are disposed of or are intended to be disposed of by the provisions of national laws. There are so many types of wastes and e-waste is one of its types. Electronic waste or e-waste for short is a generic term embracing various forms of electric and electronic equipment that have ceased to be of any value to their owners. The approach of consumer targeted growth policy combined with rapid product obsolescence and technological advances have generated a new environmental challenge; the threat of “Waste Electrical or Electronic Equipment (WEEE)” or “e-waste” that consists of obsoles electronic devices.

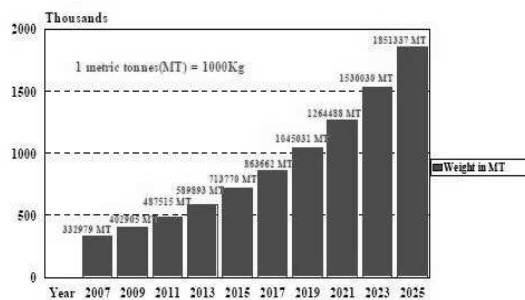
**2.1 E-waste in India**

India is the fifth largest producer of e-waste in world. A survey was carried out by the Central Pollution Control Board (CPCB) during 2005. It was estimated that 1.347 lakh MT of e-waste was generated in the country in the year 2005, which increased to about 8.0 lakh MT by 2012. With more than 100 crore mobile phones in circulation, nearly 25% end up in e-waste. India, which has emerged as the world’s second largest mobile market is also the fifth larger producer of e-waste,

discarding roughly 18.5 lakh tonnes of electronic waste.

**E-WASTE VOLUME IN INDIA**

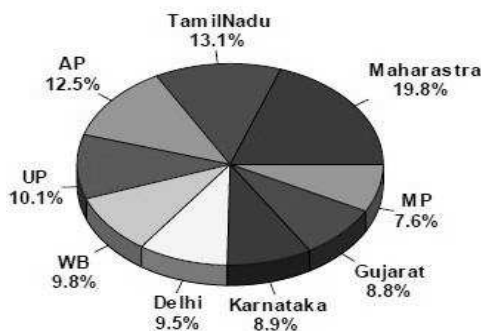
- Television : 68%
- Desktop, Server : 27%
- Imports : 2%
- Mobile : 1%



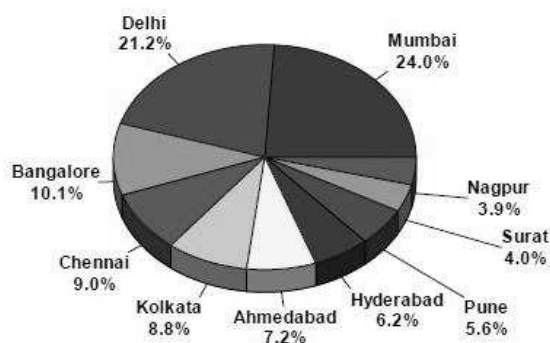
**2.2. State and city wise e-waste in India**

There are 10 states that contribute to 70 % of the total E-Waste generated in the country. More than 60% of total e-waste in India is generated by 65 cities. Among the top ten cities generating E-Waste, Mumbai ranks first followed by Delhi, Bengalore, Chennai, Kolkata, Ahmadabad, Hyderabad, Pune, Surat & Nagpur. Main source of electronic waste in India are the government, public and private (Industrial) sectors contributes 70%. Contribution of individual house hold is 15%. Rest being contributed by manufacturers.

**Region wise e-waste generation**



### State wise generation of e-waste



### City wise generation of e-waste

### 3. Effect on health and environment due to e-waste

About 80,000 people working for recycling sector, some villages has scrap markets where piles of e-wastes are separated for recycling. They separate copper from wires after burning them. Plastic and PVC codes produce noxious smoke which is irritable to eyes and cause respiratory problems. In addition, acid treatment is given to isolate metals; corrosive acids also released from used batteries of cell phones and computers, according to scientists of Greenpeace recycling of a computer in India costs just 2\$ while it is 20\$ in US not only cheap labour but also for the profit from recovered metals of circuit boards such as copper gives earning of 3 to 5 \$ per day workers are spending on dismantling e-wastes rather considering their own health.

Toxins in e-waste include polyvinyl chloride (PVC plastics), copper, lead, mercury, arsenic (in older models), cadmium, manganese, cobalt, gold, and iron. Mercury, chromium, lead, and brominated flame retardants are likely to cause the most adverse health effects

in humans. Between 1994 and 2003, disposal of PCs resulted in 718,000 tons of lead, 287 tons of mercury and 1363 cadmium being placed in landfills. Mercury is also found in CFL, relays and some other specific products. Besides the cadmium in computer batteries, cadmium is also used for plating metal enclosures metal parts in sub assemblies. Polychlorinated biphenyls are found in capacitors and transformers and as brominated flame retardant on printed circuit boards, plastic casings, cable and polyvinyl chloride (PVC) cable sheathing for insulation and PBD/PBDE in plastic parts of electronics.

Source of e-wastes	Constituent	Health effects
Solder in printed circuit boards ,glass panels and gaskets in computer monitors	Lead (Pb)	Damage to central and peripheral nervous systems , blood systems and kidney
Chip resistors and semiconductors	Cadmium(Cd)	Toxic irreversible effects on human health
Relays and switches, printed circuit boards	Mercury (Hg)	Chronic damage to the brain
Corrosion protection of untreated and galvanized steel plates, decorator or hardner for steel housings	Hexavalent chromium (Cr)	Asthmatic bronchitis.
Cabling and computer housing	Plastics including PVC	Burning produces toxic. It causes:

Source of e-wastes	Constituent	Health effects
		Reproductive and developmental problems, Immune system damage, Interfere with regulatory hormones
Plastic housing of electronic equipment and circuit boards	Brominated flame retardant	Disrupts endocrine system functions
Motherboard	Beryllium (Be)	Carcinogenic (lung cancer),
		Skin diseases such as warts.

#### 4. E-waste management

The issue of electrical and electronic equipment disposal, import and recycling has become the subject of serious discussion and debate among the Government organizations, environmentalist groups and the private sector manufacturers of computers and consumer electronic equipments. The Department-related Parliamentary Standing Committee on Science & Technology, Environment & Forests in its 192<sup>nd</sup> Report on the 'Functioning of the Central Pollution Control Board (CPCB)', has concluded that e-waste is going to be a big problem in the future due to modern life style and increase in the living standards of people and augmentation of economic growth. The Committee has suggested a more proactive role for the CPCB by stating that it "should conduct studies to make future projections and devise steps to check the menace".

In India, the Constitution assigns solid waste management as a primary responsibility to the Municipalities under the Twelfth Schedule. Article 243W empowers the State Legislatures to frame legislations in respect of waste management. The Municipal Solid Wastes (Management & Handling) Rules, 2000 were enacted by the Central Government which came into force from 25 September 2000. Some of the guidelines for handling municipal solid wastes provided in the Schedules are relevant for the management of e-waste and can be used as a model in the e-waste recycling and disposal scheme. The guidelines include organizing house to house collection of waste; proper collection of waste from slums and squatters, hotels, restaurants, office complexes and commercial areas; organizing awareness programmes for segregation of wastes; adopting suitable waste processing technologies; and restricting land filling for non biodegradable inert waste.

It is estimated that 75% of electronic items are stored due to uncertainty of how to manage it. These electronic junks lie unattended in houses, offices, warehouses etc. and normally mixed with household wastes, which is finally disposed off at landfills. This necessitates implement able management measures. In industries management of e-waste should begin at the point of generation. This can be done by waste minimization techniques and by sustainable product design. Waste minimization in industries involves adopting:

1. Inventory management,
2. Production-process modification,
3. volume reduction,
4. recovery and reuse.

Environmentally sound management of WEEE recognizes three Rs. i.e. Reduce, Reuse and Recycle. The aim would be to reduce the generation of e-waste through smart manufacturing and maintenance, reuse till functioning of electronic equipment by someone else and recycle those components that cannot be repaired.

#### **4.1. Inventory management**

Proper control over the materials used in the manufacturing process is an important way to reduce waste generation (Freeman, 1989). By reducing both the quantity of hazardous materials used in the process and the amount of excess raw materials in stock, the quantity of waste generated can be reduced. This can be done in two ways i.e. establishing material-purchase review and control procedures and inventory tracking system. Developing review procedures for all material purchased is the first step in establishing an inventory management program. Procedures should require that all materials be approved prior to purchase. In the approval process all production materials are evaluated to examine if they contain hazardous constituents and whether alternative non-hazardous materials are available. Another inventory management procedure for waste reduction is to ensure that only the needed quantity of a material is ordered. This will require the establishment of a strict inventory tracking system. Purchase procedures

must be implemented which ensure that materials are ordered only on an as-needed basis and that only the amount needed for a specific period of time is ordered.

#### **4.2 Production-process modification**

Changes can be made in the production process, which will reduce waste generation. This reduction can be accomplished by changing the materials used to make the product or by the more efficient use of input materials in the production process or both. Potential waste - minimization techniques can be broken down into three categories:

- i) Improved operating and maintenance procedures,
- ii) Material change and Process-equipment modification.

Improvements in the operation and maintenance of process equipment can result in significant waste reduction. This can be accomplished by reviewing current operational procedures or lack of procedures and examination of the production process for ways to improve its efficiency. Instituting standard operation procedures can optimise the use of raw materials in the production process and reduce the potential for materials to be lost through leaks and spills. A strict maintenance program, which stresses corrective maintenance, can reduce waste generation caused by equipment failure.

An employee-training program is a key element of any waste reduction program. Training should include correct operating and handling procedures, proper equipment use, recommended maintenance



and inspection schedules, correct process control specifications and proper management of waste materials.

#### 4.3 Volume reduction

Volume reduction includes those techniques that remove the hazardous portion of a waste from a non-hazardous portion. These techniques are usually to reduce the volume, and thus the cost of disposing of, a waste material. The techniques that can be used to reduce waste-stream volume can be divided into 2 general categories: source segregation and waste concentration. Segregation of wastes is in many cases a simple and economical technique for waste reduction. Wastes containing different types of metals can be treated separately so that the metal value in the sludge can be recovered. Concentration of a waste stream may increase the likelihood that the material can be recycled or re-used. Methods include gravity and vacuum filtration, ultra filtration, reverse osmosis, freeze vaporization etc. For example, an electronic component manufacturer can use compaction equipments to reduce volume of waste cathode ray-tube.

#### 4.4 Recovery and reuse

This technique could eliminate waste disposal costs, reduce raw material costs and provide income from a salable waste. Waste can be recovered on-site, or at an off-site recovery facility, or through inter industry exchange. A number of physical and chemical techniques are available to reclaim a waste material such as reverse osmosis, electrolysis, condensation, electrolytic

recovery, filtration, centrifugation etc. For example, a printed-circuit board manufacturer can use electrolytic recovery to reclaim metals from copper and tin-lead plating bath. However recycling of hazardous products has little environmental benefit- it simply moves the hazards into secondary products that eventually have to be disposed of. Unless the goal is to redesign the product to use nonhazardous materials, such recycling is a false solution.

### 5. Responsibilities of government and citizen

#### 5.1. Government

Governments should set up regulatory agencies in each district, which are vested with the responsibility of co-ordinating and consolidating the regulatory functions of the various government authorities regarding hazardous substances.

Governments must encourage research into the development and standard of hazardous waste management, environmental monitoring and the regulation of hazardous waste-disposal. Governments should enforce strict regulations against dumping e-waste in the country by outsiders. Where the laws are flouted, stringent penalties must be imposed. In particular, custodial sentences should be preferred to paltry fines, which these outsiders/foreign nationals can pay.

Governments should enforce strict regulations and heavy fines levied on industries, which do not practice waste prevention and recovery in the production facilities. Governments

should encourage and support NGOs and other organizations to involve actively in solving the nation's e-waste problems.

### 5.2. Citizen

Waste prevention is perhaps more preferred to any other waste management option including recycling. Donating electronics for reuse extends the lives of valuable products and keeps them out of the waste management system for a longer time. But care should be taken while donating such items i.e. the items should be in working condition. Reuse, in addition to being an environmentally preferable alternative, also benefits society. By donating used electronics, schools, non-profit organizations, and lower-income families can afford to use equipment that they otherwise could not afford. E-wastes should never be disposed with garbage and other household wastes. This should be segregated at the site and sold or donated to various organizations.

### 6. Conclusion

Management of solid waste is a huge task and has become more complex due to introduction of e-waste in Indian solid waste disposal system. As long as electronic products continue to contain an assortment of toxic chemicals and are designed without recycling aspect, they would pose a threat to environment and public health at their end-of-life. The paper addresses different suggestive remedial measures for controlling e-waste. General methods of raising awareness of harmful effects of e-waste

could be done using social media, journalistic articles and general education. Corporations need to take greater initiatives in recycling products that exceed their shelf life. Proper education, awareness and most importantly alternative cost effective technology need to be provided so that better means can be provided to those who earn the livelihood from this. A holistic approach is needed to address the challenges faced by India in e-waste management.

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## IMPORTANT ROLE OF HR IN NON GOVERNMENT ORGANIZATIONS (NGOs)

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### ABSTRACT

*Human Resource deals with the responsibilities, functions, behaviors and importance of employee. It is frequently contended that Non-Government Organization (NGOs) and the wider context of development are intrinsically different from other organizational settings within which Human Resource (HR) is believed to play an important role. Notwithstanding the ongoing interest in the transformation of HR systems, this study explores how and why such relationships between HR management (HRM) and NGO. A NGO must strive to attract, develop and retain qualified and enthusiastic employees as they are the key to the success of one's business. Management and specifically Human Resource are not desk-bound activities that can be pursued through the application of protocols and sanctions, but require vision, leadership and hands-on engagement.*

**Key words:** *Non-Government Organizations, Human Resource, Opportunity, Roles of NGOs*

### INTRODUCTION

Human resource management is the management of the people who work in an organization. They can be managers, employees, project officers, field workers, coordinators. Since the organization is run by these people, they are considered to be a "resource" – 'a human resource.' Like we use funds to manage a project, we also need to use these 'human resources' or the 'people' to manage the organization. The process of managing, motivating and making the staff perform involves setting up of systems, including building plans and policies. These systems fall under human resource management. Here is an interesting introductory video from the Society for Human Resource Management

that explains how important it is to develop human resources to achieve progress. Human resource practices focuses on the different aspect that can enhance the potential of an individual not in just in the reference of an organization but in his/her personal life. Training and developing, performance appraisal, potential appraisal, career counseling, employee welfare, health and safety are few of them. The role of human resource as an integrating factor in any of the industry or sector and it matters most when it is related to the service sector like NGO's. The term "non-governmental organization" was first coined in 1945, when the United Nations (UN) was created. The UN, itself an intergovernmental organization, made

it possible for certain approved specialized international non-state agencies *i.e.*, non-governmental organizations to be awarded observer status at its assemblies and some of its meetings. Later the term became used more widely.

The term NGO is very broad and encompasses many different types of organizations. In the field of development, NGOs range from large, Northern-based charities such as CARE, Oxfam and World Vision to community-based self-help groups in the South. They also include research institutes, churches, professional associations and lobby groups. The World Bank tends to interact with two main categories of NGOs: i) operational NGOs - whose primary purpose is the design and implementation of development - related projects, and; ii) advocacy NGOs - whose primary purpose is to defend or promote a specific cause and who seek to influence the policies and practices of the Bank. A growing number of NGOs engage in both operational and advocacy activities, and some advocacy groups, while not directly involved in designing and implementing projects, focus on specific project-related concerns.

Further operational NGOs is categorized into three main groups: i) community-based organizations (CBOs) - which serve a specific population in a narrow geographic area; ii) national organizations - which operate in individual developing countries, and; iii) international organizations - which are typically headquartered in developed countries and carry out operations in more than

one developing country. For example, NGOs have been classified according to whether they are more relief or development-oriented; whether they are religious or secular; whether they stress service delivery or participation and whether they are more public or private-oriented. Sources for further reading on NGO typologies are listed at the end of this section.

## REVIEW OF LITERATURE

**I. Tripathi Laxman Kumar (2008):** In his article "Human Resource Management Practices in IT Industry: A Complex Adaptive Systems Perspective", stated about the significant difference between Resource Based View of HRP Practices and Complex Adaptive System. He highlighted that there is necessity of developing an alternative perspective of Human Resource Management and exactly this has been worked out in the present research work by following the frame work provided by the theories in natural science, which is widely known as Complex Adaptive System.

**II. Tilly Chacko M (2010):** In his article titled "Best Practices of HR in Service Sector: An SME Service Industry Perspective" concluded that Employment Empowerment is the key word in service industries and strategies like recruitment, induction, learning and development, performance management system, compensation management, motivational initiatives, communication channel and retention strategies play key role in an organization.

## IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

A good HR department is critical to an employee-oriented, productive workplace in which employees are energized and engaged. Here are the reasons why.

- HR monitors the culture. Some organizations say that HR owns the culture, but as in all other employee relations matters, I recommend that the ownership is spread across all employees.
- HR owns the overall talent management processes. In conjunction with other managers, HR leads the way in management development, performance management, succession planning, career paths, and other aspects of talent management. HR can't do it alone and relies heavily on managers and executive staff to help plan and execute the strategies. However, HR has to bring new ideas and effective practices into the organization.
- HR is responsible for the over all recruiting of a superior workforce. Once again, HR cannot do it alone but must provide support to hiring managers who are also responsible for recruiting a superior workforce. HR must provide leadership, training, scheduling assistance, a systematic hiring process, recruitment planning processes, interview expertise, selection monitoring, and more.
- HR recommends market-based salaries and develops an overall strategic compensation plan. HR provides guidance to managers as they

determine the salary ranges within their organizations.

- HR researches, recommends and implements employee benefits programs that attract and retain your best employees. HR is also responsible for controlling costs and considering various options before recommending.
- HR is responsible for recommending and instituting strategies for people and the organization that further the attainment of the organization's strategic goals. If your organization is changing direction, developing new products, changing mission, vision, or goals, HR must lead the way with employee programs and processes.
- HR makes sure that workplace activities, events, celebrations, ceremonies, field trips, and team building opportunities are occurring. Other employees plan and implement the activities with or without HR's help, but the HR leader is generally responsible for monitoring the budget and providing committee oversight.
- HR advocates for employees who have issues or conflict with management and coaches managers and executives who seek a more effective approach to working with particular employees. Not everyone loves each other but they need to develop effective working relationships for contributions and productivity. HR can help by knowing the players and taking on the necessary role of advocate, coach and/or mediator.

Many colleges and universities are also helping to prepare HRM professionals by offering concentrations and majors in the discipline. Additionally, there exists an accreditation process for HRM professionals. The society for Human Resource Management offers opportunities for individuals to distinguish themselves in the field by achieving a level of proficiency that has been predetermined by the Human Resource Certification Institute as necessary for successful handling of human resource management affairs.

### **CONCEPT OF NON GOVERNMENT ORGANIZATION**

A non-governmental organization (NGO) is a citizen-based association that operates independently of government, usually to deliver resources or serve some social or political purpose. The World Bank classifies NGOs as either operational NGOs, which are primarily concerned with development projects, or advocacy NGOs, which are primarily concerned with promoting a cause. The International Standards Organization (ISO) is a non-governmental organization. As such, its standards are voluntary, but many of its member institutes are part of the governmental structures of their countries, and ISO standards have found their way into many laws.

A non-governmental organization (NGO) is any non-profit, voluntary citizens' group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of service and humanitarian

functions, bring citizen concerns to Governments, advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues, such as human rights, environment or health. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Their relationship with offices and agencies of the United Nations system differs depending on their goals, their venue and the mandate of a particular institution.

The term "non-governmental organization" dates from 1950, when the United Nations (UN) coined the expression.<sup>6</sup> Presumably the UN, which primarily dealt with governments and wanted to consult private, nonprofit organizations that were independent of governments, found it convenient to refer to them simply as non governmental organizations to distinguish them from governments. Today the UN describes an NGO as: any non-profit, voluntary citizens group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to Governments, monitor policies and encourage political participation at the community level. They provide, I analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Some are organized around specific

issues, such as human rights, the environment or health.

**NGO TYPOLOGIES**

NGOs can be broadly divided along two dimensions (a) whom the NGO is designed to benefit and (b) what the NGO does. This taxonomy yields the matrix shown in Figure. Before looking at these different dimensions, a rather obvious caveat is worth making explicit. The typology depicted in Figure is archetypical; in reality a single NGO may occupy more than a single quadrant at any given time and may move from quadrant to quadrant over time.

<b>Beneficiary</b>	Self	Alcoholics Anonymous Chess clubs	Labor unions Trade associations
	Others	Salvation Army CARE	WWF Amnesty International
		Service	Advocacy
		Type of Activity	

**Figure: Typology of NGOs**

The first dimension concerns whom the NGO is intended to benefit. NGOs have multiple sets of stakeholders, often including financial contributors, board members, executives, staff and beneficiaries. Obviously, each of these groups of stakeholders can be composed of different types of individuals or organizations and the structure can vary enormously. For example, financial donors could include individuals, private foundations, governments and multilateral institutions; the staff might be comprised of paid workers or volunteers and the board could be executive or non-executive.

**Self-benefiting NGOs**

Self-benefiting NGOs are often membership associations designed primarily to provide a benefit to their members, generally as a result of pooling interests. They are distinguishable by the fact that the financial and/or labor contributors to the NGO are themselves members of the group of intended beneficiaries. Examples of self-serving NGOs are unions, business associations, church groups, community patrol groups, Alcoholics Anonymous and amateur sports clubs.

**Other-benefiting NGOs**

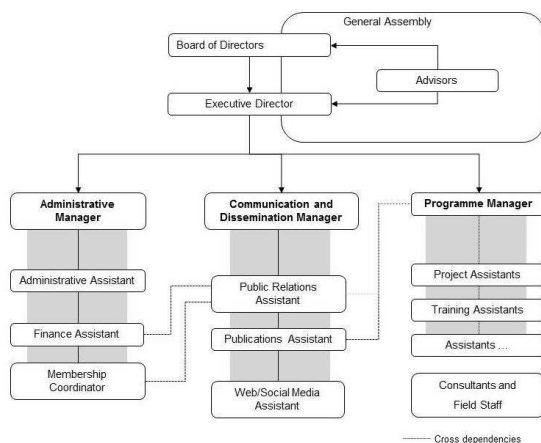
By contrast, other-benefiting NGOs are organizations in which the capital and labor contributors are not themselves members of the primary intended beneficiary group; or the pool of beneficiaries is so broad that the public good produced will be shared by a wide swath of society. In other words, the supporters are not donating to gain excludable private goods for themselves or their self-identified group. The World Wildlife Fund (WWF), Greenpeace, Amnesty International, CARE, the Open Society and Doctors Without Borders / Medicines Sans Frontiers (MSF) are examples of other-benefiting NGOs.

**HRM IN NON GOVERNMENT ORGANIZATION (NGO)**

If Non Governmental Organizations can play better role in the corporate social responsibility, the question here is who can play better role in linking industry with community. The answer

here is Human Resource Management Department of the industry.

The HR managers should take lead in its effort to make a linkage between community and the industry. To develop better rapport with the people, HR managers have to make use of their Strategic Relationship Management Skills. They should interact with the community by establishing better linkage with the Non Governmental Organizations working there in the locality. The HR managers can initially conduct Focus Group Discussion (FGD) with the community and community leaders with the help of Non Governmental Organizations and need evaluation.



### Organizational Structure of an NGO

A NGO should take advantage of the benefits of tools like psychometric testing in the selection process. Psychometric testing and other similar tools can contribute significant value by helping HR practitioners in placing the right types of individuals in the right positions. This also helps to ensure that new employees receive the correct training to enhance their own skills,

specifically in critical positions such as childcare and management roles. The personnel function in the NGO industry has evolved to the HR business partnering concept and is well embraced by many NGOs in recent years. Any NGO using the business partnering model with strategic intent in aligning people to business is bound to achieve organizational success. The NGO world is continuously evolving and is becoming an industry to be recognized as the change frontier in economic and social development in the country and with the right people it's bound to achieve success.

For today's NGO Human Resources leaders, having real-time access to critical employee data can become quite a challenge. Employee information can eventually reside on multiple servers, be tracked separately in individual countries, be stored in multiple standalone human resource information systems (HRIS), be retained on numerous spreadsheets or simply exist in traditional employee paper files – all of which are typically intended to manage only a small segment of the entire workforce.

The role of NGOs in the contemporary world is elaborately described in the present study along with the management challenges and other issues faced by NGOs, social activity, policy-makers and all concerned.

### RESULT AND DISCUSSIONS

An extensive research done by PRIA, a leading NGO in India, on the



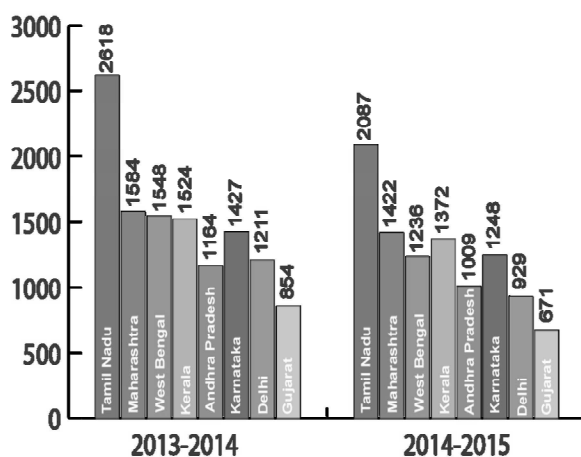
NGO Sector indicates the following facts about NGOs in India:

**Table-I Number of people working in the NGO sector in India**

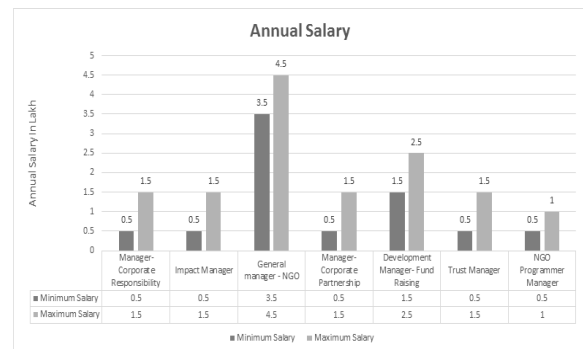
All India / State	Number	Volunteers	Paid
All India	24.4 million	88%	18%
West Bengal	1.67 million	92%	12%
Tamil Nadu	1.56 million	75%	31%
Delhi	1.25 million	82%	22%
Maharashtra	0.98 million	93%	13%
Meghalaya	0.23 million	88%	19%

**Table-2 Number of full time equivalent persons working in NGOs in India**

All India / State	Number	Volunteers	Paid
All India	65.35lakhs	59%	48%
West Bengal	4.53 lakhs	65%	42%
Tamil Nadu	6.85 lakhs	46%	59%
Delhi	3.85 lakhs	54%	52%
Maharashtra	2.76 lakhs	74%	27%
Meghalaya	0.87 lakhs	58%	48%



**NGO Sector between the Year 2013 to 2015**



**NGO Management**

From the above data it is revealed that most of the NGOs are staffed with voluntary workers and many of them have one or two paid staff. The question arises, how many personnel in NGOs are professionals if very few people are remunerated for their services.

For a proper understanding of the process of empowerment, a systems view is presented in which all the relevant inter-linked elements have been analyzed, such as the external agency (NGO), target group, development project / program, immediate environments of the target group and external agency, and the macro-environment in which the target group and the NGO exist. Such a systems view would throw light on the differential impact of similar NGO initiated projects and processes on different target groups/communities. Further a seven-step process of assessment of professional’s empowerment is discussed within the systems framework.

The steps are assessments of the macro-environment, the external agency environment, the external agency, the

target group environment, the target group, the development program/project and lastly integration of the assessment process.

## CONCLUSION

Human resource development skills of NGOs which have tended to complement the technical skills and facilities available to government. Less predictable are the types of interaction that might evolve in specific settings: much appears likely to develop on an ad hoc basis in response to the individual characteristics of NGOs and the settings in which they work. . Finally I would like to conclude that Non-Government Organisations have fostered a culture of participation and modernism for employee growth and contribution. A section of Training and development programs handles all training activities on a predetermined basis. Various kind of training methods are being followed which enrich employees with better social skills and empower them for future development. Employees show high motivation and are dedicated to their jobs and responsibilities.

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## HOW TO INSPIRE MOTIVATION IN THE WORKPLACE

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### ABSTRACT

*Motivation plays an important role in all public and private organization. Without motivating their employees organization can't run and can't achieve their goals. Motivation is essential to accomplishing any goal. Our team is dedicated to assisting you in developing ideas to ensure your company is successful.*

### INTRODUCTION

Motivation is the act or process of providing a motive that causes a person to take some action. The motivational model indicates that a sense of felt deprivation generates needs and such needs create tension in an individual. Every person is motivated. Every employee has activities, events and goals in his/her life that he/she finds motivating. Motivation cannot be inflicted from outside but it is an intrinsic desire in a man to achieve the target goal through performance or activity.

Motivation is the desire within a person causing that person to act people usually act for one reason: to reach a goal. Motivating people to perform better and thus to achieve organizational objectives has been the greatest challenge to managers.

### LITERATURE REVIEW

❖ **BRUCE** and **PEPITONE**(1999) propose an interesting viewpoint according to which managers cannot motivate employees; manager can only influence what employees are motivated to do.

- ❖ An interesting viewpoint regarding the issue has been proposed by **WYLIE**(2004), according to which members of management primarily should be able to maintain the level of their own motivation at high levels in order to engage in effective motivation of their subordinates.
- ❖ **VUORI** and **OKKONEN** (2012) stated the motivation helps to share knowledge through an intra-organizational social media platform which can help the organization to reach its goals and objectives.

### 6 WAYS TO MOTIVATE YOUR EMPLOYEES

#### 1) FOCUS ON THEIR STRENGTHS

Everyone has different strengths and skills that can benefit a company. Their focus is powerful because it forces them to filter; they instinctively evaluate whether or not a particular action will help them more toward our goal.

#### 2) MAKE FUN PART OF YOUR CULTURE

Incorporate levity into company culture so that day in and day out, fun is

just part of what do you do and can be the difference between burned out employees and engaged employees. There are many ways you can enjoy fun in your work culture and it does not matter what you do. However, it is necessary you take initiative to make fun a part of how your organization operates.

### **3) TREAT PEOPLE WITH RESPECT**

Treat people with respect, if you want to be respected. Treat people the way you want to be treated. Everyone deserves to be treated with dignity and respect, where employees are motivated to do only enough not to get yelled at, and no more.

### **4) MEANINGFUL WORK**

The most important thing any leader can do to create a motivating environment is to make sure the work every member is doing is meaningful. Making sure work is meaningful is the best form of job security a leader can give a team.

### **5) COMMUNICATE BETTER**

You should communicate with them frequently, and actually speak with them face-to-face. You staff needs to know they are valued, and communicating in person with them is the best way to show your appreciation for their hard work.

### **6) TREAT EVERYONE DIFFERENTLY**

Everyone wants to feel like they're an individual, not a number. This way, whenever you do give them

feedback, it will be taken a lot more seriously.

### **WHAT PEOPLE WANT FROM WORK: MOTIVATION**

Every person has different motivations for working. The something we obtain from work impacts our morale and motivation and the quality of our lives. To underplay the importance of money and benefits as motivation for people who work is a mistake.

Some people work for love; others work for personal fulfillment. Some workers like change, challenge and diverse problems to solve. If they are contributing to something larger than themselves, something important.

### **PROVIDE MOTIVATIONAL EMPLOYEE RECOGNITION**

- Single out one or a few employees who are mysteriously selected for the recognition.
- Employee recognition follows trust as a factor in employee, satisfaction with their supervisor and **their workplace**. Employee recognition can increase motivation or leave the recipient feeling strangely demoralized and sad.

### **GOALS AND MOTIVATION**

- Goals give you the direction and motivation gives you the energy so use the combination.
- Hand-in-hand with clear direction, for motivation, employees have goals that fit within the company's strategic framework.

### USE TRAINING AND DEVELOPMENT FOR MOTIVATION

- Employee development refers to initiatives taken by organizations to constantly enhance their employee's skills and upgrade their existing knowledge with time.
- Employers who want to harness the full value of their employees and foster loyalty and retention will find training is a winning prospect for all involved.
- You can provide training including new employee onboarding, management development, new concepts for a new computer system. They all add to the work environment that supports motivation. Employers as a result of trainings can deliver their level best and contribute more effectively towards the organization.

### SET THEM FREE: TWO MUSTS FOR MOTIVATION

The challenge in the work environment is to create a culture in which people are motivated by their work. People are your only resource. If you get this, you will create a work environment that foster their ability to increase productivity, and develop new skills.

- The first step is the opportunity for people to fully develop their abilities and knowledge in their areas of interest.
- The second step is creating an environment that employees find motivating is to stop taking actions that are guaranteed to destroy motivation.

### FOSTER SUCCESS FOR PEOPLE: TWO MORE MUSTS FOR MOTIVATION

Two more musts for motivation,

- Love them and help them grow or lose them to an employer who will.
- A workplace in which the high self-esteem of each employee is fostered.

### PROMOTE YOUR PERSONAL GROWTH AND MOTIVATION

You can promote your own personal growth, motivation and career development to overcome this inertia.

Here are ideas and tools that will help you explore personal growth, choose motivation and get your life and work back on a course that excites, motivates and fills your life with joy.

### CELEBRATE HOLIDAYS AND CREATE TRADITIONS FOR MOTIVATION AND TEAM BUILDING

- ❖ Celebrating holidays at work is key to promote teamwork and employee engagement and motivation. Here are ideas for your celebrations for each season.
- ❖ The holidays are no longer simply a day off work. Instead, they can be an opportunity for you to help motivate and build your team of employees.
- ❖ A great way to increase motivation is by doing holiday contests. These contests can be sales base, productivity base, or research based.
- ❖ Traditions can range from costume parades at **Halloween** to food drives for the needy in **November** and **December**.

- ❖ High morale and motivation contribute to team building and productivity. A really fantastic way to add some fun into the workday is to create holiday celebrations.

### **TAP INTO EMPLOYEE**

#### **DISCRETIONARY ENERGY**

- The employee's willingness to perform above and beyond the basic requirements of the job is a reflection of the employee's willingness to engage his or her discretionary energy.
- An employee's discretionary energy can be tapped when he/she feels connected to the company and valued as an employee.
- Successful managers understand the power of discretionary energy and take conscious actions on tap into it at work.

### **WHAT CONTRIBUTES TO OR DESTROYS MOTIVATION AT WORK?**

Every employee is motivated about something in their life; it's just that something is not always work. Some organizations define a motivated work environment around problem solving, creativity and ingenuity while others focus on low employee turnover and excellent levels of customer service. It is based on the current needs and wants of the individual at that particular time. The challenge for a manager is to help the employee find ways to experience the motivation at work. Readers have shared what contributes to or destroys their motivation at work.

### **CONCLUSION**

Motivation cannot be directly observed but through behaviours we see it manifested. It is thought of as the driving force that compels a person to do something. These theories help us how to motivate the employee. We can say that if top management put their focus upon motivation of employees then it will lead toward a positive increase in employee's performance.

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## RELEVANCE OF ORGANIZATIONAL CHANGE AND DEVELOPMENT IN ENHANCING ORGANIZATIONAL EFFECTIVENESS

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### ABSTRACT

*Organizational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness. Organizational change is an important issue in organizations. It is actually a process in which an organization optimizes performance as it works toward its ideal state. Organizational change occurs as a reaction to an ever-changing environment, a response to a current crisis situation, or is triggered by a leader.*

*Successful organizational change is not merely a process of adjustment, but also requires sufficient managing capabilities. However, there are many topics to be considered to achieve successful change. Hence, this paper discusses the causes of organizational change, its elements, approaches, process, resistance, management, and finally the possible factors leading to its breakdown.*

**Key Words:** *Organizational change, organizational development, processes of organizational change, resistance & management of organizational change*

### Introduction

Based on a five year survey conducted by the world-renowned McKinsey consulting firm (Isern, & Pung, 2007), out of the 1536 companies that underwent organizational change, only 38% of the company managers claimed that the process succeeded in increasing work performance. Regarding long term health goals (such as increasing ability, better customer relations, supplier relations, positive work culture), only 30% of the managers associated these with organization change. Hence, the goals of organizational change are rather multi-faceted. The most common goal stated by over 50% of the interviewees is "minimizing costs".

Other goals include bettering the firm, mergence, and crisis intervention, or overcoming competition. Seemingly, successful organizational change is not merely a process of adjustment, but also requires sufficient managing capabilities.

### Assumptions about Organizational Change

1. Change is inevitable; growth is optional.
2. Change is difficult because it moves people out of their comfort zones.
3. People don't resist change as much as they resist being changed.
4. Resistance to change occurs for a reason.

5. People respond to change differently based on the personalities, histories, personal visions, or perceptions of the surrounding environment.
6. You can't change people; only they can make the choice to change.
7. The complexity and size of change matters.
8. You can never communicate too much during a difficult and complex change.
9. Resilience is important.
10. Leaders don't control change; they guide, shape, and influence it.

#### **Why does an organization need organizational change**

What is organizational change? It is a process in which an organization optimizes performance as it works toward becoming its ideal state. Why does an organization need organizational change (Jones, 2004)? From a passive perspective, organizational change occurs as a reaction to an ever-changing environment or as a response to a current crisis situation. On the other hand, a more proactive viewpoint is that it is triggered by a progressive manager. Furthermore, organizational change is especially evident when the organization has just undergone a transfer of executive power (Haveman, Russo & Meyer, 2001).

Van de Ven and Poole (1995) proposed that the causes of organization change can be explained by one of the following theories: teleological theory, life-cycle theory, and dialectical theory. The teleological perspective believes that organizational change is an attempt to achieve an ideal state through a

continuous process of goal-setting, execution, evaluation, and restructuring. Life-cycle theory claims that the organization is an entity that depending on the external environment, cycles through stages of birth, growth, maturation, and declination.

Dialectical theory hypothesizes that the organization is like a multi-cultural society with opposing values. When one particular force dominates over others, a new organizational value and goal is established, resulting in organizational change.

#### **The targets of organizational change**

The influential factors of organizational effectiveness are widespread, including factors that are related to external environmental changes, and factors which will improve the internal managerial effectiveness. The organization must consider the reasons for change, the external environment, and the internal situation to decide which factors to change. The most common known targets of organizational change include vision, strategy, culture, structure, system, production technology, and leadership style (Yang, Zhuo, & Yu, 2009). Vision includes a firm's organizational core value but one that also adapts accordingly to the external environment. When an organization undergoes change, its core value needs to be determined so that in the process of transformation, it can be preserved.

Strategy refers to the organization's long term goals and the steps and resources needed to be considered in its decision-making. The strategy change



can be divided into the enterprise strategy change (Ex: low cost strategy), the overall strategy change (Ex: multiple-angle management), and the global expansion strategy change. Culture is referring to its members' collective value, norm, and basic assumptions. The change involved is altering the content of this collective value and/or basic assumption. Typically, the explicit culture is more easily manageable or changed than the implicit culture. Structure is an official system of the duty and the authority relations of an organization. Structural change is transforming the organization's vertical disintegration or horizontal differentiation, power allocation, and level of formalization.

System is the formal regulations, policies and procedures such as reward system, performance evaluation methods, goals budget system, etc. that are used to operate the organization.

Production science and technology is the technology, the knowledge, the ability, the material, the machine, the computer, the tool and other equipments which transforms inputs to outputs.

Leadership is the influential force within the organization. Leadership style impacts the group dynamic and also the interaction of its members.

The above targets of organizational change will influence each other. For example, the actualization of vision depends on the incorporation of suitable strategy and the organization's culture. Therefore, in the process of organization change, the "systematic viewpoint" has to be taken, so that different change targets can be considered as a whole to

achieve the organizational change successfully.

### **The different types of organizational change**

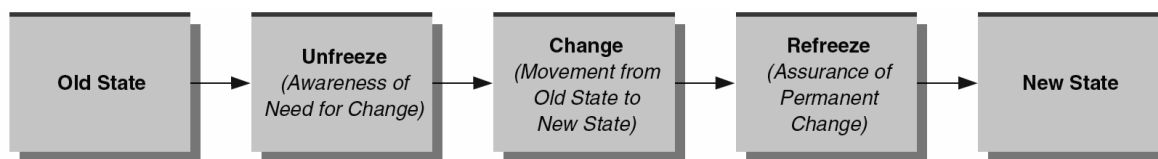
Managers continually face choices about how best to respond to the forces for change. There are several types of change that managers can adopt to help their organizations achieve desired future status. In general, the types of change fall into two broad categories: evolutionary change and revolutionary change. Evolutionary change is gradual, intermittent, and narrowly-focused (George, & Jones, 2007; Miller, 1980/1982). Its main purpose is to make continuous improvement in order to adjust to the environment changes (Weick, & Quinn, 1999). Revolutionary change is rapid, dramatic, and broadly focused. It often happens when the current operation method can no longer fulfill the demand of the external environment, and a significant change has to be made in a short period of time to keep the organization work. The most widely known types of evolutionary change is socio-technical systems theory, total quality management, and management by objectives (George, & Jones, 2002; Yang, Zhou, & Yu, 2009). Socio-technical systems theory emphasizes the importance of the social and technological aspects within the organization during the process of change. In other words, it emphasizes the development of the most optimal partnership between members/workers of the organization and the technology. Total quality management is an ongoing and constant effort by all of an

organization's functions to find new ways to improve the quality of the organization's good and services (Deming, 1989). Management by objectives specifies the importance of regular meetings between management and its subordinates. The objective is to assess future work goals, evaluate work performance, and discuss challenges and obstacles in an attempt to motivate work efficacy and coherence (Cummings, & Worley, 2001).

There are also three important types of revolutionary change: reengineering, restructuring, and innovation (George, & Jones, 2002). Reengineering involves the fundamental rethinking and radical redesign of business processes to achieve

dramatic improvement in critical, contemporary measures of performance such as cost, quality, service, and speed (Hammer & Champy, 1993). When organization experiences a rapid deterioration in performance, manager may try to turn things around by restructuring. For example, an organization tries to simplify its organizational structure by eliminating divisions, departments, or levels in the hierarchy; and downsizing employees to lower operating costs. Innovation is the successful use of skills and resources to create new technologies or new goods and service so that an organization can change and better response to the needs of customers (Jones, 1988).

### The processes of organizational change



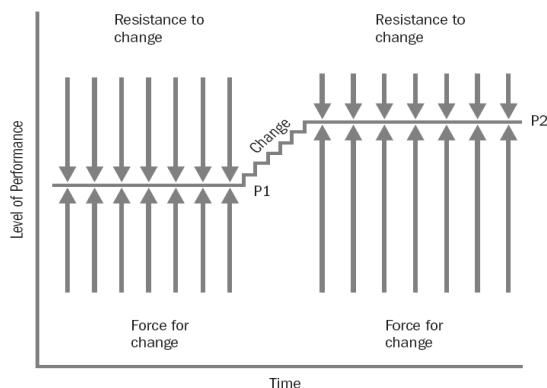
Regardless of what type of evolutionary or revolutionary change an organization adopts, managers face the problem of getting the organization to change. Many scholars have devoted to the study of organizational change process, and most of them follow Lewin's "Force Theory of change". Based on the observation of real world organizational change, Lewin proposed a three-step process for successful organizational change: unfreezing, moving, freezing (as cited in George & Jones, 2002).

Unfreezing starts from the members' understanding of the organizational

crisis or vision that motivates them to change, normally, unfreezing will go through three stages. First of all, there must be enough information indicating that the current organizational condition is not ideal. Secondly, this information has to be related to the important goal of the organization, thus elicits members' anxious feeling. Finally, a solution has to be proposed that will reduce the members' insecure feeling and resistance to change (Schein, 1992). Moving is taking certain actions to transform the organization to an expected condition. The moving process is quite complicated;

it involves goal setting, support seeking, resource finding, planning and execution. There are two forms of moving: problem-solving orientation, and vision orientation. The organization may adapt either one according to their specific situation. Freezing is to stabilize the change achieved in moving stage. The individual, the department, and the organization, all have an inertial way of thinking and doing, so that the change achieved in moving state will return to the status quaint if freezing is not done. Form new rules, regulate members' new behavior directly, reinforce appropriate responses, are all possible ways to internalize the new value or behavior into the organizational culture.

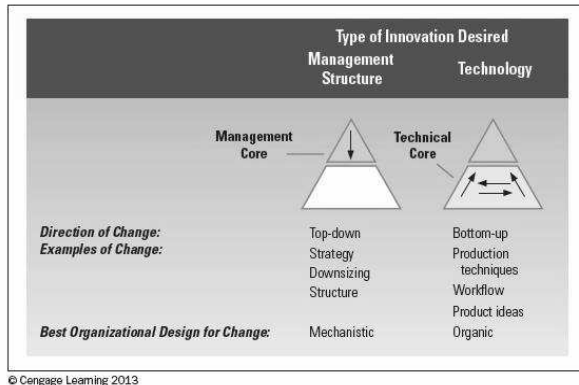
### Forces in organizational change



According to Lewin's force-field analysis model, an organization is an open system. There are two forces in organization change (Lewin, 1951), one is the pushing of the organization to a new direction; it is the driving force. The other is preventing organization from changing; it is the restraining force. When driving force is stronger than the restraining force, organizational change occurs, and the organization will move

towards a new direction. When restraining is stronger than the driving force, organization will stay where it was; and when these two forces are equally powerful, it will stay stable temporally. When organization is about to change, there are different forces to prevent them from change, which is the above-mentioned restraining forces. Restraining forces can be divided into three levels: organization level, secondary unit level, and individual level (Yang, Zhuo, & Yu, 2009). Factors in the organizational level include the organizational structure inertia and system pressure, organizational culture, and the pressure from past success. Factors in secondary unit level include the standpoint difference and interest conflict between different departments. Factors in individual level include the misunderstanding, lack of trust, own benefit threat feeling, uncertainty, custom, etc. How to manage these factors that may hinder the successful change of the organization. The active ways to gain organization members' support includes education, communication, participation and involvement. The passive ways to eliminate members' resistance include assistance, negotiation control, and coercion (Kotter, & Schlesinger, 1979). These methods are most effective in different situations therefore the superintendent must manage the organization change according to the situation, and use the combination of suitable methods to implement the change.

## Dual-Core Approach to Organization Change



### Kotter's 8 Step Change Model can be used as a good framework (Kotter, 1994)

1. Step One: Create Urgency
2. Step Two: Form a Powerful Coalition
3. Step Three: Create a Vision for Change
4. Step Four: Communicate the Vision
5. Step Five: Remove Obstacles
6. Step Six: Create Short-term Wins
7. Step Seven: Build on the Change
8. Step Eight: Anchor the Changes in Corporate Culture

### Why does organizational change fail?

According to McKinsey investigation (Isern & Pung, 2007), only 38% interviewees think their company's organization change has successfully increased their work performance, and only 30% believe their organization change has achieved the organization's goal of long-term health. It is mainly because there are many factors that will affect the success or failure of organizational change.

The 6 most important factors include the insufficient readiness for change, lack of systematic plan for

organization change, fast solution expectation, the focus of change activity instead of result, poor management in change process, and mismatch between change plan and organization context (Yang, Zhuo, & Yu, 2009).

To achieve successful organizational change, all these factors have to be considered carefully. The following section will explain each of them briefly.

Readiness for change refers to the degree of positive acceptance of the necessity of change, and the positive attitude toward the effect of change on self and the organization (Armenakis, Harris, & Mossholder, 1993). The higher the preparation, the higher the acceptance and executive power of the member shall be. The lower the preparation, the higher the resistance to change, and the higher the probability of organization change to fail will be. Another common reason for organizational change to fail is that many organizations do not take the systematic viewpoint to make a holistic plan for organizational change. For example, the attempt to make change through education only, and to overlook other factors that may affect employee's behavior such as organizational system, structure, culture, etc. Moreover, some organization applies the identical changes plans to all departments and individuals without considering their differences.

The fast solution expectation is another error organization makes. They often assume introducing a set of organizational changes can solve all the problems, and recruiting an outside consultant can assist on everything.

With this expectation, the organization will depend on the consultant too much, and invest too little, and will end the change plan too early if the achievement does not meet their expectation.

In addition, when planning the organizational change, members often take the change activity too seriously, but neglect the change goal itself. Thus, members participate in the activity vigorously, but the achievement is actually very limited. Poor management in change process is another commonly made mistake. Many factors have to be considered and attended to in the unfreezing, moving or freezing stages. Overlook certain factors many lead to total failure of the organizational change.

### Conclusion

Finally, the match between change plan and organizational context may also play a significant role in the success or failure of organizational change. Organizational change is to establish new pattern of thinking and behavior. When the new pattern conflicts with the old ones, the oversized resistance tends to cause the plan to fail. Therefore, in designing a change plan, the organizational context must be incorporated.

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## TRAINING AND DEVELOPMENT - A STUDY WITH REFERENCE TO EMPLOYEES OF CHENNAI PORT TRUST

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### ABSTRACT

*In the field of Human Resource Management, Training & Development is the field concerned with organizational activities aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including employee development, human resource development, and learning & development. Training & Development ensures that randomness in organizational setting is reduced, and learning or behavioral change takes place in structured format. The conflicts at workplace, with perhaps the most devastating career consequences, are those that take place between employees and their bosses. Training an employee to get along well with authority and with people who entertain diverse points of view is one of the best guarantees of long-term success.*

### Problem statement

Training & Development is the field concerned with organizational activities aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including employee development, human resource development, and learning & development. Training & Development ensures that randomness in organizational setting is reduced, and learning or behavioral change takes place in structured format. The conflicts at workplace, with perhaps the most devastating career consequences, are those that take place between employees and their bosses. Training an employee to get along well with authority and with people who entertain diverse points of view is one of the best guarantees of long-term success.

An organization is set up with the purpose of achieving certain objectives. These objectives can be achieved only when organization is utilizing its resources in the best possible manner. Most important asset of any organization is its human resource. This is possible only through effective utilization of the human resource potential. The success of the organization depends on the quality and work effort of the personnel. Proper attention should be given to the people through recognition of their talents and development of their potential. All institutions should have employees with necessary skills and knowledge to carry out their job. Before introducing a new skill or a product, the company must educate its employees to face the risk and challenges. Hence training and development has become one of the

important functions of Human Resource Management.

Training adds value to the overall performance of the organization. Having high potential employees do not guarantee that they succeed in their endeavors instead they have to know what to do and how you want them to do. If they do not, it will lead to known consequences. Hence, training is vital as it contributes to the efficiency of the organization and improves the performance and prospects of employees. Assessing how far the training program has been worthwhile is the bottom-line of HRD operations. Training evaluation is done to provide quality control over the design and delivery of training activities. Every employee should be enabled to develop and deploy his ability so that they can be productive as quickly as possible.

### **Objectives of the study**

1. To evaluate the role of training in improving the skills, and career development of the employees with reference to Chennai port trust.
2. To examine achievement of the employees after the training.

### **Significance of the Study**

Training enhances job-related skills and also facilitates acquiring of new skills required for averting skill obsolescence in an organization. Evaluation of training is to be done to provide quality over the design and delivery of training activities. Feedback about the effectiveness of training programs would help the trainers to

develop better training program, design new training plans and thus the training course can be amended in the light of these comments.

This study is focused on analyzing the effectiveness of the training and development program at Chennai Port Trust. Feedback on the training program conducted and their effect of the program on employee performance is the main source of data for the study. As the organization needs to improve its performance through employee training and development, this study would help the organization to understand the impact of training program on the employee performance. This study will also provide an opportunity to understand the key aspects of training program and to have insights into effectiveness of training sessions.

### **Research Methodology**

“Research as a systematized effort to gain new knowledge.” Research means search for knowledge. It aims at discovering the truth. Research is a process of systematic and in-depth study or search of any particular topic, subject or area of investigation backed by collection, computation and interpretation of relevant data.

### **Research Design**

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact the research design is the conceptual framework within which



research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. The research design adopted in this study is descriptive in nature.

### **Sources of Data Collection**

While deciding about the methods of data collection to be used for the study, the researcher should keep in mind, the two types of data. They are:

The primary data are those data which are collected as fresh and for the first time and thus happened to be original in character. They are mainly in the shape of raw materials and be usually adequate and suitable. There are several methods of collecting primary data particularly in surveys and descriptive researches. They are observation method, interview methods, questionnaires and schedules etc. In this study questionnaire method was used as a primary tool.

Secondary data means the data already available. They are those data which have been already collected by some other persons for their purpose and published, and which have already been passed through the statistical processes. It can either published data or unpublished data. Usually, published data are available in various central and state government publications, magazines and newspaper etc. In this project work, the researcher has taken text books, profile of the organization etc as the source of secondary data.

### **Sampling Techniques**

Non-probability sampling is that sampling procedure which does not

afford any basis for estimating the probability for each item included in the sample. In non-probability sampling, generally the person selecting the sample purposively selects a sample which is suitable for the study. The researcher has taken a sample size of 151 employees working in Chennai port trust.

### **Hypotheses Assumption**

1. There is no significant relationship between relevant training and contribution after training, effectiveness in training and contribution after training.
2. There is no significant relationship between Satisfaction with training and Improvement in skills for effective execution of job and career development.

### **Review of literature**

For the most part, the terms "training" and "development" are used together to describe the overall improvement and education of an organization's employees. However, while closely related, there are important differences between the terms that center on the scope of the application. In general, training programmes have very specific and quantifiable goals, like operating a particular piece of machinery, understanding a specific process, or performing certain procedures with great precision. Developmental programmes, on the other hand, concentrate on broader skills that are applicable to a wider variety of situations, such as decision making, leadership skills, and goal setting. **(Jacob, Ronal L.2003.)**

Implementation of formal training and development programmes offers several potential advantages to quality job performance in business organizations. For example, training helps companies create pools of qualified replacements for employees who may leave or be promoted to positions of greater responsibility. It also helps ensure that companies will have the human resources needed to support business growth and expansion. Furthermore, training can enable a small business to make use of advanced technology and to adapt to a rapidly changing competitive environment. Finally, training can improve employees' efficiency and motivation, leading to gains in both productivity and job satisfaction. All of these benefits are likely to contribute directly to a business's fundamental financial health and vitality. (Ambler, 2006)

**Data analysis**

**Table – 1  
Gender of Employees**

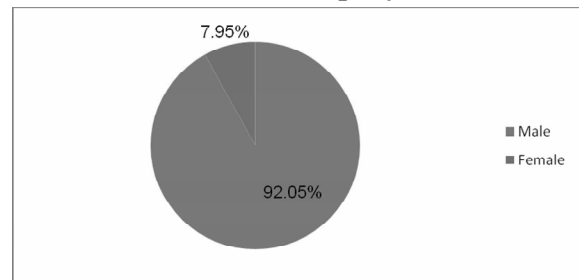
Classification	Number of Employees	Percentage
Male	139	92.05
Female	12	7.95
<b>Total</b>	<b>151</b>	<b>100</b>

Source: primary data

**Interpretation**

From the above table, it is understood that male and female employees are working together. Among them, the majority of the respondents are male i.e. 92.5% whereas female employees are 7.95%.

**Chart 1  
Gender of Employees**



**Table 2  
Age distribution of Employees**

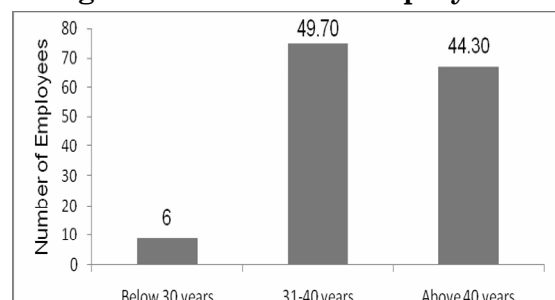
	Number of Employees	Percentage
Below 30 years	9	6.00
31-40 years	75	49.70
Above 40 years	67	44.30
<b>Total</b>	<b>151</b>	<b>100</b>

Source: primary data

**Interpretation**

The present table shows that the age distribution of the employees working in the company. 6% of the employees are aged below 30 years while, 49.70% of the employees are aged between 31 to 40 years. Likewise, 44.30% of the respondents are aged above 40 years. So, the majority of the employees are aged between 31-40 years.

**Chart 2  
Age distribution of Employees**



**Table 3**  
**Educational qualification of Employees**

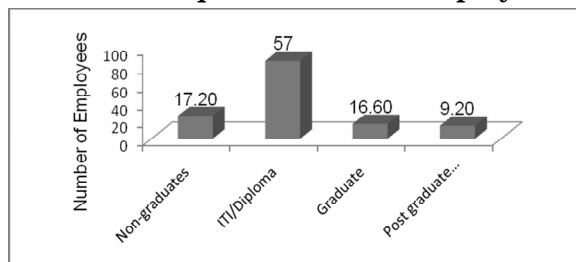
Classification	Number of Employees	Percentage
Non-graduates	25	16.60
ITI/Diploma	86	57.00
Graduate	26	17.20
Post graduate / Professional	14	9.20
<b>Total</b>	<b>151</b>	<b>100</b>

Source: primary data

**Interpretation**

As per this table, educational qualification of the employees is described in different ways. 16.60% of the employees are Non-graduates. Correspondingly, 57% of the employees have studied up to ITI and Diploma, similarly, 17.20% of the employees have studies as far as Graduates and at last 9.20% are educated up to post graduate and professional. Therefore, majority of the respondents have come from ITI and Diploma.

**Chart 3**  
**Educational qualification of Employees**



**Table 4**  
**Designation of Employees**

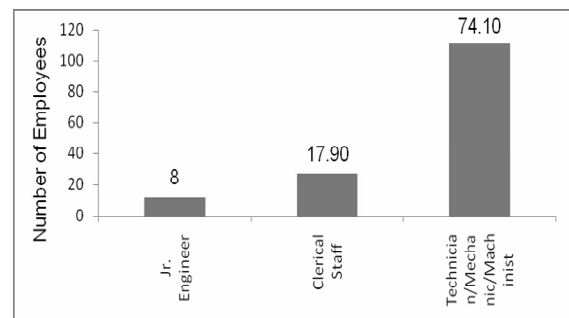
Classification	Number of Employees	Percentage
Jr. Engineer	12	8.00
Clerical Staff	27	17.90
Technician / Mechanic / Machinist	112	74.10
<b>Total</b>	<b>151</b>	<b>100</b>

Source: primary data

**Interpretation**

According to the above table, the researcher has explained the position of the employees as shown into the table, in other words, 8% of the employees occupy their designation as Junior Engineer. However, 17.90% of the employees occupy their designation as Clerical Staff as against which, 74.10% of the employees hold their designation as Technician, Mechanic, and Machinist. Hence, majority of the respondents are in Technician, Mechanic, and Machinist.

**Chart 4**  
**Designation of Employees**



**Table 5 Assessing the association between Satisfaction with training and Improvement in skills for effective execution of job**

Null hypothesis H<sub>0</sub> 1(a): There is no significant relationship between Satisfaction with training and Improvement in skills for effective execution of job. To assess the relationship between Satisfaction with training and Improvement in skills for effective execution of job, Chi-square test was performed to identify the relationship between Satisfaction with training and Improvement in skills for effective execution of job.

**Table 5**  
**Association between Satisfaction with training and Improvement in skills**

		Satisfaction with training		Total	Chi-Square value
		Yes	No		
Improvement in skills for effective execution of job	Yes	92	36	128	21.333** (p<.001)
	No	5	18	23	
Total		97	54	151	

**\*\* Significant at 1% level**

From the table 5 it is observed that there is significant association between Satisfaction with training and Improvement in skills for effective execution of job. Chi-square value (21.333) shows that the null hypothesis is rejected at 1% level. It is found from the analysis that there is a close association between Satisfaction with training and Improvement in skills for effective execution of job. From the table 5, it is evident that Improvement in skills for effective execution of job results in satisfaction with training among employees of Chennai port trust.

**Table 6 Assessing the association between Satisfaction with training and Career development.**

Null hypothesis  $H_0$  1(b): There is no significant relationship between Satisfaction with training and Career development.

To assess the relationship between Satisfaction with training and Career development, Chi-square test was performed to identify the relationship between Satisfaction with training and

Career development. The results are shown in table

**Table 6**  
**Association between Satisfaction with training and Career development**

		Satisfaction with training		Total	Chi-Square value
		Yes	No		
Career development	Yes	68	48	116	6.875** (p=.009)
	No	29	6	35	
Total		97	54	151	

**\*\* Significant at 1% level**

From the table 6 it is observed that there is significant association between Satisfaction with training and Career development. Chi-square value (6.875) shows that the null hypothesis is rejected at 1% level. It is found from the analysis that there is a close association between Satisfaction with training and Career development. From the table 6 it is evident that training helps in Career development results in satisfaction with training among employees of Chennai port trust.

## CONCLUSION

The researcher has brought the study to an end that in totality, the training and development in Chennai Port Trust has been improved to considerable extent. It should be improved further, which is possible only when the employer has to consider the feedback of the employees during the training. For this purpose, the company has to hold the training programme depending on desirability of the employees. Before conducting the training, the superior of the employees have to hold the discussion with the subordinates,

collect the views of the employees and weightage can be given to the employee's feelings.

Employees of the company have to put forth their feelings to the knowledge of the employer. The company has to give relevant training programme to the employees periodically based on the feedback received from them in order to increase their efficiency. The employees can be given on the job and off the job training.

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## CAUTIOUS USAGE OF ADVANCE TECHNOLOGY IN BANKING SECTOR

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### ABSTRACT

*Technology allows banks to create without having to hire manpower for manual banking operations. Tele banking, ATMs, Internet banking, Mobile banking and E-banking. This technology driven delivery channels are being used to reach out to maximum number of customers at lower cost and in most efficient manner. Effective use of technology has a multiplier effect on growth and development.*

### INTRODUCTION

Banking sector has embraced the use of technology to serve its client's faster and also to do more with less. Emerging technologies have changed the banking industry from paper and branch based banks to digitized and networked banking services. Unlike before, broadband internet is cheap and it makes the transfer of data easy and first. Technology has changed the accounting and management system of all banks. Apart from all advantages by advanced technology, the customers need to be cautious in using the technology in order to protect their hard earned money.

### OBJECTIVES

1. To show the new advanced technology.
2. To create awareness among consumers about cautious usage of new technologies

### CAUTIOUS USAGE OF ADVANCE TECHNOLOGY

#### **E-banking**

To make the system user friendly to all clients, banks have used a

Graphical User Interface (**GUI**). Another technology used by banks to exchange data between the bank and clients is called Electronic Data Interchange (**EDI**); this software can be used to transmit business transaction in a computer-readable form. So the client on the other end will be in position to read the information clearly.

#### **RURAL Banking**

Unlike in the past when banking was centralized in urban areas, now day's technology has made it simple to set up banking facilities in rural areas.

#### **PLASTIC MONEY**

Credit cards or smart cards like 'VISA ELECTRON' have made the banking industry more flexible than before. With a credit card, a customer can borrow a specific amount of money from the bank to purchase any thing and the bank bills them later. In this case, they don't have to go through the hassle of borrowing small money. Then with "Smart Cards" like visa electron, a customer can pay for anything using

that card and that money is deducted from their bank accounts automatically, they can also use the same card to deposit or withdraw money from their accounts using an ATM machine.

### **SELF-INQUIRY FACILITY**

Instead of customers lining up or going to the help desk, banks have provided simple self inquiry systems on all branches. A customer can use their ATM card to know their account balance or to get their bank statement. This saves time on both sides.

### **REMOTE BANKING**

Banks have installed ATM machines in various areas this means a customer does not have to go to the main branch to make transactions. The facility has also enable anytime banking, because customers can use ATM machines to deposit money on their accounts. Remote banking has helped people in rural areas improve on their culture of saving money.

### **SIGNATURE RETRIEVAL FACILITIES**

Technology has played a big role in reducing fraud in banks which protects its clients.

### **CAUTION USAGE DIGITAL STRATEGY**

The bank has been using the developments in the digital world to streamline operations. "The changes in the operating model have brought in efficiencies in terms of faster turnaround and lower cost as transactions are processed concurrently rather than

sequentially. The bank has been investing a lot in data warehousing, social media linkages, data analytics and mobile-based innovations. The ATM strategy involves doing multiple things. For instance, it is increasingly using its ATM machines for communication, especially for getting across messages on new offerings.

The culprit is usually a fraudster skimming for your personal data. Using skimmers, thieves copy your account information from the magnetic stripe on the back of your card. They also get PIN codes so money can be withdrawn at an ATM with counterfeit cards, according to Consumer Reports.

The bank is also facing the threat of small finance banks (mostly microfinance institutions-turned-banks) storming the rural market with innovative and low-cost products.

### **CONCLUSION**

The acceptance of the new tools and technology will take time due to the computational requirement and educational barriers flexibility and adaptability of this new techniques indicate that they will become part of the tools for solving power quality problems in this complex electrical environment.

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## A STUDY ON BEST EMPLOYEE WELFARE BENEFITS PROVIDED BY IT COMPANIES

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### ABSTRACT

*This paper derives new results on the welfare effects of employment protection. We exists a relationship between employment protection and economic growth and over some range increasing employment protection does indeed raise welfare. Employees are entitled to be treated as full human beings with personal needs, hopes and anxieties. They are employed as people and bring themselves by the organization.*

**Key Words:** *Employees Welfare, Services, Facilities, Organisation, Job satisfaction.*

### INTRODUCTION

Employees spend most of their life time in work place, keeping this fact in mind organisation become their home away from home. The term welfare refers to an act of seeking, mental, moral and emotional well being of an individual. Taking a glimpse in to their growth and development in various spheres they do their best but are the IT organisation up to challenging in satisfying the employees. The purpose of benefits is to retain people in the organisation and stimulate them to greater effect and higher performance.

### OBJECTIVE

**The Employee Welfare provides**

- To improve employee productivity.
- To improve loyalty and morale of employees.
- To helps to improve industrial relation and industrial peace.

- To helps to improve the good will and public image of enterprise.

### LITERATURE REVIEW

- Srinivas KT (2013) studied the employee's welfare facilities of Bangalore IT companies. From this, the employees are Satisfied with the welfare facilities adopted towards the employee welfare.
- Gandhi Sadhana and Botla Prabhu Babu (2016) studied the employee welfare in IT company. From this, the conceptual frame work is purposed for studying work reorganization, employees welfare and organization performance.
- Opondo Jancita Anyanya and Dr. Muathe S.M.A (2017) explained the employee's welfare facilities of Bangalore IT companies. From this, the generous benefits by the employer make life worth living for employees.

## **PURPOSE OF PROVIDING EMPLOYEES WELFARE**

- Employee welfare is a comprehensive term including various services, facilities and amenities provided to employees for their betterment. The basic purpose is to improve the lot of the working class.
- Employee welfare is a dynamic concept. It provides the employees to keep their motivational levels high and also measures both voluntary and statutory. It helps to raise the living conditions of the employees.
- Intramural provide within IT organisation like canteen, restroom, crèches, and uniform. Extramural provide outside the organisation like housing, education, child welfare, leave travel facilities, interest free loan, workers cooperative stores, and vocational guidance.

## **INSIDE THE WORK PLACE**

- Employment follows up-comfort and awareness, economic services-loans and insurance.
- It provides health services are health centre, dispensary, first aid, health educational, counselling and ambulance service.
- Women and child welfare maternity aid, child care, separate facilities for women, women's recreation and family planning service.
- Employee's welfare provides some conditions of environment are safety and cleanliness of the work environment, good housekeeping-compound walls and lawns and visible posters and warnings.

## **OUTSIDE THE WORKPLACE**

- Employee welfare provides the comfortable and hygienic residences, sanitation and water disposal, proper roads and lighting facility plentiful markets, security, health and medical service.
- It provides cab facilities for employees and tight up with hospitals for emergencies.
- It provides education and housing facilities for all workers.
- Facilities provide for the women's to feed the baby in safety manner.

## **EMPLOYEES WELFARE SERVICES**

- An employee's welfare makes the employee motivates, employee retention, minimized social evils and better job satisfaction.
- Through such benefits employers make life worth living for the employees.
- The fringe benefits refer to various extra benefits provided to employees in addition to compensation paid in form of salaries.
- Any privilege, service, facility or amenity, directly or indirectly provided by employer to employee.

## **CONCLUSION**

The welfare has been generally accepted by the employers. Each employer depending on its priorities gives various degrees of importance to employee's welfare. It makes employees loyalty and cooperation and create good organisation image. Really company will take care about all employees and also base workers. It is realization and desire

of both employer and employees to maintain the spirit of the reference.

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## A CONCEPTUAL STUDY ON CLAIM PROCESS FLOW IN LIFE INSURANCE

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### ABSTRACT

*Life insurance is one of the essentials which an individual should have for the more contented future of his family in his absence. There by claim management is also a vital area of life insurance business these business are flourishing fast in India the success of life insurance companies will largely depend upon the claim management. However the competition between public and private sector against life insurance corporation on all fronts including claim management.*

*Therefore the paper attempted to life insurance companies with reference to the claim management system specially claims process*

**Key Words:** *Life insurance, claims, risk*

### I. INTRODUCTION

Insurance is as old as the civilization. It was present in the form of mutual help and the term Life insurance contract may be defined as the contract. Whereby the insurer in consideration of a premium undertaken to pay a certain sum of money either on the death of the insured or uncertainty of situation on the expiry of a fixed period. (For eg: mediclaim insurance, term life insurance, whole life policy, endowment plans, money back policy) Payment of maturity and survival claims is the easiest to manage. But death claim settlement naturally assumes very great importance in the total operations of the insurance company and the efficient management of claims settlement operations also depends upon the percentage of outstanding claims payable during the year to total claims payable.

### II. LITRATURE REVIEW

Agarwala (1961) in his historical and analytical study entitled. 'The LIC in India' pointed out that in the developing countries, life insurance was an expanding phenomenon. Before the nationalization of the LIC, the life insurance market way narrow and highly imperfect, which was due to the under development of the country's national economy. But after nationalization, the LIC has made an excellent progress in the number of policies sold and the sum assured mobilized.

2 Desai (1973) in his study entitled, 'Life Insurance in India – its history and Dimensions of growth' stated that the origin and development of the life insurance in India over the years has wide spread mindedness in insurance and the significant sales through service initiatives, executive efficiency, economy

and promptness and spreading the benefits of life insurance to vast section of the rural population and industrial workers throughout the country could achieve a formidable growth in LIC.

### III. LIFE INSURANCE IN INDIA

In the year 1818 business of life insurance in India in its existing form started with the establishment of the Oriental Life Insurance Company in Kolkata. The first native insurance provider in India was formed in 1870 with the name Bombay Mutual Life Assurance Society. As on till date there are total 24 Life Insurance Companies in India. Life Insurance

Corporation of India, ICICI Prudential Life Insurance Company, Bajaj Allianz Life Insurance Company, and HDFC Standard Life Insurance Company Etc., are the few names of Public sector and Private sector companies.

There are two important parties to the contract, the policy holder and the Insurer are there in life insurance

- **Life insurance is mainly taken for two objectives, first is for risk coverage and second is for the investment objective.**
- i) Risk coverage: - Lump sum payment is provided if specific event occurred.
- ii) Investment: -Money is invested with a motive of getting greater return.
- **Following are the types of the Life Insurance:**
  - i) Term Life Insurance
  - ii) Whole Life Insurance
  - iii) Endowment Life Insurance
  - iv) Money Back Life Insurance
  - v) Unit Linked Insurance Policies

### IV. Life Insurance Policy Claim

Losing a loved one is one of the most difficult life events we ever have to face. At this emotional time of grief and remembrance, financial and legal issues must also be addressed - a process that can seem overwhelming. Fortunately, you and your loved one established life insurance policies to provide your family with the support they need in this stressful time.

### V. CLAIMS SETTLEMENT PROCESS OF LIFE INSURANCE CORPORATION OF INDIA

In India the LIC has laid emphasis on prompt settlement of death as well as maturity claims. The claims are normally paid if there where any fraudulent found then it is referred to claim committee operating in zonal offices and central offices.

**The process for settlement of maturity and death claims is as follows as:**

#### 1) In case of Death Claims

The death claim amount is payable in both conditions, when policy's premiums is paid up-to-date and where the death occurs within the days of grace. After receiving information regarding death of the Life Assured the Branch office required following things:

- i) Claim form A – Claimant's Statement giving details of the deceased and the claimant.
- ii) Certified extract from Death Register
- iii) Documentary proof of age, if age is not admitted

- iv) Evidence of title to the deceased's estate if the policy is not nominated, assigned or issued under M.W.P Act
- v) Original Policy Document

**The following additional forms are required if death occurs within three years from the date of risk or from date of revival/reinstatement:**

- i) Claim Form B – Medical Attendant's Certificate to be completed by the Medical Attendant of the deceased during his/her last illness
- ii) Claim Form B1 – if the life assured received treatment in a hospital
- iii) Claim form B2 – to be completed by the Medical Attendant who treated the deceased life assured prior to his last illness.
- iv) Claim Form C – Certificate of Identity and burial or cremation to be completed and signed by a person of known character and responsibility
- v) Claim form E–Certificate by Employer if the assured was employed person.
- vi) If death was due to accident or unnatural cause certified copies of the First Information Report (FIR), the Post-mortem report and Police Investigation Report. These additional forms are required at the time of investigation by the officials of the Corporation and to prove the genuineness of the claim.

## 2. In case of Maturity Claims

The amount is payable at the end of the policy period when it is Endowment type of Policies, At least two months before the due date of payment the Branch which provide services to the policy intimate the policyholder by

sending a letter informing the date on which the policy amount is payable. Discharged form duly filled is requested in return from the policyholder along with the all policy document. After receiving documents postdated cheque is sent by post so as to reach the policyholder before the due date.

## 3. Money Back Policy Plan

Plans like Money Back Policies give periodical amount to the policyholders if premium due under the policies are paid up to the anniversary due for Survival Benefit. In cases where amount payable is less than up to Rs.60,000/-, cheques are released without calling for the Discharge Receipt or Policy Document. However, in case of higher amounts discharge receipt or policy document is mandatory

## 4. Total Life Insurance Premium Earned

A major fraction of the premium earned by a life insurance company goes into the fund that is deployed to pay the insured when he/she files a claim. It becomes a measure of how financially sound an insurer is. Thus, the premium earned by an insurance company suggests whether or not, the life insurance company be able to fulfill its obligation of making up for the loss of the insured in case of an eventuality.

## VI. CLAIM MANAGEMENT IN INSURANCE COMPANIES

- o Claim management is critical aspect of the life insurance business. Insurance is an investment options

for common investor. The insured expects specific return from the policy over and above the sum assured. Therefore, the insured or the beneficiary named in the insurance policy desperately seeks settlement of their claims by the insurance company. The insurance company looks at the claim settlement from the different perspective by ensuring adequate return from the risk assumed. Thus, claim management may lead to confrontation between the policyholder and the insurance company.

- A claim in the life insurance is of vital importance to the insured or his nominee. The claim arises when the uncertain event actually happens and the insured intimates the insurer of happening of such an event and claims compensation. The insurance company first determines the validity of the claim with reference to the contract entered into by the insurer and the insured.
- Claim refers to a request made by the insured to the insurance company, in which he seeks compensation from the insurance company. Claim settlement process is governed by the terms and conditions of the insurance contract and the insured expects that the insurance company should abide by the promises made by it while selling the insurance policy.
- Claim in life insurance may be classified into two categories, depending upon the nature of the claim and the circumstances in which the claim is

lodged. The claims are either the death claims or maturity claims. In both circumstances, the settlement of the claim remains a point of conflict; therefore, settlement of the claim is important area on which every insurance company will have to concentrate. Growth of the market share of the individual insurance company to great extent depends upon the attention given by it to the claim settlement process and its proportion.

- **Impact of Claim Settlement on Sales**

- Sales of Life Insurance policies are the biggest source of revenue for life insurance companies. Impact of claim settlement on sales can be understand with claim settlement ratio and claim settlement process against total life insurance premium earned and number of policies sold.
- Assessing the claim settlement ratio is the most significant criteria in establishing the credibility of a life insurer. Put simply, claim settlement is the ratio of the number of claims settled to the total number of claims filed in a particular fiscal year.
- The claim settlement ratio of LIC is better than that of the private life insurance players. Settlement ratio of LIC has increased to 97.73 during the year 2012-2013 when compared to 97.42 percent during the previous year. The highest claim settlement ratio that LIC boasts of is primarily the reason, why it gets to enjoy the trust of the major chunk of the market.

## **VII. Claims Can Be Made Through Internet**

Policy Holder / Nominee can intimate claims directly through the link available on the company's website. Claims registered through this mode are considered as verbal information which is not formally registered. For formally registering claims, one is required to file written intimation to concerned branch or to central claims team

### **Through Call**

Policy Holder / Nominee can intimate claims by calling on the available 24 X 7 customer care numbers. There are few toll free customer care numbers too. Claims registered through this mode are considered as verbal information which is not formally registered. For formally registering claims, one is required to file written intimation to concerned branch or to central claims team.

### **Through Personalized Visit**

Policy Holder / Nominee can intimate claims to nearest branch of ICICI prudential Life Insurance Company or Corporate Claims Cell. Intimation should be in written form; this will be considered to formal intimation. There are more than 1400 numbers of branches all across in India.

### **Through SMS**

Policy Holder / Nominee can intimate claims by sending SMS to IClaim Services along with policy number.

## **Through e-mail**

Policy Holder / Nominee can intimate claims by sending e-mail to the dedicated e-mail address for claim settlement process.

## **Claim Processing**

In claim processing, dedicated claim care team analyses each claim in detail. On the basis of all records and proofs in connection with the claim, Claims are examined and settled by the company. Sometime if there are any pending documents then the requirement is raised within 8 calendar days from the date of receipt of claim intimation, company informs the claimant about the required documentation.

## **VIII. CONCLUSION**

The competitive climate in the life insurance market has changed over the last few years due to regulations of IRDA and the expectations of the policyholders are also changing. Insurance companies are targeting upon the policyholders by giving them returns with the mission to make them delighted and satisfied. The life insurance companies must take care to ensure that every policyholder is totally satisfied and as a result its customer base has grown significantly. While designing the marketing strategy, life the insurance companies have to consider the marketing strategies, promotional methods and policy innovations of competitors. They have to frame the strategies in two aspects i.e., to win over the hearts of the policyholders and to tackle the competition. This is possible only through agents and



employees in life insurance companies. A lot is to be done by the life insurance companies to maximize the satisfaction of the policyholders and improve the quality of service.

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## “DEMONETIZATION IMPACT ON SECTORAL STOCK MARKET INDICES”

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### ABSTRACT

*We all know that demonetization announcement by PM Narendra Modi was mainly to curb the black money, make all the counterfeit currency worthless and attack terrorism at its roots but we witnessed its impact on various sectors as well as on our day-to-day life. This paper focuses on demonetization effect on stock market with special reference to NIFTY Sectoral Indices. The period of the study was from 3rd October 2016 to 30th December 2016 to compare the market before and after the announcement. NIFTY Realty, NIFTY Financial Service, NIFTY Auto and NIFTY FMCG were taken for the study. It was the Realty sector got affected due to demonetization announcement in short run but with flow of information in the market it recovered. NIFTY financial Services took an immediate hit the day after the announcement but recovered on Nov 10<sup>th</sup>.*

**Key Words:** *demonetization, stock market, NIFTY Realty, Financial services, Indices and FMCG.*

### “Demonetization Impact on Sectoral Stock Market Indices”

#### Introduction

Demonetization is a process by which a series of currency will not be legal tender. There can be many causes of Demonetization in any economy some of them are: Introduction of New Currency, Black Marketing, Currency Storage, Corruption and others. There will be excess fake currency in the economy is main reason of demonetization. On 8<sup>th</sup> November 2016, Government of India had announced that from today onward rupees 500 and 1000 rupee note will not be a legal tender.

- This means that 500 and 1000 rupee note will not be accepted by anyone except the organization declared by government.
- They can change the currency from the banks and post offices till 30th December 2016.

The move by the government to demonetize Rs.500 and Rs.1000 notes by replacing them with new Rs.500 and Rs.2000 notes has taken the country by surprise.

#### Historical facts about demonetization in India

This is not The First time When Indian Currency is Demonetized in India. The first instance was in 1946

and the second in 1978 when an ordinance was promulgated to phase out notes with denomination of Rs.1,000, Rs.5,000 and Rs.10,000. The highest denomination note ever printed by the Reserve Bank of India was the Rs.10,000 note in 1938 and again in 1954. But these notes were demonetized in January 1946 and again in January 1978, according to RBI data. Rs.1,000 and Rs.10,000 bank notes were in circulation

prior to January 1946. Higher denomination banknotes of Rs.1,000, Rs.5,000 and Rs.10,000 were reintroduced in 1954 and all of them were demonetized in January 1978. The Rs.1,000 note made a comeback in November 2000. Rs.500 note came into circulation in October 1987. The move was then justified as attempt to contain the volume of banknotes in circulation due to inflation.

### General Impact - Pros and Cons of Demonetization

**Table 1 Pros & Cons of demonetization**

<b>Pros</b>	<b>Cons</b>
<p><b>Attack on Black Money Holders</b></p> <ul style="list-style-type: none"> <li>● People who possess huge amounts of black money in hard cash are at a complete loss now.</li> <li>● Their black money in hard cash is now a pile of trash.</li> <li>● Now If a Black money holder Want to Deposit Money in Bank Account than he/she Has to Show ID.</li> <li>● There Will Be 200 % Penalty On Income tax Amount</li> </ul>	<p><b>Rush At Banks</b></p> <ul style="list-style-type: none"> <li>● Banks will be extremely over-crowded by people.</li> <li>● People will forget everything else and throng to the places where the banned notes are being officially exchanged leading to a tremendous chaos.</li> </ul>
<p><b>Death Knell to Fake Currency Rackets</b></p> <ul style="list-style-type: none"> <li>● Most of the fake currencies used to be in the denominations of Rs.500 and Rs.1000.</li> <li>● By banning Rs.500 and Rs.1000 notes, Modiji has busted all these unethical rackets completely.</li> <li>● Now There Will be no use These Money</li> </ul>	<p><b>Shortage of Money To Common People</b></p> <ul style="list-style-type: none"> <li>● There Will be Shortage of Money for Common people.</li> </ul>
<p><b>End of Terrorist Funding</b></p> <ul style="list-style-type: none"> <li>● Huge sums of money especially in hard cash in the denominations of Rs.500 and Rs.1000 was used to fund Islamic terrorists, Naxalites and other non-state actors</li> <li>● Now, these Organizations will suffer from shortage of funds.</li> <li>● Most of These terrorist, Maoist Organization Used These Funds For Buying Arms and Weapons</li> <li>● Buying arms is an extremely difficult task now after this ban.</li> </ul>	<p><b>Stock Market</b></p> <ul style="list-style-type: none"> <li>● Due to currency being sucked out of the market coupled with Trump's victory, the mood at the stock market was completely bearish.</li> <li>● Sensex lost 1600 points at open. This can adversely have a negative effect on trade in general.</li> </ul>

Pros	Cons
<p><b>Transparency</b></p> <ul style="list-style-type: none"> <li>● Online transaction = More transparency = Financial Intelligence Unit Will tack All Online transactions</li> <li>● Now there Will be More Transparency In Real Estate Sector</li> </ul>	<p><b>Problem For House Wives</b></p> <ul style="list-style-type: none"> <li>● Many Indian housewives store money secretly so that they could be of help during times of financial crisis in their households.</li> <li>● The accumulated money of our respected Indian housewives is of no use now until they exchange in the banks and post-offices.</li> </ul>
<p><b>End of Huge Donations</b></p> <ul style="list-style-type: none"> <li>● Huge amounts of donation that is taken in the private education and healthcare sectors would be stopped.</li> <li>● Schools, engineering and medical colleges and hospitals ( private ones) used to take huge amounts of money as donations especially in the form of hard cash in the denominations of Rs.500 and Rs.1000. StudyDhaba.Com</li> <li>● These money-minded people running these institutions won't be able to make any easy money now.</li> <li>● Same applies to the real estate sector.</li> </ul>	<p><b>Short Term Inflation</b></p> <ul style="list-style-type: none"> <li>● Due to shortage of money in the market, a short-term cost push inflation will occur.</li> <li>● The price of gold has already become sky high.</li> <li>● Prices of vegetables and fruits have also soared burdening the common man.</li> </ul>
<p><b>Towards A Cashless Economy</b></p> <ul style="list-style-type: none"> <li>● While it is practically impossible to have a 100% cashless economy , the proportion of hard cash in the economy will decrease and our economy will get more digitized.</li> <li>● This will result in greater transparency.</li> <li>● Now government has put Some limitation for Cash Withdraw from bank Accounts. People Will go for online payments. They Will Use PayTM Or other Online payment Companies For Buying goods or Making payments.</li> <li>● More Use of Debit and Credit Car</li> </ul>	<p><b>Marriage Season</b></p> <ul style="list-style-type: none"> <li>● Difficult for Those Families those have Weddings.</li> </ul>

### **Impact on Stock Market and its Impact on Key Sectors**

The immediate impact of removing so much money from circulation is of course it will have it's the impact on several sectors that are driven by the black economy like real estate, construction etc, but more so also the sectors that are more driven by cash,

because they are the first that are affected when so much money is suddenly removed from circulation. These demonetization measures have had significant and immediate impact on the state of the Indian economy as well as on stock market. These measures are also expected to result in long-term impact on certain industries and sectors. Here

is how the various sectors have been impacted after the demonetization move and what we think could happen in the future. To have an understanding the impact on stock market with special reference to selected key sectors, NIFTY prices is compared with NIFTY Sectoral Index prices. Period of the study is from 03<sup>rd</sup> October 2016 to 30<sup>th</sup> October 2016.

### Real Estate and Construction

The real estate sector is known for significant level of informal funding in the form of cash transactions. As the demonetization measures are expected to result in decreased informal funding sources, the real estate sector is expected to be adversely affected. Luxury property rates are therefore expected to decrease as a result of fewer purchasers with significant liquidity.

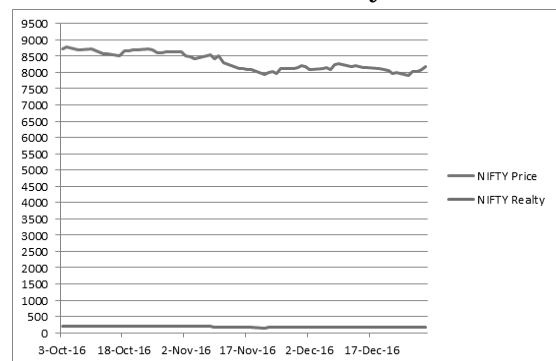
This is expected to affect the primary market as funding new projects become more challenging, and is also expected to affect industries related to the real estate, infrastructure and construction sectors, such as the steel and cement industries.

The long term impact of these demonetization measures on the real estate sector is expected to be positive, and complement other measures undertaken by the Government of India, including the introduction of the Real Estate (Regulation and Development) Act, 2016 (RERDA) and the implementation of the Benami Transactions (Prohibition) Act, 1988 (BTPA). The RERDA contemplates the establishment of the Real Estate Regulatory Authority

(RERA) to regulate residential and commercial real estate transactions.

NIFTY Realty Index was 198.6 points as on 07<sup>th</sup> November 2016 it gapped down to 175.2 points after the announcement of demonetization as on 9<sup>th</sup> November 2016 which is resulting to -11.78% dip in the NIFTY Realty Index. NIFTY Realty Index collapsed in next few days ranging from 153.85 points to 158.45 from 11<sup>th</sup> November 2016 to 22 November 2016 then in later case its pick up its trend once there is a flow of information in the market.

**Table 2 showing NIFTY Price and NIFTY realty**



**Sources: NSE**

There was immediate demonetization impact on NIFTY Realty Index but as information flow it corrected itself with no huge effect in the realty index in long run.

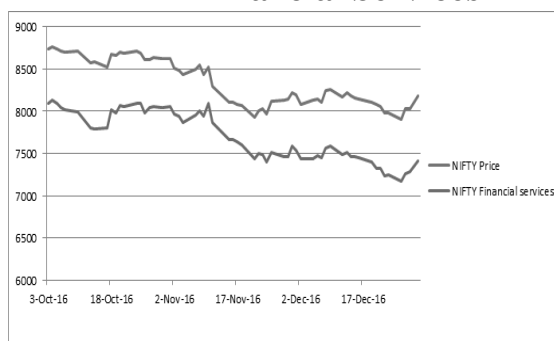
### Banks & financial services

The move is also likely to have a habitual change among Indian population and there could be increased belief of keeping cash in the banks rather than stashed at home and use formal banking channels for their saving and spending needs. With a large part of the cash

moving through the banking channels, the banking sector is likely to be flush with funds in the near term and this would help them reduce cost of funds for such period. This habitual change can have a positive impact on the NIFTY Financial Service Index. With the help of below chart which compares the NIFT movement along with NIFTY sectoral index i.e. NIFTY Financial Services.

Both NIFTY points and NIFTY Financial Services moved in same direction from October to December, to have a close look on immediate impact of the demonetization announce NIFTY Financial Service was 8011.35 points as on 8th November and it dipped to 7939 on 9th November with the change of -0.9%. Thereafter NIFTY Financial Service was in range between 8092.95 points to 7407.05 from 10th November 2016 to 30 December 2017.

**Table 3 showing NIFTY Price and NIFTY Financial Services**



Sources: NSE

**Automobiles and Auto Ancillary**

These demonetization measures are expected to impact cash transactions in the automobile industry in India, particularly for two-wheelers, used vehicles and other secondary automobile and

auto ancillary industries. These measures may indirectly affect OEMs as well as potential automobile customers may find sale of older vehicles more challenging as a result of the reduced liquidity. In particular, these measures are expected to significantly affect rural and semi-urban regions, as well as tier 2 and tier 3 cities and towns that cater largely to the two-wheeler and used vehicle markets primarily driven by cash transactions.

**Table 4 showing NIFTY Price and NIFTY Financial Services**



Sources: NSE

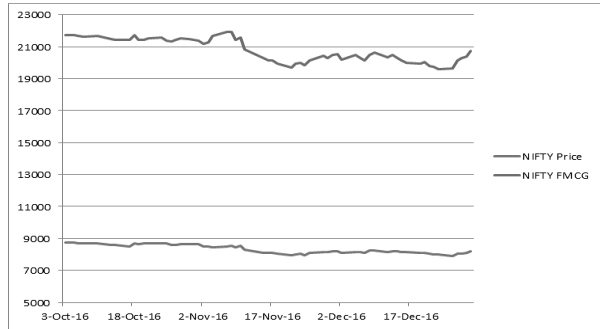
Its looks like there is sudden dip in the market after demonetization announcement, NIFTY Auto index points was in peak as on 08th November 2016 10079.7 and it has shown sudden dip to 9819.8 points on 9th November 2016 and its approximately -2.57%. It ranged between 9819.8 to 8681 till 21st November, then showed slight uptrend.

**FMCG**

This sector is primarily driven by cash and hence has also been hit hard by demonetization announcement. It is down by almost -2.2% and it's been 21902.85 points as on 8th November

2016 and fell to 21414.35 points on 9th November 2016.

**Table 5 showing NIFTY Price and NIFTY FMCG**



**Sources: NSE**

### Conclusion

Yes, Demonetization will slow down growth rate in short term and medium term because people have less money in hands. So demand is low, that is why it is hampering our growth rate. But as soon as people get money, markets will be back on track was the view given by many analysts and market also witnessed the same. The impact was also for short period in terms of stock market. All the sectoral indices showed immediate fall after the announcement but was in track within few days and there is not much deviation when sectoral indices compared with NIFTY points. From market perspective, this move would be positive for sectors like Banking and Infrastructure in the medium to long term. This could be negative for sectors like Consumer Durables, Luxury items, Gems and Jewellery, Real Estate and allied sectors, in the near to medium term.

Although this was what is called a surgical strike on black money and

will have immediate impact on the existing black money, most economists agree though, that this move is not sufficient and several other reforms like tax reforms, real estate reforms etc need to be undertaken to curb the black money generation in the future.

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## A STUDY ON INCIDENCE OF DRUNKEN DRIVING IN THANJAVUR DISTRICT

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### ABSTRACT

*Drunken driving and over-Speeding of the vehicles are the two major causes of road accidents in India. According to the experts, increasing road accidents in the country has become a major cause of concern as more than one Lac people die in road accidents and over a million are injured annually. India has just one percent of the world vehicular population but accounts for more than 8% accidental deaths. This study deals with the drunken driving problems faced by the people in Thanjavur district. A survey questionnaire was conducted in the most accidental areas.*

### Introduction

According to World Health Organization's, first ever Global Status Report on Road Safety reveals that 90% of deaths on the world's roads occur in low and middle income countries (21.5 and 19.5 per lakh of population, respectively) though they have just 48% of all registered vehicles. The second largest road network in the world was India with over 3 million km of roads of which 60% are paved. These roads make a vital contribution to the India's economy. According to a government report, road accidents in India killed 1,34,000 people in 2010 (an average of 336 a day).

### Literature review

Each year, 1.2 million people die in traffic accidents worldwide, with as many as 50 million injured. A staggering 85% of these deaths happen in developing countries (Davis, et

al. 2003). Moreover, death and accident rates are rapidly increasing in developing countries, even though these rates are decreasing in the developed world (Davis, et al. 2003, WHO 2004). By 2030, traffic accidents will be the third or fourth most important contributor to the global disease burden, and will account for 3.7 percent of deaths worldwide, twice the projected share for malaria (Habyarimana and Jack 2009). Sobriety check points have been evaluated by a number of studies in a wide variety of contexts, and the general consensus is that these check points significantly reduce traffic accidents and fatalities. Several recent meta-analyses (Peek-Asa 1999, Erke, Goldenbeld and Vaa 2009, Elder, et al. 2002).

### Research methodology

The study was conducted on drunken drivers and related peoples in



accidental areas in Thanjavur district. Nearly 30 people were selected. Various data were collected like age, sex, occupation, place of alcohol consumption before the accident and history of alcohol in take was taken and noted in a specially designed proforma.

### Aims and Objectives

1. To study the causes and other contributing factors leading to death in Road traffic incidents with alcohol consumption.
2. To study which age group affected a lot.
3. To study the place of alcohol consumption before the accident.

### Methods and Techniques

#### Sampling design

A Survey questionnaire was collected under the different age group of peoples in and around the Thanjavur district.

- Primary data were collected among the public in Thanjavur in the form of interviews with the structured questionnaire.
- Secondary data were gathered from various journals, articles and websites.

#### Data analysis

From the survey, the following categories are calculated:

Age group	Number of people
0-10	0
11-18	06
19-28	10
29-40	08
41-55	04
Above 55	02

Sex	Number of people
Male	27
Female	03

Occupation	Number of people
Business	03
Students	11
Drivers	06
Passengers	05
Others	05

Place of alcohol consumption before accident	Number of people
Work place	05
Own home	07
Friendshome	11
Party	07

### Discussion and Results

It was observed that nearly 33% of the victims had evidences of alcohol present in their body at the time of the accident. These findings are similar to other studies. Among the survey, the age group of 19-28 had met an accident while drinking of alcohol. 90% of people are males. In the present scenario, category of students were affected a lot. And also the place of alcohol consumption before the accident was the large number in friends home.

### Conclusion

Drunk driving is a major problem in India and other developing regions of the world. The problem is unrecognized and hidden due to lack of good quality research data from many countries. Strict enforcement supplemented with education is one of the most powerful tools to tackle the problem in low-and

middle-income countries and needs serious consideration.

### Suggestions

- ❖ Health screening for alcohol Problems should be undertaken in hospital emergency rooms.
- ❖ National information systems should be strengthened with appropriate knowledge, skills, techniques and resources to include information on driving under the influence of alcohol as an important element in road safety information systems within the police and health sectors.
- ❖ The existing sections of the motor vehicles Act, which deal with drinking and driving, should be widely publicized through multimedia channels.

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## A STUDY ON TRENDS OF PERSONAL SELLING IN INDIA

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### ABSTRACT

*Marketing is the process of identifying and creating a customer and the customer is the heart of the business. Personal selling is the effective method of creating customer relationship. Personal selling is a special form of direct marketing. In contrast to traditional direct sales, customers are encouraged to acquire additional customers as independent sales partners. Depending on the design, network marketing systems may resemble an illegal snowball system or issue such network marketing.*

**Key Words:** *Personal selling, India, Network marketing, customers*

### INTRODUCTION

Personal selling are based on the customer's choice, the customer needs to sell personalized products, directly to the customer to introduce the company's products, services, or in accordance with the customer to take different ways. This way of sales is "customer-centric".

1. Personal selling of the face-to-face direct communication to the customer directly to promote the characteristics of the product, which is the only one can directly respond to customer needs tools. In other words, when the sales staff to display the finished product, if the customer questioned or different needs, sales staff can immediately for different customer requirements to adjust.
2. The direct way of sales is the customer can directly respond, any problems can be quickly resolved. If other tools, whether advertising or promotion are not directly on the customer's questions to make recommendations or solutions.

3. This contact can get direct sales results, sales staff may leave the customer office when the transaction with a successful.

Customers can act as independent consultants and at the same time resell the products. Since almost all network marketing companies grant their customers high premiums for recruiting new customers, proximity to prohibited snowboard systems is given. It depends on the exact design of the system, whether the advertising of new customers / members or the product sale is in the foreground. Another feature is the strictly vertical structure of the distribution structure, which corresponds figures an upside-down, widely branched tree. This structure leads to a broad-based sales system with independent consultants. The designation of the organizational structure as a network is not correct in that, in a network, the individual points are connected to one another both horizontally, vertically and

diagonally and interact with each other. Rather, network is the type of sales: the sale takes place on the one hand through recommendation marketing and on the other hand in the personal environment of the consultant. As the size of its structure grows, it is building a larger social network to attract new consultants to itself and the company. The networking pattern resembles the behavior of users of social networks on the Internet, such as Facebook, XING, whatsapp, OLX. Potential members are "invited" to join the organization, either free of charge or free of charge.

### **KEY CONCEPT BEHIND PERSONAL SELLING**

As a rule, traditional direct sales are employed by specialized, specialized employees (self-employed). These sell directly to the customer, excluding intermediaries. The employees in network marketing are a growing network of self-employed and self-responsible lay persons (foreign personnel) who work as a reseller or intermediary as a main or secondary business. Compared to this, the number of sales representatives in direct sales is low, which is why the cost of direct sales can be lower.

Since the salespeople are employed in classic direct sales companies, they are only partially paid for in a performance-related manner. Employees in marketing networks, on the other hand, bear a far higher economic risk, since their remuneration depends exclusively on sales or recruitment success.

### **PERSONAL SELLING VS NETWORK MARKETING**

The organizational structure of personal selling is graphically similar to a pyramid with an increasing number of network members (intermediary customers or business partners). The main differences to classic companies are the flat hierarchies in marketing, since the super ordinate network members do not have formal authority to instruct them. However, companies often have fewer hierarchical levels.

Multi Level Marketing in the India economy contributes millions of people.

The third business model that has also been established in the US is the so-called PSM (PERSONAL SELLING MARKETING). In Albanian we would have translated the marketing into multiple levels or the marketing network of marketing networks. The first US Company named AMWAY (American Way) has sold cosmetics, vitamins, hygiene products, and so on. This company still operates and operates in over 200 different countries.

Personal selling marketing is the combination of direct sales and franchise. The biggest difference is that here you get the exclusive right to sell the products of a company do not cost millions of dollars but what it costs the product.

Depending on the remuneration plan, a specific part of the overall commission is reimbursed to the direct seller. The promoter to whom he/she has been entrusted receives a performance fee or a super provision on the sales of

the trader he is recruiting (in part, the condition is that the latter is at least one level higher than the sales representative himself). Each level, if available, is assigned unique revenue shares, with the ascent to the next level being bound to certain weekly, monthly or half-year sales by most network marketing companies. The hierarchical structures are followed by wholesale division, district manager, division manager, Team leader, salesman and the customer.

The often misinterpreted concept of the "snowball system" is used for an illegal variant of network marketing where the acquisition of new employees or fellow players is the focus rather than the actual distribution of products or services. From the point of view of network marketing companies, the reason for the confusion is the lack of readiness of the "newcomers" who are not willing to adapt to the nature of the business in order to avoid unfair methods. Critics argue, however, that aggressive, sometimes unfair advertising methods for products and new employees are already applied in many network marketing systems and the responsibility is only deferred to the lower, executing levels.

The term Direct Selling by Network (VDR) has recently been adopted by the Federation of Direct marketing and its members (in France) to re-qualify Multi-level Sale or Network Marketing, which is often confused by the French public with the pyramid selling is forbidden. For this reason, we use the terms "network marketing",

"direct sales by network" and "multilevel marketing" indifferently in this article.

## GLOBAL BUSINESS MODEL

In Western countries, especially in the US, this model has taken other forms. In the 1950s and 1960s, a new trend in the American market started. Generations of the 1920s, 30s, and 40s have started to push towards and form other substitute to business models for a commitment to keep economically and to dissolution of the power market.

In the 1950s and 1960s, new model development started in Texas, USA, starting with McDonald's, then Kentucky Fried Chicken, Seven Eleven, Avis, etc. This model was called FRANCHISE. The term of this concept was elicited from the Latin word *Franco* which means, right, or privilege. Example, a KFC have to pay \$ 2m or more, just to use the name "KFC". Plus then comes the purchase of goods, interiors etc. Then KFC requires a certain profit percentage for each sold hamburger or beverage that is bought in other store.

May this model guarantees economic freedom, since to achieve it there should be 100 such stores. If you can start 100 KFC restaurants then the future is yours.

The other franchise concepts in Kosovo / INDIA / Macedonia are Jysk, Western Union, Omega watches, Zara, Mango, H & M, etc. All these cost millions more to steer the activity. Certainly there are also Indian companies or companies with this model that have been started

in our lands. In Sweden, the franchise model has reached the 70s. At first Sweden judged this model to be a tribute model and its legal.

### INDIAN BUSINESS MODEL

Businesses in the India markets in general have only one business model. In terms of direct selling economic possibility are small. There is no link, it is all tells about products or services, this model gives profits only at one level; this is the oldest model in the world. This model occurs since the person actually existed. Srilankan, Bangladeshi, Indian with their procession going from one place to another place without taking into account the geographical impact. Thanks to these sellers, later the roadway and the railways are started, to make it simple to export and import the goods. This model will always occur but in different and modern forms. Today we do not have procession but we have stores. Today people do not change the goods with each other, and people buy a low cost and low quality product and sell it high cost. The goods that are bought today go to agents of all over the world, to domestic agents, sellers and main part the customer. Profit is low and economically unavailable you can never use this model. Since it is based on a level, that business is done there.

This model is thus based on the especially right to sell goods or services to a procedure that is already proven. So this model is not based on single-level sales but it is based on many levels. This model cannot get anyone started,

because usually to get the exclusive value of selling goods or services of this kind of procedure must be in high range. These amounts are paid only for the most use of the organization or company name from which we got the right to sell the products.

Every change is a bit important in every area of life. Today, this model in India brings billions of people every year and over 20,000 people are employed in different stores of different organization of this model. India's economy grew by hundreds of thousands of billions of Indians, with just over 20 million Euros, only in 2010. The number is growing every year.

One negative aspect is that large franchise firms "slay" local shops because buyers usually go to well-known firms. Local shops should be shut down or bankrupt.

This model is based on product sales recommendation and whenever it recommends this product you will receive commission or compensation. This is a very democratic model, since anyone in the network can be compensated. In this model many people have become multi millionaires, but many have been deceived by not serious companies that have used this model to get rich in quick menus. This is what happened in India in the 1990s, remembering the Pyramid game.

Examples of personal selling companies that are operating in Kosovo, India and Macedonia are Herbalife, Oriflame and Amway and so on. With this model builds the network where it sells products and the deeper the

network level is, the greater the compensation. This model is recommended, but with serious companies. Usually you do not need big capital to start this business, but you should carefully see who to present this model, are the products safe, how many years the company has existed and it looks like economic compensation.

### **CONCLUSION**

This article concludes that the future of business trends in India is fully dependent on personal selling. Personal selling has a special advantage of meeting or interacting with the end user directly, which gives a personal and emotional touch with the customers. Indians are emotional and this personal selling entered into India and running successfully. And personal selling with network marketing will be a boom in India.

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## PROBATIONARY OFFICER TRAINING PROGRAMME OFFERED IN BANKING SECTOR

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### ABSTRACT

*In this research the training offered to the probationary officer in the banking sector and the purpose of the training given to them were identified. Moreover the studies shows the important of training programme for the probationary officer in-order to inculcate various department knowledge in the banking sector.*

### INTRODUCTION

Training imparts knowledge and skill in core banking (banking products banking operations channels and customers, receipts and payment etc) training will have the opportunity to specialize in the following areas in banking.

1. Trade Finance and CMS
2. Branch & relationship management
3. Private banking & wealth management
4. Rural & inclusive banking
5. Any other profiles are decided by the particular bank. The participants are put through a very rigorous training with special emphasis on application to knowledge and overall development of personality.

### OBJECTIVES

In this study the banking sector focusing on their workers performance and their training which the workers have deal day to day performance.

1. To identify the training given to the fresher's (PO)
2. To identify the purpose of their training

### SCOPE OF THE STUDY

This study helps to understand the present scenario of training performance for probationary officer.

### TRAININGS GIVEN FOR THE PROBATIONARY OFFICERS

The probationary officers will be on probation of two years during which they will be given intensive training.

1. PO officers are trained for
  - Human resources:
    - Its provides innovative projects leader skills, behaviors, and strategies for recruiting employees, reducing employee turnover, promoting employee development and retaining a talented, flexible and diverse workforce.
  - Finance billing:
    - This module will focus on billing and finance activities in the vision application which span from reviewing an invoice to accepting payment for services rendered



- Investment:
    - Organizations need to receive a good ROI. They give training in how to invest, which way of investment give high return, how to overcome the risk.
  - Marketing: Overcome marketing challenges.
2. PO officers are responsible to sell the bank products.

### **PURPOSE**

At the end of their training period they will be subjected to a screening process.

- Ones who achieve the predetermined standards may be confirmed and given placement in the Assistant Manager designation.
- The person who quality in the test but fail to achieve the standards set the placement in the middle management grade.
- They can be asked to undertake mortgage, advances, loans and related tasks.
- Ability to deal customer grievances and excellent communication are the primary qualities.

### **INITIAL POSTION OF PROBATIONARY OFFICER**

- At first the person must selected as a probationary officer, Then they will go through induction training program in management training academies of the bank which lasts for 10 to 20 days. Duration of training varies from bank to bank.
- After completion of their induction training in management training

academies, a PO can post anywhere in India. The service of the Government bank officer is India based service, as per the permanent policy of particular bank.

### **DURATION OF PROBATION PERIOD**

Normally the period is mention as two years in which the officer is exposed to different types of banking related works. In some banks, the duration may be limited to one year. Probation period is varying from banks to banks.

### **EX:**

- 1<sup>st</sup> phase -6 month
- 2<sup>nd</sup> phase – 6 month and
- 3<sup>rd</sup> phase – 1year

### **CONCLUSION**

The Probationary Officers after underwent both the Off the Job and On the Job training programme for 2 years they are competent enough to face the banking environment challenges. The skills and knowledge imported into them helps to face present competitive situation and efficient customer support services.

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## A CONCEPTUAL STUDY ON ACHIEVING WORK – LIFE BALANCE

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### ABSTRACT

*Work balance of life refers to the organization to help employees understand and correctly look at the relationship between family and work, to reconcile the contradictions of occupation and family, to ease the imbalance between the work family and professional pressure. This article aims at balancing the work and family responsibilities through understanding the existing factors of work life balance. The main measures to develop effective work-family balance programs include: providing counseling services for family problems and stress management, creating opportunities for visits or networking to promote mutual understanding and awareness of family and work, extending part of the benefits to the family of employees Share the family pressure of the staff, set the family factors into the constraints of promotion or job conversion, and design flexible work systems that are adapted to the needs of the family.*

**Key Words:** *Employees, Organization, stress, work-life balance*

### INTRODUCTION TO WORK LIFE BALANCE

Work- Life balance concept appeared in the period between 1801. Paul Krassener, an anthropologist, originally defined happiness as a 'small gap between work and sports'. 'work-Life Equilibrium' was first used in the 1970s in the UK and in the United States in 1986. Everyone is working hard, or pursuing a career success, or trying to find a space of self and self. With the development of mobile Internet, people can be working for twenty-four hours. The pressure from all sides may let us take care of the work too much and ignore life.

The organization's employees are still experiencing family life in addition to their professional life. Family has

great significance but bring a lot of professional life impact. The potential conflict between work and family is more influential than the impact of personal development career goals. In general, the main problem with single adults is to find a spouse. Early marriage decides whether to give birth, make family form and financial requirements of long-term commitment to become a top priority. After the birth of the child, experiencing parenthood, take responsibility for raising and educating their children to become the primary task. This will create pressure and this pressure will affect the work mood of the employee and energy distribution. This also affects the formation of strong professional needs and work motivation, and ultimately

affects the degree of employee participation in the work. In Western countries the ability to outstanding and bear the task of parenthood, they choose to use flexible work. They were equipped with computers, fax and other modern equipment to make home office to become a reality, but more common is the half-day work or three working days a week. Most of the female employees are willing to set aside more time for families and children at the expense of part of their performance and salary, and that part-time jobs do not have to give up their jobs.

#### **A KEY FACTOR IN THE BALANCE OF WORK-LIFE**

Designing better work-life balance benefits are a way for HR managers to contribute to organizational goals. Regular work-life balance plans should be reviewed. The three key factors in review process presented by David are given below

1. Evaluating the provided work-life balance benefits.
2. Communication between management and employees.
3. Assess the return on investment (ROI) generated by the work-life balance benefits provided.

Cutterbuck points out that the influence of work-life balance is medium-term similar to retention, corporate reputation, productivity, quality, creativity and customer service.

This means that work-life balance measures are the means to achieve efficient production of the organization, not the purpose itself. In short, high-

quality work-life balance benefits will improve employee job satisfaction and productivity, reduce employee turnover and absenteeism, and facilitate the recruitment of high-quality candidates. These factors then affect the organization's goals, such as earnings, profits, or share prices. Work-life balance measures are the means to achieve efficient production of the organization, not the purpose itself.

The biggest challenge in 2005 is retaining and recruiting employees are the change in demographic structure of the workplace, the increase in working hours and the widespread dissatisfaction of employees with their work. Taking steps to create a better balance of work-life in the organization is a way for human resources experts to seek and start to ensure the success of the organization. Because each company's culture is different, HR experts should decide what is the best way to introduce work-life balance plans to their senior executives. One strategy is to recommend a work-life balance plan as a way to increase organizational productivity, not just as a "good thing" for employees. The previous approach was to recommend human resource experts and work-life balance as a solution to productivity issues - an important business focus. In addition, unlike the addition of other benefits, such as better health care or increased holiday days, this benefit usually does not require the company to spend extra-budgetary expenses.

In order to maintain a work-life balance plan and gain support for the

program within the organization, it is important to track the impact of the program and demonstrate the commercial value of these measures. This is done by counting the rate of employee turnover and job satisfaction before and after the implementation of the work-life balance plan. If the wastage rate is reduced, it is possible to link these good results to work-life balance measures. As a result, human resource specialists can calculate the resulting productivity gains from reduced employee turnover and higher employee job satisfaction.

### **THE EXISTENCE OF WORKING LIFE BALANCE**

**To know whether the balance of work-life exists, whether it is to achieve the possibility is the key to our discussion of this article, here are several assumptions.**

1. People are lazy. That everyone is not "workaholic", everyone is willing to pursue a comfortable life, life is valuable to the individual.
2. People are rational people. Everyone can make their own evaluation of work-life on personal interests, to identify the size of its effectiveness.
3. Utility with transitivity. The ability of an individual to lose his working time can be compensated by the utility of life.
4. Personal evaluation of the effectiveness of work-life in a certain period of time is established. Individuals have a stage in their choice of work-life, which is closely related to his age and his current level of pay

### **The balance of work-life is theoretically present**

In economics, the analysis of the subject behavior of the market introduces a utility theory. If we consider the time spent as a person in the work-life as a consumption of time, then the utility is the consumption of people from the disposable time. The degree of satisfaction achieved, and this utility is a combination of subjective and objective. With the above four assumptions, we can invoke the economics of consumer equilibrium analysis method to try to personal work-life balance.

From the above analysis we have come to the conclusion that if the employee is sufficiently rational, he can find a balance between work-life, but only if the time is free for the employee.

### **ACHIEVING WORK-LIFE BALANCE**

In this article, we come to explore how to achieve the balance of work-life.

#### **(a) Earn own free time from the work in order to obtain greater work flexibility**

1. Try to find a job with the own ability to match. The size of a person's ability is gradually cultivated in the practice of work and the training to follow a gradual principle. So, finding a job with the own ability to match is the basis for your success, but also a person to pursue the basis of work-life balance.
2. Find out what the boss wants. The boss value the company's performance and competitiveness, he/she will use all kinds of excuses as much as possible to occupy your time. The

best way to get the time from the boss is to do what he/she wants you to do.

### **(b) Learn to authorize**

This will involve personal utility evaluation. The effectiveness of the job should be weighed including the salary from the job, the satisfaction of the boss, self satisfaction, etc. However, since this involves the subjective factors of the individual, effectiveness of job done to accomplish something is much greater than the effect of completing another thing. When you have finished evaluating the utility of this option the work-life balance is achieved.

### **(c) The role of company**

Employees of the company are engaged in each of the activities will be related to the company's performance and competitiveness. Utility evaluation of the employee is related to the company development the final decision-making are directly related to the company's vital interests. An important function of a company is: as far as possible for employees to seek the balance of work-life to provide favorable conditions.

1. To ensure the clarity of the distribution of tasks. The company has the responsibility of assigning tasks to employees, which communicates the clarity of the task. It is directly related to the efficiency of the task and the time spent to complete the task. If a company assigns a task to an employee that is very difficult, the requirements, time, and even the person responsible for accomplishing

the task are ambiguous, then the task can only take as much time as possible in the hands of the employee. Therefore, when the company to assign a task to an employee we must clear the nature of this task, the person responsible, content, duration, effect and the indicators.

2. To ensure the division of responsibilities division of clarity.
3. Number of jobs in each company should have their own clear terms of reference. Otherwise, the company can only be a messy combination, or even just a "set of people", and thus make employees more and more shirk responsibility of the psychological turn "forget, no one will take the initiative to take responsibility. Over time, the company will fall into a paralyzed state.
4. The company to establish a flexible working system.
5. One of the well known old-fashioned points system to deal with the balance of work-life, for those who have outstanding performance of the employee, through the points in exchange for greater work flexibility.
6. Reasonable arrangements for employees to "enjoy life" activities.
7. Now, more and more companies follow the trend of the times, which "enable employees to more active life" as a management concept. This concept is applied to the company's daily management work, so, a variety of "let employees enjoy life"

as the slogan of the activities will be increasingly popular.

Employees are likely to understand this activity as a disguised form of assessment of the quality and quality of their employees. This is only a program that the company has to take in order to establish a corporate image, and that employees can do it personally and match the company sense of responsibility.

As a carrier of employee behavior, the company plays an important role in the balance of work-life of employees, and every decision made by the company should take full account of whether it is a threat to the balance of work-life effect.

## **CONCLUSION**

The imbalance between work and life will greatly affect their financial and social conditions in real life. To frame a perfect work life balance one has to schedule timing, save energy, make the work easy, plan the work and take adequate rest. It is not a simple matter to find a balance between the two. In the pursuit of career success, or the pursuit of work and life balance, everyone is looking for their own answers. This article delivers the key factors of work life balance and addresses all the aspects in achieving Work life balance.

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## A CONCEPTUAL STUDY ON QUALITY OF WORK-LIFE (QWL) IN WOMEN EMPLOYEES

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### ABSTRACT

Quality of Work Life (QWL) can be explained through many factors one of which is work environment. Quality of Work Life has been defined as "the quality of relationship between employees and the total working environment". This study attempts to evaluate the quality of work life of women employees. Managing work life balance (WLB) has become an issue for both the employees and HR departments since WLB tensions may reduce performance, overall job satisfaction and finally increase the fluctuation rate. The role of working women has changed throughout the world due to economic conditions and social demands. This has resulted in a scenario in which working women have tremendous pressure to develop a career as robust as their male counterparts while sustaining active engagement in personal life. The ever-increasing work pressure is taking a toll on the working women leaving them with less time for themselves. The increasing responsibilities on the personal front with the technological blessings like advanced mobile phones, notepads, etc. that keeps work life integrated with personal life also creates stress on personal and professional fronts in this knowledge age. This affects the person's physical, emotional and social well-being. Thus, achieving work life balance is a necessity for working women to have a good quality of work life.

The literature identifies the various aspects such as career advancement, Work Stress, Career aspiration, Work Family Conflict and Family Work Conflict, Child care in context with Work Life Balance (WLB) and its practices. This paper reveals the overview of the various challenges and issues faced by Women employees to achieve QWL.

**Key Words:** work life balance, stress and self-development, women employees.

### I. INTRODUCTION

*"The empowered women is powerful beyond measure and beautiful beyond description"* – Steve Maraboli

Indian families are undergoing rapid changes due to the increased pace of urbanization and modernization. Women of the early centuries were mostly confined to their kitchens and those who were employed worked in

factories, farms or shop works. Very few women had the access to higher education and they were forced to be at the mercy of their fathers' or husbands' attitudes towards women and work. Indian women belonging to all classes have entered into paid occupations. At the present time, Indian women's exposure to educational opportunities is substantially higher than it was some



decades ago, especially in the urban setting. Career and goals are the most important factors in life. Most of the women are coming forward to work in order to support their family. This change is now natural and dynamic due to change of environment and economic conditions. The biggest challenge for women is how to balance the demands of family and career. Work Life Balance of Women employee has become an important subject since the women are equally sharing the earning responsibility for the betterment of their family. Women are getting into jobs and they continue to work even after marriage. A married woman has more responsibility than man in taking care of young children and family. The working women efficiently overcome difficult situations by their commitment and perseverance. The participation of women in income generation activities leads them to satisfy their home needs to a greater extent. Human resource plays an important role in the success of any organization, because most of the problems in organizations are human and social rather than physical or technical. A good quality of work life not only attracts new talent but also retain the existing talent. Quality of work life involves job security, good working conditions, adequate and fair compensation and equal employment opportunity all together. QWL aims to meet the twin goals of enhanced effectiveness of organization and improved quality of life at work for employees. But today's employee would not believe in such values of work.

Employees work for salary, and continue to work, if the conditions of work are encouraging and pleasant and terms of employment are favorable to him. Women are considered as the major working group the textile and Garment Industries of the country. These industries are more labor intensive and require finest output at the end. QWL consists of opportunities for active involvement in group working arrangements or problem solving that are of mutual benefit to employees or employers, based on labor management cooperation.

## **II. OBJECTIVE OF STUDY**

1. To assess the quality of work life among women employees.
2. To determine the association between the total work experience of the women employees and their participation in decision making.
3. To find methods for improving QWL by highlighting employees expectations and required changes.

## **WHAT IS QWL?**

Quality of work life refers to the relationship between employees and their total working environment. It considers people as an asset to the organization rather than cost. This approach believes that people can perform to their best if they are given enough autonomy in managing their work and make decision. And, so quality of work life is viewed as an alternative to the control approach of managing people. Warret al. (1979) defined quality of working life as indicative of variety of

apparently relevant factors, including work involvement, intrinsic job motivation, higher order need strength, perceived intrinsic job characteristics, job satisfaction, life satisfaction, happiness, and self-rated anxiety. Direct participation of employees in problem solving and decision making particularly in areas related to their work is considered to be necessary condition for providing greater autonomy and opportunity for self-direction and self-control. This will result in upgrading the QWL. In today's work environment, organizations need to be flexible, and adopt a strategy to improve the employees 'Quality of Work Life' to satisfy both the organizational objectives and employee needs. Effective quality of work life practices in organizations makes its impact on employee performance and the overall organizations performance.

### III. REVIEW OF LITERATURE

Michael (1992) studied the impact of quality of work life on organizational commitment, and concluded that after providing quality of work life, changes also take place in commitment.

Davoodi (1998) in a research entitled "Study of The Impact of Quality of Work Life on Job Satisfaction among Operational Staff of Mobarakeh Steel Complex" concluded that involvement in decision making related to work and work conditions has a significant relationship with job satisfaction, and this relationship is direct moderate.

Maryam Fallah (2006) in a dissertation entitled "Study and Analysis of The Relationship between Quality of Work Life and Performance of Kosar

Economical Organization Staff' concluded that there's a significant relationship between quality of work life and performance of staff.

Lokanadha Reddy. M Mohan Reddy.P (2010) said many factors determine the meaning of Quality of Work Life (QWL), one of which is work environment. QWL consists of opportunities for active involvement in group working arrangements or problem solving that are of mutual benefit to employees or employers, based on labor management cooperation.

Jeyarathnam.M, Malarvizhi .V.R (2011) inferred the intensity of working conditions and the behavioral aspects of the employees in the study area. It concludes that the basic strategy for improving the quality of work life is to identify employee's important needs and to satisfy those needs. The study also indicated that dissatisfaction might happen due to lack of recognition, tedious work, unhealthy peer relations, poor working conditions, low self-esteem, occupational stress, heavy work load, monotony, fatigue, time pressures, job insecurity, instability of job.

Indumathy.R, Kamalraj.S (2012), found that the major factors that influence and decide the Quality of Work Life are attitude, environment, opportunities, nature of job, people, stress level, career prospects, challenges, growth and development and risk involved in the work and rewards.

### IV. STATEMENT OF THE PROBLEM

This study is basically for assessing the prevalence of work life among married working women. The

purpose is also to present and discuss specifically the problems faced by married women face in balancing their work and family life. The study also aims to through some light on the effect of work-life balance on the quality of life of married working women.–Previously, the female workforce in India was mainly employed in non-managerial, subordinate or low-profile positions. Now, they occupy almost all categories of positions in the workplace. These changes in work culture have added to women's duties and responsibilities to their family as well as to society. The conflicts between competing work demands and personal and family needs seem to be the most probable reason for this scenario of work.

## V. RESEARCH METHODOLOGY

The article is a conceptual study, based on Secondary Data from Books, Articles, journals and websites.

## VI. VARIABLES INFLUENCING WORK – LIFE BALANCE

Work-Life Balance means the competence to schedule the hours of an individual Professional and Personal life so as to lead a healthy and peaceful life. It emphasizes the values, attitudes and beliefs of women regarding their age to work in organizing and balancing their work and personal life. (K.Santhana Lakshmi & S.SujathaGopinath, March 2013).

The following variables influencing the experience of WLB were identified while reviewing the various literatures.

- ❖ Work Family Conflict and Family Work Conflict
- ❖ Women in various roles
- ❖ Career Advancement
- ❖ Work Stress
- ❖ Child care Work Life balance is not something that just happens.

It involves the efforts of a number of partners: the employee, the organization for which the employee works, the family with whom the employee lives and the society in which all are embedded. It involves mutual understanding and respect between all of these players. (N.Gayathri & Dr.P.Karthikeyan, 2013)

Work Family Conflict and Family Work Conflict Researchers define the incompatibility between the domain of work and the domain of family as work-family conflict. Conflict between these domains occurs when participation in one role is more difficult due to participation in the other role. Today, work-family conflict (work interfering with family) is more prevalent than family-work conflict (family interfering with work) though both can occur.

However, regardless of the direction of causation, when one domain is discordant with another domain, the result is conflict and increased stress on the individual. As working women get married, they have additional responsibilities and when they become mothers, they have to manage the primary care of children and extended family and are thus, under greater pressure to continue on a career path. Working mothers of today fulfil family responsibilities and also try to remain

fully involved in their careers coping up with the competing demands of their multiple roles. The caring responsibilities that working mothers have lays a heavy stress on them when it is combined with their professional duties.

The attempt of working women to integrate, organize and balance the various problems and activities in their different roles simultaneously puts them under tremendous pressure.. Besides the rapid increase of married women entering the work force while continuing to maintain the majority of the family and household responsibilities (Jackson, Tal, & Sullivan, 2003), the interest in the topic has also in large measures been fuelled by the recognition that work-family concerns are highly salient for the well-being of employees. Empirical evidence also confirms that work-family conflict is often a severe stress factor at work leading to various negative outcomes, including impaired well-being (Karatepe & Tekinkus, 2006).

The concept of work-family conflict has been explained by Kahn, Wolfe, Quinn, Snoek, & Rosenthal (1964) using the role theory framework. They proposed that the major determinant of an individual's behavior is the expectation of behavior that others have for him or her. The role theory predicts that the expectation surrounding each of these different roles a person performs can generate inter-role conflict when they involve pressure to dominate the time of the focal person to satisfy all expectations of his or her work and family roles since each role requires time, energy and commitment.

Using this framework, Kahn et al. (1964) defined work family conflict as a form of inter-role conflict in which the role pressures from work and family spheres are mutually incompatible. Such incompatibility is indicated by the fact that participation in the work role is made more difficult by virtue of participation in the family role and vice versa.

## VII.ROLE OF WOMEN AND WLB

Women are mostly into full time services and are working 8 hours per day and 5 days in a week minimum and are confronted by increasing workload every day. So, most of them carry work and responsibilities to home but balancing between these two complex situations in the present day fast life requires talent, tact, skill and caution. Women have to come up with high work targets, office commitments, tight meeting schedules and the duties and responsibilities of life and home. Employers should concentrate on framing various policies and schemes to facilitate Work life balance to encourage and attract women employees. (Sayanti Ghosh, 2010)

According to Powell and Greenhaus (2006), women may have difficulties managing their own work/life balance, especially in work settings where they do not receive much formal support from their employer. If they want to strike any balance between work and their lives outside work, they must set this as a goal and find their own ways of achieving it. Women must have a desire to take control of their own work/life

balance and take initiative, representing their own individual effort aimed at securing this work/life balance. According to Wrzesniewski and Dutton (2010), in order to gain control over work and their identity in the workplace, women need to clarify with their bosses' the expectations about the workload that they can handle. They also need to manage spouses' and friends' ideas about how hard they need to work.

A job includes components and requirements objectively defined by the organization; however, work/life balance must be constructed by an individual. There are different kinds of unofficial techniques or behaviors that a woman, as an active manager of her own work/life balance, can use. For example, depending on the job, a woman may be able to control the length and timing of her working day by managing when her work actually begins. Some individuals may be able to make choices about employer, job or work projects based on the hours they think they will have at work. A woman may be able to move closer to her workplace in order to reduce the amount of time she spends travelling to and from work every day. For jobs with less flexible schedules, a woman might want to discuss long-term job expectations, goals and pay with her employer, so that she can become an active participant in her company's decisions about her career. Having these types of discussions with management might open up a positive dialogue and allow for more flexibility than assumed. According to Roebuck and Smith (2011), the support from employers toward

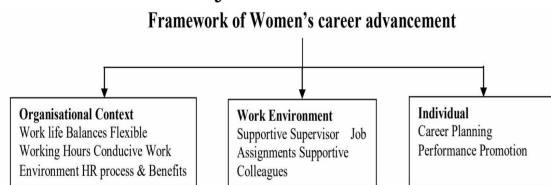
working women varies on a boss by-boss basis.

Female bosses with families and young children tend to be more familiar with having to juggle many different roles and are generally more flexible. Male bosses, however, without children or who have older children, tend to be less forgiving and more demanding of time outside of work. The lack of relatedness or the "business first" mentality of jobs has caused many women to end up resigning from their jobs because they just do not provide the support they needed.. In order for any organization to retain talented women, they must continue to establish family-friendly human resource practices such as flexi time, job sharing, telecommuting, assistance in finding day care or providing onsite day care, as well as suitable nursing areas. Organizations can cope with the increase in stress by creating programs to promote work/life balance, especially for employees with families. Organizations can also make sure that mental health services are included in their health care plans and through employee assistance programs.

## **X. CAREER ADVANCEMENT AND WLB**

Different factors across three levels play a role to determine the progress of women through organizational hierarchy. (Dr.InesWichert, 2012) Amita Singh (2010), suggested that flexi time, home working, child care facilities, option to work part time are facilities that need to be introduced and recommended for building a supportive work environment for women employees.

Mathew and Pachanatham (2009) stated that the women workforce in India was mainly employed in no managerial, subordinate or low profile positions in the past. At present, they occupy almost all categories of positions in the workplace. These changes in work culture have added to women's duties and responsibilities to their family as well as to society.



## VIII. WORK STRESS AND WORK LIFE IMBALANCE:

Stress at work, the stress of raising children, the stresses that come with aging parents -- any of these situations could provide a moderately high amount of stress. When women are faced with multiple roles, all of which carry heavy demands, they face levels of stress that are high enough to contribute to health problems, missed work, and a diminished capacity to take on more. Women are multi-taskers by nature and enfold tasks within tasks.

The Common causes of work place stress of women are:

- ❖ Unreasonable demands for performance
- ❖ Lack of interpersonal communication between the employer and the employees
- ❖ Lack of interpersonal relationships among the employees
- ❖ The fear of losing one's job
- ❖ Long working hours
- ❖ Less time to spend with the family

- ❖ Harder to balance work and home demands
- ❖ Treated inferiorly to your male colleagues

Vijaya Lakshmi et al (2013) have studied and find the issues and problems of women faculty working in educational institutions. Also found that women faculty members underwent severe stress in the process of attaining Work Life Balance. Continued work pressure resulted in poor performance. The result revealed that many female teachers have neglected their health in the process of improving the life of their family members and their students.

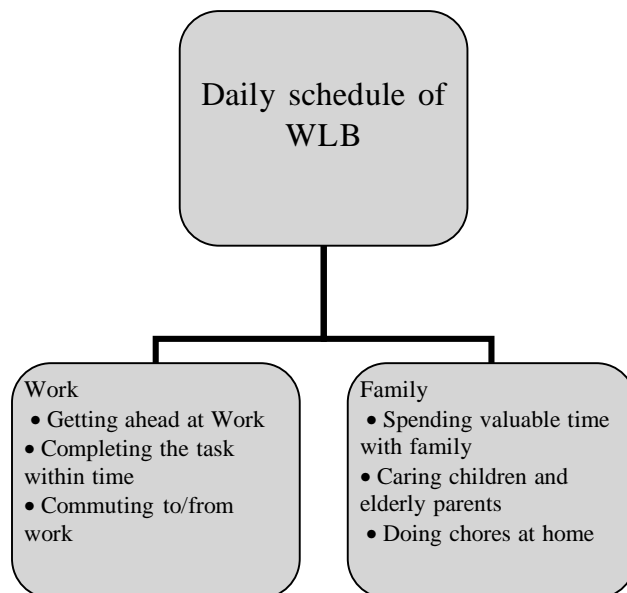
G.Shiva (2013) studied that "Women professionals in high position in their office have return from office in correct time, cook, clean and look after their family affairs. This makes them more stress and leads to some health problems. The leading cause of stress arises because of communication with Superior" Gunavathy (2007) in the study among married women employees of BPO companies outlined the causes, consequences of work life imbalance and interventions for work life balance. The study revealed that more than two third of the respondents reported work life imbalance primarily on account of work interference with personal life. Also concluded from this study, stress and burnout, ill-health and poor work performance are the consequences of work life imbalance.

Child Care: G.Shiva (2013) explained the working women having small children are forced to leave their child in day care or in hands of maid.

This creates more tension for them and less concentrate on their work and also not able to give proper care for them at times.

Lan Day (2006) stated in his study that the policies centered on extending parental leave and child care provision promotes a greater flexibility in employment.

**WLB = Healthy life + Satisfactory lives both professionally and personal**



Work Life balance is a Pendulum. Pendulum is a rod with a weight that swings freely backward and forward and at the end it regulates the mechanisms of a clock. Like, Women employee has to satisfy both the work and family.

## IX. WOMEN EMPLOYEES CAREER AND LIFE PREFERENCES

The segregation of men and women into different occupations is the principal reason for earnings differences between men and women. The occupational

segregation restricts people's choice of career, especially in the crucial early years of adult life. This was the reason for both the European Commission and ILO belief regarding the occupational segregation can and should be eliminated (Catherin Hakim, 2006).

Rajesh K. Yadav, Nishant Dabhade (2013) has concluded that the women working in all types of professions demonstrating that there are no gender differences in work. The increasing demands at work place, the interface between work life and personal life needs more attention. It leads to stress and such situation affects person's health both physiologically and psychologically. Ramadoss (2012) observed in his study that high job control, supervisor support for family related issues and one's own coping resources were significantly related to positive spill over from work to family and the direction of the relationships were positive for women in IT enabled sectors.

## CONCLUSION

"Women constitute an important section of the workforce. However, the present situation of a large number of well-qualified women who due to various circumstances have been left out of their jobs needs to be addressed. The problems faced are several but significantly, most often the "break in their careers" arises out of motherhood and family responsibilities." Achieving a good balance between work and family commitments is a growing concern for contemporary employees and organizations. There is

now mounting evidence-linking work-life imbalance to reduced health and wellbeing among individuals and families. To achieve WLB, every woman should set the goal and excel both in career and family. Some of the strategies and skills at work such as planning, organizing and setting limits can be used at home and work place for accomplishing a satisfying and fulfilling well balanced life both professionally and personally. Women employee should care the family both physically and financially to satisfy the family needs. Frances and Patricia (2007) concluded that Family Policy, Welfare state provision and labor market structure behave jointly to determine distinct models of work family balance and the financial consequences associated with them.

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## RECRUITMENT STRATEGY FOLLOWED IN IT SECTORS

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### ABSTRACT

*Human resource is the essential tool for any organization. Organizations have to recruit people with skills, qualifications and experience. This is the main problem in the study on human resource management and organizational behaviour. This paper discusses some of the strategies that organisations will identify the advantages of each of the strategies; highlight the drawbacks of its use and to improve the new recruitment strategy of the person and organization fit.*

**Key Words:** *recruitment strategy, IT sectors, drawbacks*

### INTRODUCTION

The Recruitment Strategy refers to a physical document that describing the target position on the job market and the process of attracting the most suitable people for the position. The employer's hiring needs, timeline, goals, and recruitment tools should outline to use, in order to achieve those goals. A Recruitment Strategy, to create the clarity of purpose in your process of attracting and starts with clearly understand your company's value and also used to fill job vacancies and hire new talent into their organization. Sources of Recruitment Strategy are both Internal and External Recruitment Strategy. Recruitment is one of the most critical human resource functions for organisations.

Attracting the right people, with the right blend of skills and experience into the right jobs, and aligning this to the organisation's overall objectives is crucial to organisation success. This

module describes a series of well-tested steps to help you identify the right person, to ensure he or she will fit well with your farm business, and to meet the various legal obligations of an employer. If recruitment is done well, the business benefits from happier and more productive people, reduced staff turnover, good working relationships and ultimately a more profitable farm

### LITERATURE REVIEW

Zhen Cheng(2014) studied that research of Person-organization fit should be change from theory research to application research, from single to multiple measurement, from simple to complex relations and from the individual level to the organizational level.

Nicole A. Sugden and Margaret C. Moulson (2015) explained to determine what factors, within a recruitment interaction, could be leveraged to increase success and diversity when

recruiting families with children for developmental research

Linnan Sun (2015) describes the views of recruiting effectiveness according to the related literatures domestic and abroad, and it analyses four key causes of recruiting failure and provides corresponding solutions.

Neha Sharma (2014) studied the overall processes and methods of e-recruitments, it also studies whether it's challenging for the manager and relevant advantages & limitation of E-Recruitment.

### SOURCES OF RECRUITMENT STRATEGY

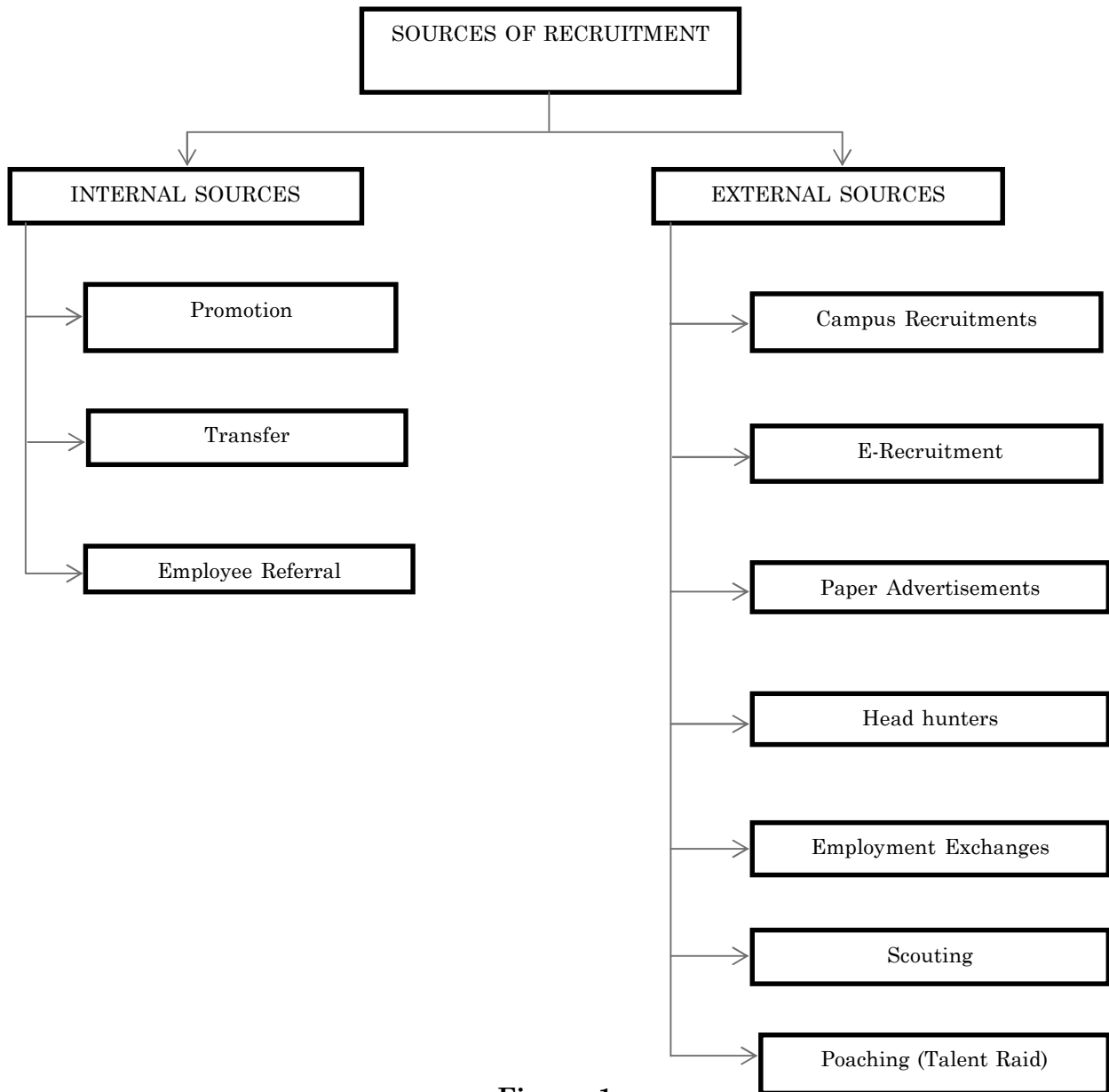


Fig no: 1

Best employees can be found within the organisation. When a vacancy arises in the organisation, it may be given to an employee who is already on the pay roll. The internal sources of recruitment hiring people from inside the organisation and the external sources of recruitment is to seeking applicants from those who are external to the organization.

### RECRUITMENT PROCESS

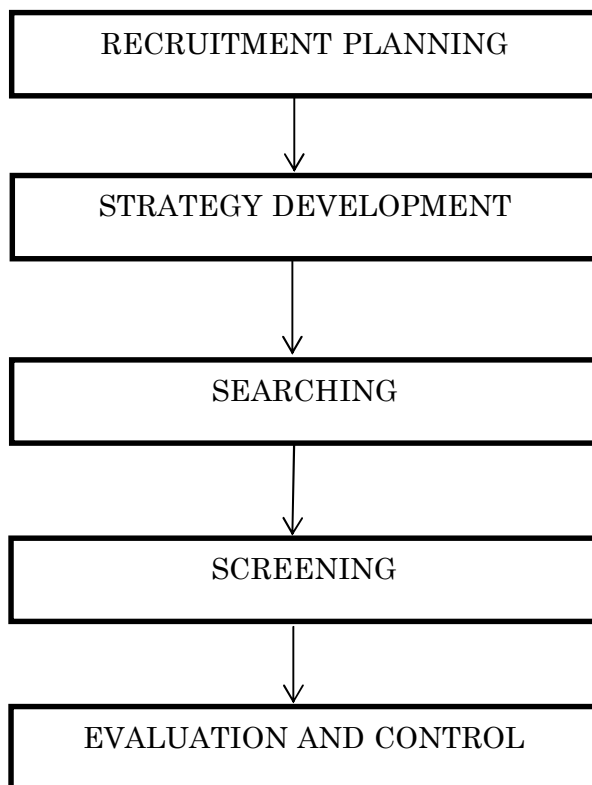


Fig no: 2

Recruitment planning starts with the planning where the job vacancy position are analysed, Strategy development refers to decide a strategy that is adopted while recruiting the prospective candidates in the organization, searching

defines Once the strategy is prepared the search for the candidates can be initialized, screening means to filter the application of the candidate for further selection process and last step in the recruitment process wherein the validity and effectiveness of the process and the methods used therein is assessed

### THE RESEARCH ON CAUSES OF RECRUITMENT FAILURE AND SOLUTIONS

#### LACK OF RECRUITMENT PLAN

If there is no strategy of human resource management, enterprise can't make the corresponding programmed response in advance in the face of some unexpected events. There is a disconnect between the HR department and the executive management leading to miscommunication and poor decision making on operational aspects. Employee training and development programs are not properly budgeted for and hiring practices are skewed. Ineffective HR planning ensures that the HR assets of the organization are not aligned to organizational goals and objectives

#### COMPANY POOR ANNUAL PERFORMANCE

If the recruitment Planning is not effective in the organization which would lack in attracting the required talent into the right job, or otherwise it will not bring right person to the right job. The IT companies are getting the projects from the customers by showcasing their own employee talent and skill sets, if it failed to recruit correct talent, which leads them to lose the project

from the customers and results in the poor performance.

### UNMOTIVATED EMPLOYEES

Work ethics get affected, there are personality conflicts and teamwork becomes non-existent. There is gross underutilization of skills and capabilities of experienced employees. Other talented professionals are unable to groom in a generally negative working environment. Poor motivation, lack of incentives and recognition lead to poor performance and even production of poor quality of goods and services.

### CONCLUSION

Recruitment method is very important concerning selecting the right candidate for a right job. This paper states how recruitment is being used and provides an imminent into what organizations see as the benefits. In order to maintain business performance and competitive advantage, organisations competing in a global marketplace must recruit the best people they can. For such organisations, recruitment becomes a key component of their overall business strategy.

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## LOGISTICS MANAGEMENT IN MANUFACTURING INDUSTRY

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### ABSTRACT

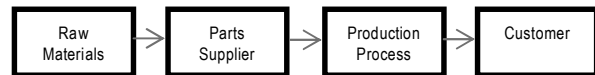
*Transportation is the essential element of logistics and to determine the efficiency of the moving products. The process of techniques and management principles improves the moving load, delivery speed, service quality, operation costs, the usage of facilities and energy saving. Manufacturing is vital important to trade but can only realise its potential if it can embrace change and benchmark against best practice. This paper is based on logistics of raw material getting from another place, describes third party logistics and fourth party logistics.*

### INTRODUCTION

Logistics management is a governance supply chain management component that is used to meet customer demands through the planning, control and implementation of the effective movement and storage of related information, goods and services from origin to destination. It helps companies reduce expenses and enhance customer service. The logistics management process begins with raw material accumulation to the final stage of delivering goods to the destination. By adhering to customer needs and industry standards, logistics management facilitates process strategy, planning and implementation. The Logistics management activities may include inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design,

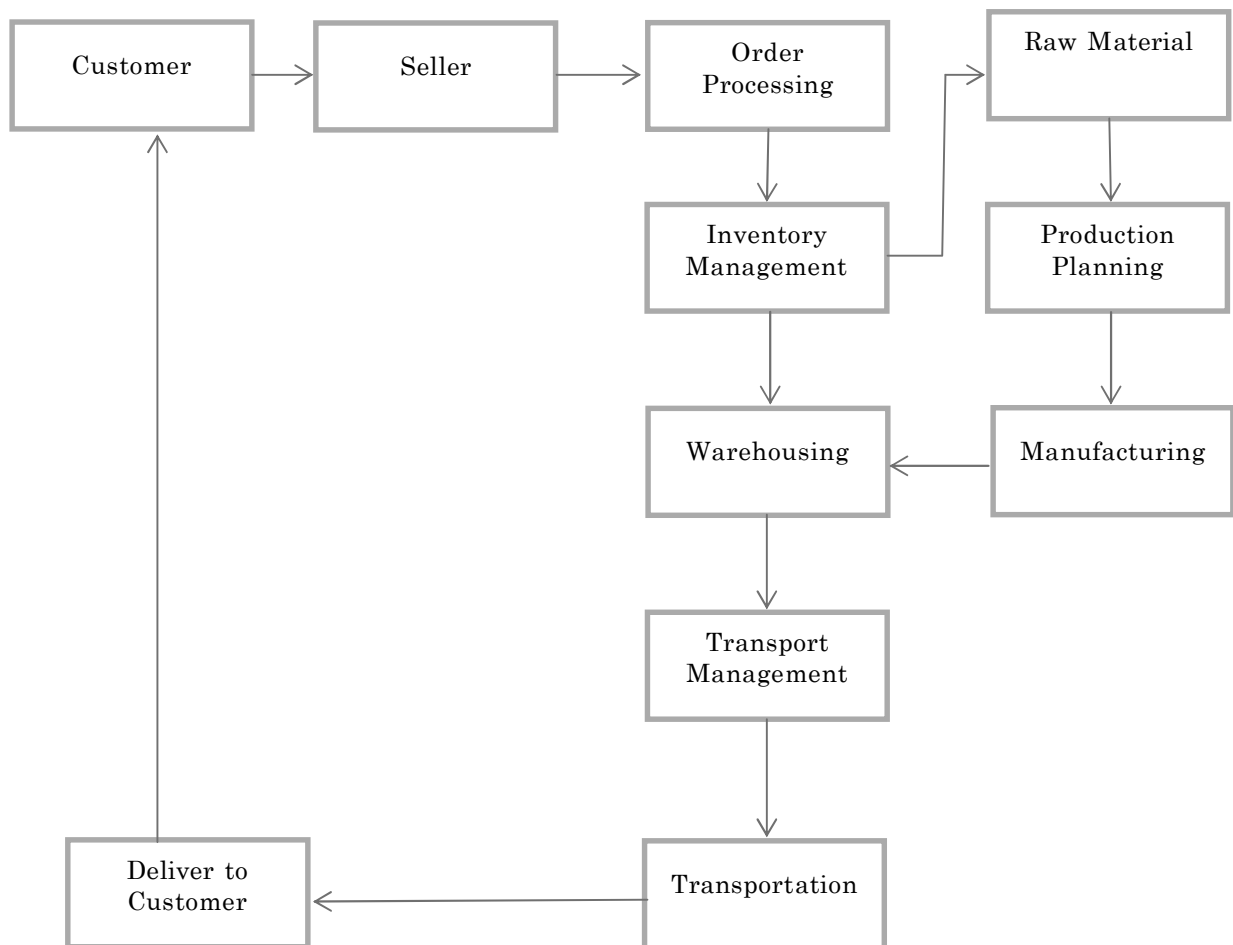
inventory management, supply/demand planning, and management of third party logistics services providers.

### LOGISTICS OF RAW MATERIAL



**Fig. No: 1**

The movement of raw materials, work in process inventory, and finished goods from supplier to consumers all over the world and waste to disposal and recycling plants The sourcing and managing of raw materials and component parts is often referred to as materials management and is illustrated in the picture (fig no:1).

**OVERALL LOGISTICS PROCESS****Fig. No: 2****MODES OF TRANSPORTATION IN LOGISTICS**

- 1) **RAIL:** It is used to deliver the wide range of goods including coal, ore, cement, food grains, fertilizers, steel, petroleum products and other heavy goods.
- 2) **ROAD:** It is used to deliver goods in a cost effective manner and best suited for short distances by suppliers. Many transport companies have expertise for fast delivery, packaging etc. for making scheduled delivery.
- 3) **AIR:** It is used to deliver the high value and low volume goods from distant suppliers, usually not connected by any other mode of Transportation. It is also suitable for emergent item to be imported for some specific requirement.
- 4) **WATER:** It is used to deliver the goods from distant suppliers, mostly conducted in containers of varied size by firms. This mode is ideal for transportation of heavy and bulky

goods and suitable for products with long lead times.

- 5) **PIPELINE:** It is used for mass movement of Petroleum products by oil sector companies including gases. Due to quite low operating cost it is one of the preferred modes of transportation.

### **THE ROLE OF TRANSPORTATION IN SERVICE QUALITY**

The logistics system is more complex than Carrying goods for the proprietors. Its complexity can take effect only through highly quality management. The well-handled transport system, goods could be sent to the right place at right time in order to satisfy customers demands. It brings efficiency, and also it builds a bridge between producers and consumers. Hence, transportation is the base of efficiency and economy in business logistics and expands other functions of logistics system. A good transport system performing in logistics activities brings benefits not only to service quality but also to company competitiveness.

### **THIRD PARTY LOGISTICS**

A third party logistics company is one that works with shippers in order to manage another company's logistics operations department. 3PL is the action of outsourcing activities that are related to logistics and distribution. It providers usually specialise in integrating operations, warehouse, transportation services, cross-docking, inventory management, packaging and freight forwarding.

Types of 3PL providers standards refers to Basic activities: Pick and pack, warehousing and distribution, service developer defines Value-added services such as tracking and tracing, cross-docking and specific packaging, customer adapter describes the request of a customer. It is when the 3PL takes over complete logistics of the firm and customer developer explains when the 3PL integrates itself with the company, and ends up taking over the entire logistics operation.

### **LEVELS OF OUTSOURCING IN THIRD PARTY LOGISTICS SERVICES**

- **Transactional Outsourcing:** This outsourcing is based on transactions, with no long term contracts and no bonding between the 3PL and the outsourcing company.
- **Tactical Outsourcing:** This Outsourcing is based on a long term basis with negotiated contacts and integrated IT systems to facilitate free information flow and create supply chain visibility.
- **Strategic Outsourcing:** This Outsourcing is based on long-term relationships with successful outcomes, 3PL companies become partners in supply chain management and establish transactional transparency

### **FOURTH PARTY LOGISTICS**

4PL is a supply chain integrator and to assembles and manages all resources, capabilities and technology of an organisation's Supply Chain and its array of providers. A 4PL company takes over the logistics section of a business. This could be the entire



process, or a side business that's imperative to have as part of the main business. The 4PL company function provides procurement, storage, distribution and process. 4PL as a general contractor who manages other 3PLs, truckers, forwarders, custom house agents, and others, essentially taking responsibility of a complete process for the customer. It provider can also be considered a consulting firm specialized in logistics, transportation, and supply chain management.

## CONCLUSION

Transportation plays an important role in logistics system and its activities appear in various sections of logistics processes. Without the linking of transportation, a powerful logistics strategy cannot bring its capacity into full play. It is very important to apply the cost saving strategy. This paper describes help to develop the cost efficiency and maintain speedy to deliver the goods to customer. The co-operation between purchasing, material planning and logistics should result in the efficient and uninterrupted flow of products.

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## THE STUDY ON EMPLOYEES RETENTION STRATEGY

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### ABSTRACT

*This paper states that the business having the competitive advantage of companies rest upon the retention of their key employee therefore retention has gained importance in recent years, particularly as part of talent management program and it is also about sustaining employees, primarily by enhancing their job satisfaction and its relevance can be seen so much towards Employee retention is more than just keeping employees on the job and now a day Indian MNCs in retaining their employees and also highlights the opinions of the employees about such retention practices mass.*

**Key Words:** *Retention, Competence, Productivity, Satisfaction, Reward, Recognition.*

### I. INTRODUCTION

Employee retention is an effort done by a business to maintain and sustain a working environment which makes and supports the present staff who remains with the company. Many employee retention policies are targeted at addressing the different needs of employees to enhance their job satisfaction and resist the substantial costs involved in hiring and training new entry staffs. It is a process in which the employees are motivated to remain within the organization for the maximum tenure of time or until the completion of the project. Retention Strategies helps organizations to provide effective employee communication to improve commitment and enhance workforce which support for key corporate initiatives.

### II. LITERATURE REVIEW

Boxall, Macky and Rasmussen (2003), have conducted a study of retention

variables for New Zealand employees in which they state that the variables are multidimensional. These include interesting work, which was rated as the strongest factor in attracting and retaining employees in both public and private sector organisations. The research outcome showed that employees expect management to make personnel decisions based on merit and also demonstrated that extrinsic rewards (such as pay, promotion & job security) play a role in both employee retention and turnover management. The research further suggested that management lent support to the idea of good relationships with co-employees and supervisors.

Lockwood and Anari (1997), concluded the following factors as crucial retention strategies for IT professionals in the USA and U.K. In order of their importance, the study revealed money (base salary plus bonus and stock

options); the chance to learn new skills (i.e. those that the market values); the reputation of the organization in technology; and working conditions (e.g. physical, colleagues & boss, casual dress) as some of the important factors. Among retention strategies that were particularly successful in maintaining a low turnover rate, one of the solutions suggested was an increase in salary.

According to Samuel and Chipunza (2009), the main purpose of retention is to prevent the loss of competent employees from leaving the organisation as this could have adverse effect on productivity and profitability. However, retention practices have become a daunting and highly challenging task for managers and Human Resources (HR) practitioners in a hostile economic environment. One of the traditional ways of managing employee retention and turnover is through organisational reward system.

William and Werther (1996) explain reward as what employees receive in exchange for their contributions to the organisation. This reward could come in form of salary, promotion, bonuses and other incentives. When the reward system is effectively managed, it helps in achieving organizations corporate objectives, and maintains and retains a productive workforce. If employees perceive that they are inadequately rewarded, it is often likely that they will leave and replacement can be costly and in most cases not readily available. A number of factors has been articulated in order to explain the reason employees

leave one organisation for another, or in some cases, leave the country.

### III. REASONS FOR EMPLOYEE TURNOVER

#### 1. Job is not what the employee expected to be

Sometimes the job responsibilities don't come out to be same as expected by the candidates. Unexpected job responsibilities lead to job dissatisfaction.

#### 2. Job and person mismatch

A candidate may be fit to do a certain type of job which matches his personality. If he is given a job which mismatches his personality, then he won't be able to perform it well and will try to find out reasons to leave the job.

#### 3. No growth opportunities

No or less learning and growth opportunities in the current job will make candidate's job and career stagnant.

#### 4. Lack of appreciation

If the work is not appreciated by the supervisor, the employee feels de-motivated and loses interest in job.

#### 5. Lack of trust and support in co-workers, seniors and management

Trust is the most important factor that is required for an individual to stay in the job. Non-supportive co-workers, seniors and management can make office environment unfriendly and difficult to work in.

#### 6. Stress from overwork and work life imbalance

Job stress can lead to work life imbalance which ultimately many times lead to employee leaving the organization.

## 7. Compensation

Better compensation packages being offered by other companies may attract employees towards themselves.

## 8. New job offer

An attractive job offer which an employee thinks is good for him with respect to job responsibility, compensation, growth and learning etc. can lead an employee to leave the organization.

## IV. MODELS ON EMPLOYEE RETENTION

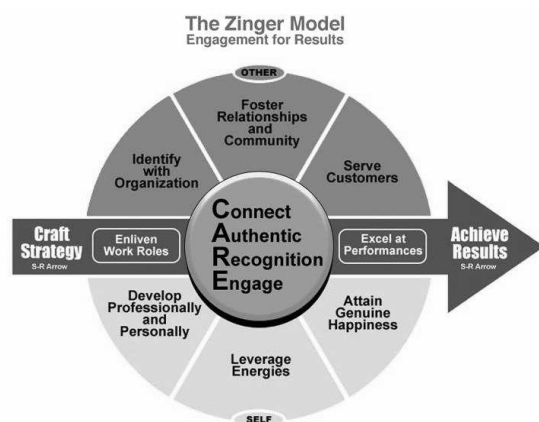
There are two important models on employee retention, one of them is

- a) Zinger Model
- b) ERC's Retention Model.

A brief explanation of these models is follows:

### a) Zinger Model

Employee retention is the art and science of engaging people in authentic and recognized connections to strategy, roles, performance, organization, community, relationship, customers, development, energy, and well-being as companies leverage, sustain, and transform their work connections into results.



### b) ERC's Retention Model

Employee Retention Connection's model concentrates on applied organizational experience indicating three primary drivers of employee retention. Work can be made stimulating by giving variety of assignments, autonomy to make decisions, resources and support provided to do good work, opportunity to learn, feedback on result and understanding the significance of one's personal contributions. Motivational Leadership also helps retain employees. Therefore leaders should champion change and must be open to new ideas. They should inspire a shared vision of organization direction, develop the capabilities of others and become a model for behaviours that reflects organization values. Companies should recognize and reward a job that is done well and should reinforce desired behaviours and create an emphasis and focus on recognition. They should celebrate successes in order to build self esteem and enhance camaraderie and team work.

## V. JOB DESIGN

This theoretical approach is based on the idea that the task itself is key factor for employee motivation. Specifically, a boring and monotonous job stifles motivation to perform well, whereas a challenging job enhances motivation. Variety, autonomy, and decision authority are three ways of adding challenge to a job. Job enrichment and job rotation are the two ways of adding variety and challenge and attain employees' retention in an organization.

## VI. EXPECTATIONS IN TERMS OF SALARY AND CONDITIONS

- Though only part, salary is a crucial.
- Underpayment infers low value.
- Frequent salary reviews are also good.
- Provide incremental increases over time.
- Competitive base pay.
- A good benefits package.
- Meaningful rewards.

Examples of employers using this strategy: Google, Huronia Precision Plastics Inc.

## VII. CONCLUSION

This paper describes about the employees retention strategy in conceptually. The study concludes that steps must be taken by the organisations to relieve the employees from the workload through job rotation, change in work location and other recreational activities. It is suggested that companies provide recreational activities and yoga / meditation to employees. It is also seen that conducting frequent reviews and not blaming the employees for policy errors also leads to employee retention.

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## THE STUDY ON THE EFFECTS OF TRAINING AND DEVELOPMENT WITH REFERENCE TO MBA STUDENTS IN PERIYAR MANIAMMAI UNIVERSITY, VALLAM

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### ABSTRACT

*The paper is about the study on effects of training and development within the students of MBA by conducting training class and activities. The activities were done by the student trainees of students. The class with 30 members of HR department were involved in training programme. The 30 members were split into 5 groups and each group had one leader and trainer. Each group need to train other 4 groups. The researcher conducted "Telephone on Paper". This study shows that MBA students' involvement in training programme. The sample size used is 18 by using convenient sampling method; the statistical tool used here is correlation and linear regression.*

**Key Words:** Training & Development, MBA Students, Periyar Maniammai University.

### I. INTRODUCTION

There are different ways of defining the term training. It may be defined as a systematic development of the knowledge, skills and behaviour required by employees to do adequately on confirmed task or job or simply learning that is provided in order to improve performance on the present job. There are methods of types of training, there on-job training and off- job training. On-job training is done within the organization while working and off-job training is done to people at the place away from the actual work place. The training and development is most important for students as they get practice with academic environment the will be habituated in working environment.

### II. REVIEW OF LITRATURE

Training and development for the effective use of human resources is one of the most important areas of the human resource management (HRM) function. Training and development is the field concerned with organisational activity aimed at improving the performance of individuals and groups in rightful settings. It has been known by many names including employee development, human resource development and learning and development (Harrison, 2005). Training is the method of increasing the skill and knowledge of an individual for performing a specific job. Traditionally, training has been defined as the process by which individuals change their skills, knowledge, attitudes and/or behaviour (Decenzo & Robbins, 1996). Training in

this context involves designing and support learning activities that give rise to a designed level of performance. In the current situation, training is clearly viewed as a technique of not only enhancing the growth of the individual employee but as an integral part of organisational growth.

Training according to Ngirwa (2009) is a learning process in which employee acquire knowledge, skills, experience and attitudes that they required in order to perform their job better and further for the attainments of the organisational goals. It is the bridge between employee present specifications and job requirements. This means that changing employee attitudes toward their jobs and organisation are what they know they work.

Armstrong (2008) define training as the planned and systematic modification of behaviour via learning events, programmes and instruments which enable individuals to attain the levels of knowledge, skill, competence required to carry out the work effectively. It means that through training, employee acquire technical knowledge, new skills, problem-solving ability thus giving rise to increased job performance of the worker. Skills are also improved and the existing level of knowledge is upgraded. The resultant effect is that the employee is better equipped to do his current job or to mode employer to be fit for a higher job characterized by higher responsibilities. Thus, Gordon (1992) cited in Irene (2012) viewed employee training as the planned and systematic modification of

behaviour through learning events, activities and programmes which result in the participants attaining the levels of knowledge, skills, competences and abilities to carrying out their work effectively.

### **III. RESEARCH METHODOLOGY**

MBA students, Periyar Maniammai University, are the study area selected for the research. Primary data was collected through proper questionnaire. Samples for 18 respondents in MBA students from Periyar Maniammai University have been selected using convenient sampling method. The collected information were reviewed and consolidated into a table. For the purpose of analysis, the data were further processed by using statistical tools which are correlation & linear regression.

#### **3.1. OBJECTIVES**

- To identifying the factors affecting the students' behaviour while training.
- To find the difficulties within the student to understand the instructions.

#### **3.2. RESEARCH DESIGN**

##### **3.2.1. Sampling Size**

The number of respondent chosen was 18 samples for this research referred to MBA students of class.

##### **3.2.2. Sampling Technique**

Random sampling technique was adopted to choose 18 samples among the hostel students.

**3.2.3. Methods of Data Collection**

Primary data were collected among the MBA students within class room which were in the form of interview through a structured questionnaire.

Secondary Data were retrieved from various journals, articles, eBooks, website, newspaper.

**3.2.4. Tools for Data Analysis**

Linear regression is used to identifying the factors affected the students' behaviour while training. Correlation is the statistical tool used to find the difficulties within the student to understand the instructions. The correlation & linear regression used to analyse the data and the result were presented pictographically using chats.

**IV. DATA ANALYSIS**

Table No. 4.1 shows the regression of the students' behaviour while training:

- ✓ Null hypothesis (H0): There exists no significant relationship between the students behaviour with training program.
- ✓ Alternate hypothesis (H1): There exists significant relationship between the students behaviour with training program.

Table No. 4.1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.816 <sup>a</sup>	.667	.593	.32601

a. Predictors: (Constant), boring, no proper instruction  
 b. Dependent Variable: students' behaviour

Table No. 4.2 describes the correlation between difficulties within the student to understand the instructions.

Table No. 4.2

		No coordination	New to game	Never experience by student trainees
No coordination	Pearson Correlation		.606*	.628*
	Sig. (2-tailed)		.002	.001
	N	18	18	18
New game	Pearson Correlation	.606*		.798*
	Sig. (2-tailed)	.002		.000
	N	18	18	18
Never experience by student trainees	Pearson Correlation	.628*	.798*	
	Sig. (2-tailed)	.001	.000	
	N	18	18	18

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

**V. CONCLUSION**

Table No. 4.1 describes that Alternate hypothesis (H1) is accepted as there exists significant relationship between the students behaviour with training program as the training had no proper instructions, were r<sup>2</sup> is .667 which satisfies the objective to identifying the factors affected the students' behaviour while training. Table No. 4.2 shows that there is a correlation between the new game and everyone never experienced training from student as 798\*\* is correlated at .001 level of significant which satisfies the objective to find the difficulties within the student to understand the instructions.

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## THE LOGISTICS MANAGEMENT SYSTEM IN G.K. DAIRY, TAMIL NADU

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### ABSTRACT

*The paper describes the study of logistics management of G. K. Dairy in Tamil Nadu. It shows the complete structure of the supply chain from the area of collection of milk from the farmers up to the consumer level. It gives the picture how effective the logistics management is done in every level. It even shows how the dairy industry is giving different kind of dairy products and is supplying to different parts of Tamil Nadu. This kind of endurance in such business environment can be achieved by means of organized logistics coordination. In this paper, we investigated conceptually the major system is managed in collecting the milk from farmers to G. K. Dairy industries & from G.K. Dairy industry to consumers.*

**Key Words:** *Logistics Management, Milk, Milk Products, G. K. Dairy, Tamil Nadu.*

### I. INTRODUCTION

The G.K. Dairy successfully started on the year 1973 in the name of G.K. Farm by two brothers. Later it is now named as G.K. Dairy even as Tamil Dairy. G.K. Dairy is one of the fastest growing companies. It provides quality milk with the brand name Tamil Milk. It gives wide range of products like milk, ghee, butter, etc. They even give business opportunities to their own employees to become an entrepreneur. It gives employment over 200 employees directly. They have three branches Thiruvaidaimaruthur, Thanjavur & Trichy. It has been certified by ISO 9001:2008 and ISO 22002:2005 with HACCP ( ).

### II. LITERATURE REVIEW

Zia Ullah Muhammad, Shumaila Naz Akhter and Muhammad Kafayat Ullah, (2014), stated that the specific

objective of this paper is to present the importance of dairy supply chain management and to illustrate the current practices of dairy supply chain in Pakistan. Specifically, to shed light on the production and consumption patterns in developing world mainly based on the FAO and Pakistan Economic Survey data. World milk production was 730 million tonnes in 2011 and it is expected to increase in the future. Importantly, 80 percent consumption of milk has handled by informal traders in the developing countries and this community has 98 percent share in Pakistani milk supply chain. Supply chain disruption has become critical issue that is based on informal channel bargaining power and information barriers. Currently, India, China and Pakistan have been standing

in the list of four leading producers of milk worldwide. However, milk producers and consumers both have been facing economic, social and health losses due to the informal dairy supply chain partners.

Girma Gebresenbet and Techane Bosona (2005) describe that, during the recent two decades, goods flow has been tremendously increased, even though the amount of goods remains at the steady state. Increased variety of goods, the just-in-time delivery system, low load rate, specialization and centralization of production systems, globalization of marketing and seasonal variations are among the main challenges of logistics system which may lead to the necessity of developing effective logistics in the sector. Effective logistics and technologies are a critical success factors for both manufacturers and retailers (Brimer, 1995; Tarantilis et al., 2004). Effective logistics requires delivering the right product, in the right quantity, in the right condition, to the right place, at the right time, for the right cost (Aghazadeh, 2004) and it has a positive impact on the success of the partners in the supply chain (Brimer, 1995).

K. Venkata Subbaiah, Member, IAENG, K. Narayana Rao and K. Nookesh babuin (2011) in this paper stated that, a supply chain model is developed for a dairy industry, located in Andhra Pradesh, India. The supply chain includes four echelons namely raw milk suppliers, plant, warehouse and customers. In this model, emphasis is mainly on production and distribution activities, with a view to find out purchase plan of raw milk, production plan of product mix and transportation plan of the products.

### III. CONCEPT OF LOGISTICS AND FOOD SUPPLY CHAINS

#### 3.1. Logistics services in developed countries

The role of production and supply chain management is increasing worldwide due to the growing consumer concerns over food safety and quality together with retailer demands for large volumes of consistent and reliable product. In developed countries, product losses (post harvest losses) are generally small during processing, storage and handling because of the efficiency of the equipment, better storage facilities, and control of critical variables by a skilled and trained staff.

Recently, the concept of Agricultural and Food Logistics has been under development as more effective and efficient management system which is required for the food production planning, physical collection of primary produce from fields and homesteads, processing and storage at various levels, handling, packaging, and distribution of final product. In the food supply chain many stakeholders such as farmers, vendors/agents, wholesalers, rural retailers and suppliers and transporters are involved.

At all levels, information flow and process of product management is essential to maintain the food quality throughout the chain in Figure 3.1.1. The flow of input resources from farms to consumers needs to be described in detail and the constraints in each sub-process needs to be identified to develop appropriate solutions for logistics related problems.

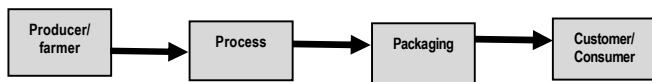


Figure 3.1.1

**3.2. Logistics service in G.K. Dairy**

The logistics service in G.K. dairy is similar to the figure 3.1.1, and the detailed process of milk is given in figure 3.2.1. The milk container is stored in cold place to prevent from rioting. There was operational challenges were each employees consider their own work as a great challenge. Food logistics are used to transport milk from one area to other area through process line or physically. They are focusing on sustainability and future challenges. Future challengers can be measured with competitors, new entrants, etc.

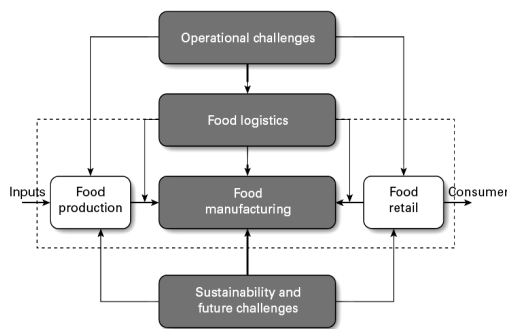


Figure 3.2.1

**IV. PROCESS OF LOGISTICS MANAGEMENT**

The milk is collected from the farmers by area milk men from around 200 villages (Figure 4.1.1). Then it is been deposited to the factory containers within 2 hours. The container milks are poured into boiler and further steps are done by the processor.

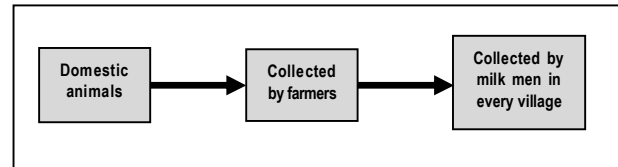


Figure 4.1.1. Producer / farmer

After the process level, the processed milk and product moves toward the packaging system. There are two type of packaging system is used in G. K. Dairy. Packaging involves both packet and container. But slowly they are changing to recycle products for packaging. Then that is distributed directly to the consumers or to the retail shop. The distribution process are done by their own vehicles. They supply milk and its products to the surrounding areas and have their distribution to longer extent.



Figure 4.1.2. Process, Package & Marketing

**V. CONCLUSION**

This paper the logistics management system in G.K. Dairy were it starts from the raw material (milk) to the finished products. It has been collected from many villages to dairy and then after the process to the retailers or consumers. The logistics management done by G.K. Dairy has been more effective for their success. And the variety in the products is being many. As the successful company it's doing more expansion around the nearby areas. There is also a plan to build a new factory in future.

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## **A STUDY ON EFFECTIVENESS OF INDUCTION PROGRAM AND ONBOARDING PROCESS IN POLARIS CONSULTING AND SERVICES LTD, CHENNAI**

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### **ABSTRACT**

*Induction aims to familiarize new employees with the organization and their job. It gives new employees a feeling for the culture and values of the company in which they will be working for. On-boarding is a major tool in successful talent management and is critical for successful employee integration. Implementing a well-managed on-boarding process can have a significant and measurable impact on employee productivity, retention, employment brand, services, workplace safety, and future hiring. This project focuses on the effectiveness of induction program and onboarding process in Polaris consulting and services Ltd, Chennai. Newly recruited employees of the organization are the target population. This study is being conducted to assist the company to ascertain whether their objectives are achieved through their current induction and onboarding programs.*

### **I. INTRODUCTION**

Recruitment and Training are a major cost to any organization. Employers therefore need to maximize staff retention to ensure that this investment is not wasted. The initial impression of an organization on an employee usually stays with them, and it is therefore important to make this experience a positive one. The new members of staff need to have basic information about their terms and condition of employment, immediate working environment. People whatever their industry or profession; want to know how they fit into the organization as whole and how their work relates to that of other people and other departments. Naturally they also want to meet their colleagues and line managers. All these things should be

covered in an Induction Scheme. However, all too often there is no formalized system for ensuring that this takes place.

Recruits are left to 'pick things up as they go along' or taken on the traditional handshake tour. This is simply asking the new employee to adopt an indifferent attitude towards the organization, thereby reducing the chances of that employee staying long enough to contribute their full potential. Labor turnover cost money too. In addition it reveals an unacceptable wastage of an organization's human resources; the most valuable assets it has. Induction Program assist in reducing labor turnover by integrating new employees effectively into the organization.

### 1.1 Theoretical Frame Work

Induction is a process which aims to familiarize new employees with the organization and their job. A well planned induction program will include information about the organization, safety rules, general conditions of employment and the employees' duties in the section or department in which they are employed. The induction process also gives new employees a feeling for the culture and values of the company in which they will be working for.

The induction process can be used for all new recruits, irrespective of their level of job or whether they are full-time, part-time or a casual worker. It can welcome new employees to the company as well as give refresher training to employees within the organization so that they are aware of any "health and well-being" policies and the procedures of the organization.

### 1.2. Core Activities within an Induction Program

#### Content activities

- Welcome and introduction to the organization, including the history, culture, mission and expectations of work standards.
- Role clarification, how employee contributes to the company goals.
- Health and safety policies, IT policy.
- Meeting with new employees regarding job performance.
- Lunch with managers and co-workers.

#### Support activities

- Provide support contact details and necessary paperwork.

- Provide CD-ROM's with policies and relevant information.
- Appoint buddy or mentor.
- Have induction social activities, games that involve the new employee with the values and culture of the organization

#### Follow-up activities

- Follow-up meetings i.e, on performance goals, personal and career management.
- Track integration process and how new employee is settling in.
- Evaluation and continual monitoring of the induction process.

### 1.3. Onboarding Process

Onboarding deals with joining formalities in an organization. Before the candidates join in their job, onboarding process takes place for one day where the candidates are received and asked to enter their details including academic, background check and till previous employment in the organization website. Successively, document verification and agreements are get signed from the candidates. On-boarding, also known as organizational socialization refers to the mechanism through which new employees acquire the necessary knowledge, skills, and behaviors to become effective organizational members and insiders. Tactics used in this process include formal meetings, lectures, videos, printed materials, or computer-based orientations to introduce newcomers to their new jobs and organizations.

## **Overall Onboarding Process**

On-boarding is a major tool in successful talent management and is critical for successful employee integration. On-boarding creates an understanding of the organizational culture that helps the newly hired employee feel better connected to the organization's business strategy and creates a sense of belonging. Implementing a well-managed on-boarding process can have a significant and measurable impact on employee productivity, retention, employment brand, services, workplace safety, and future hiring.

## **II. POLARIS CONSULTING & SERVICES LIMITED - COMPANY PROFILE**

Polaris Consulting & Services Limited was incorporated in 1993 by Mr. Ravi Dehariya (Jabalpur Dist). It was one of the first vendors that Citi Group chose to partner with, when it entered India. Simultaneously, Citigroup started its own company called COSL (Citibank Overseas Software Ltd) to utilize the intellectual capital at a competitive cost in India. COSL, later renamed as Orbitech, was then merged with Polaris. In 2003, Polaris launched its core product portfolio, Intellect TM. In November 2011, the organization changed its name from Polaris Software Labs Limited to Polaris Financial Technology Limited to highlight its primary domain of operation. Founded in 1993 and publicly-listed, Polaris Financial Technology Limited is the world's most sophisticated banking and insurance software company. Polaris is the chosen outsourcing partner for 10

of the top 15 global banks and 6 of the 10 top global insurance companies. Polaris offers state-of-the-art, comprehensive solutions for core banking, corporate banking, wealth & asset management and insurance. Over the last two decades, Polaris has implemented its solutions and services among 200 of the world's largest financial institutions. Polaris Financial Technology Limited is also recognized by the world's top analysts (Forrester and Gartner) as global leaders in banking and insurance software.

Polaris began its journey over 25 years ago when it partnered with Citibank to create India's first ATM system. In 1993, Polaris was recognized by the Smithsonian Institute for creating the FIRST Banking solution on distributed architecture. On March 3, 2016, Virtusa Corporation acquired a majority interest in Polaris Consulting & Services Limited. Virtusa Polaris, our new market-facing brand, represents the combined strengths of Virtusa and Polaris, including our strong software engineering heritage, deep domain expertise and focus on applying innovation to solving critical core business issues for clients. Virtusa Polaris helps its clients transform their business applications to enhance customer experience, improve operational efficiencies, and lower IT costs. Virtusa Polaris helps clients accelerate business outcomes by consolidating, rationalizing, and modernizing their core customer-facing processes into one or more core systems.

Virtusa Polaris delivers cost-effective solutions through a global



delivery model, applying advanced methods such as Agile and Accelerated Solution Design to ensure that its solutions meet the clients' requirements. As a result, its clients simultaneously reduce their IT operations cost while increasing their ability to meet changing business needs.

With offices and development centers across North America, Europe, Middle East, India, Sri Lanka, South-east Asia, Japan and Australia & New Zealand, and a workforce of approximately 19,000, Virtusa Polaris is strongly placed to become the IT services partner of choice for global clients in the industries it serves.

#### **Facts about Polaris**

- World's first CMMI (Capability Maturity Model Integrated) Level 5 Certified Company.
- ISO 27001
- Polaris ranks 9th in NASCOMM's top 20 exporters list for 2004-2005
- 20 years of experience in Banking, Financial Services & Insurance (BFSI)
- Over 10,500 Associates
- 23 international offices and 4 global near shore development centers
- 7 Business Solution Centers focusing in micro verticals in BFSI
- CAGR of over 70%, the highest among all the IT organizations in India
- More than 750 Domain Experts.

With the right combination of business analysts, project managers and developers, experienced in the Investment Banking domain, Polaris has delivered several projects in

complex areas like Custody Solutions, Mutual Funds, Portfolio Management and Securities Administration across geographies like Switzerland, Singapore, Taiwan, Malaysia, Dubai, US, UK & India. Polaris offers comprehensive solutions in the areas of Wealth Management, Derivatives, Fixed Income, Money Market, Forex, and Custody (Securities Services).

### **III. REVIEW OF LITERATURE**

(Grumman, 2011) has studied the onboarding process makes for happier, more confident and stronger employees. The employee believes that they fit both the job and the company and feel more engaged with the company strategy and objectives. This feeling of increased engagement by the employee leads to better employee productivity and a reduction in the turnover rate for the company. In short, companies that want to have quicker and enhanced engagement and productivity from their new employees, coupled with the associated cost reductions, should have effective onboarding higher up on their strategic agendas.

(Stimpson, 2009) Firstly states that the on boarding process is that of "acquiring, accommodating, assimilating and accelerating new team members, whether they come from outside or inside the organization. It is used to refer to the administrative work involved with setting an employee up in a new job or role". Then goes further and states that "the term is broader and is defined as the entire process around recruitment, hiring, and helping the

new employee reach full productivity as quickly as possible". So for the purposes of this research "On boarding" will be defined as "the assimilation of a new employee into a company so that the new employee reaches full productivity as early as possible".

(Dessler, 2013) points out four main purposes of employee orientation to make the new employee feel welcomed, provide one with basic information to function effectively, to understand the organization in its broad sense and to familiarize one with the organization's cultures and values. It is also pointed out that the latter two purposes distinguish Onboarding from traditional orientation. (Torrington, 2011) claim that human resource practices improve performance through influencing employees' attitudes. Committed employees are the ultimate goal of human resource management because it results in high motivation and eventually committed employees will reduce employee turnover and absence costs. No matter what the terminology, the bottom line is that the faster new hires feel welcome and prepared for their jobs, the faster they will be able to successfully contribute to the firm's mission. One of the first things HR managers should consider is whether their firm is served best by informal or formal onboarding.

(Foot and Hook, 1999) present induction as an important aspect of the employee retention as it is the first process the new employee faces and the way induction is managed often reflects the values of a company. Paying special attention to the first impression made

by the company will make the new employee feel valued and expected. A well planned induction process also affects the public image of a company as the employees might discuss the success of an induction process with other people.

(Purcell and Boxall, 2003) suggest that a company can strengthen its competitive advantage by offering a profound induction program to its employees. Today customers face an enormous supply of different services and products on the market, especially within the gym and sports business the competition is tough. As the supply for such services is vast, the demand for quality customer service has increased. Maintaining competitive advantage only by offering low prices is challenging. The importance of customer satisfaction cannot be stressed enough as customers can easily switch to another service provider.

#### IV. STATEMENT OF PROBLEM

Employee Induction, which is one of the main ways of introducing employees to their organizations, is often the missing ingredient in most organizations. Orienting employees to their workplaces and their jobs is one of the most neglected functions in many organizations. A well thought out orientation program, whether it lasts one day or six months, will help not only in retention of employees, but also enhance performance. A well planned employee orientation program will help to get new employees off on the right foot immediately. This research focuses on the effectiveness of induction

program and onboarding process in Polaris consulting and services Ltd, Chennai. Newly recruited employees of the organization are the target population. This study is being conducted to assist the company to ascertain whether their objectives are achieved through their current induction and onboarding programs.

## V. OBJECTIVES OF THE STUDY

- To know the effectiveness of induction program and onboarding process in the organization.
- To know the level of support given by the onboarding team.
- To determine the new employees' perception on current induction and onboarding practices in the organization.
- To recommend suggestions to make induction and onboarding more effective.

## VI. RESEARCH METHODOLOGY

### 6.1 RESEARCH DESIGN

This study is descriptive in nature.

### 6.2 SAMPLING METHOD

In this research **Census Survey** is used to collect data. Though there are 15,000 employees in Polaris Consulting and Services Limited at initial level, only newly recruited employees have attended the induction program recently. Hence, the researcher has aimed at making a study using all the newly recruited employees as sample. This method is referred as census survey since all the candidates who have attended the Induction Program are included for the study.

### 6.3 SAMPLE UNIT

The area selected for this study is Polaris consulting and services Ltd, Chennai.

### 6.4 SAMPLE SIZE

Number of candidates who attended an Induction Program - 120  
Number of samples selected - 120

### 6.5. INSTRUMENT FOR DATA COLLECTION

Both primary and secondary data were used. Questionnaire was used to collect primary data from the ample and secondary data were collected through magazines, newspapers and journals.

### 6.7 TOOLS FOR DATA ANALYSIS

According to the chosen methodological research approach the quantitative data were analyzed using statistical tools such as Frequency analysis, Independent samples t test, ANOVA, Factor analysis and Correlation.

## VII. DATA ANALYSIS AND INTERPRETATION

### 7.1. Frequency Analysis of Designation of respondents

Designation	Frequency	Percent
Consultant	22	18.3
Associate Consultant	44	36.7
Associate Executive	34	28.3
System Analyst	20	16.7
Total	120	100

From the above table it is inferred that, 18.3% of the respondents

are Consultants, 36.7% of them are Associate Consultants, 28.3% of them are Associate Executives and 16.7% of the respondents are System Analysts. Hence majority of the respondents are Associate Consultants.

### T-Test

#### HYPOTHESIS

**H0:** There is no significant difference between educational qualification and understanding of company's culture, rules and regulation, products and clients

**H1:** There is significant difference between educational qualification and understanding of company's culture, rules and regulation, products and clients

### VIII. SUGGESTIONS

- The variables like being proactive must be restructured as the respondents feel that the organization is being proactive that may be detrimental. This initiative paradox seems to occur as out of step with the company's values. It may have already added heavy demands for most jobs. So it may lead to higher stress levels for employee.
- The new associates felt there was not enough sufficient time to fill up the joining documents to overcome the problem the management should try to shift the walk through process to the induction program. The management should try to reduce the joining formalities through career portal/ online.

- The variables like knowledge for new joiners may need updating. The induction program may require continuous review and evaluation of the induction process and building an organization that values striving for continued improvement.
- The respondents find it hard getting along with their team members of their functional area so, the organization should restructure the induction programs further so that new employees learn how to build a network of relationships within the organization and learn about the culture and values of the organization.

### IX. CONCLUSION

The first impression is very important when a person comes into a new organization and how you interact with these new entrants. Onboarding Process plays an important role on how they discharge their duties later. Induction training is very essential for any company because it helps an individual/new recruit to grow within a company and motivates him/her. It inculcates in the employee, more confidence towards progress. Employee Induction should last more than one day, usually 2-3 days. Induction programs help in reducing attrition rates, apparently.

Thus it is concluded that the study helped to understand the actual Onboarding and Induction Program, how it is conducted, its pros and cons, etc. From the responses of the employees it was concluded that the effectiveness of the Onboarding process

and the induction program was good at Polaris Consulting and Services Limited.

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## CEMENT INDUSTRIES IN INDIAN ECONOMY

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### ABSTRACT

*The cement industry in India is globally competitive as the industry continues to witness positive trends such as cost control, continuous technology up-gradation and increased construction activities. Major cement manufacturers in India are also increasingly using alternate fuels, especially bio-energy, to fire their kilns. This is not only helping to bring down production costs of cement companies, but is also proving effective in reducing emissions. With the ever-increasing industrial activities, real estate, construction and infrastructure, in addition to the onset of various Special Economic Zones (SEZs) being developed across the country, there is remain a growing demand for cement.*

**Key Words:** Cement Industry, Economy, Infrastructure, Market Size, Sales Volume.

### Introduction

Cement is the glue that holds the concrete together, and is therefore critical for meeting society's needs of housing and basic infrastructure such as bridges, roads, water treatment facilities, schools and hospitals. Concrete is the second most consumed material after water, with nearly three tonnes used annually for each person on the planet. Being one of the basic elements for setting up strong and healthy infrastructure, Cement plays a crucial role in economic development of any country. Having more than a hundred and fifty years history, it has been used extensively in construction of anything, from a small building to a mammoth multipurpose project. The manufacturing process of cement consists of mixing, drying and grinding of limestone, clay and silica into a composite mass. The

mixture is then heated and burnt in a pre-heater and kiln to be cooled in an air-cooling system to form clinker, which is the semi-finished form. This clinker is cooled by air and subsequently ground with gypsum to form cement.

There are three types of processes to form cement - **the wet, semi-dry and dry** processes. In the wet/semi-dry process, raw material is produced by mixing limestone and water (called slurry) and blending it with soft clay. In the dry process technology, crushed limestone and raw materials are ground and mixed together without the addition of water.

### History of Cement Industry

In 1914, Indian Cement Industry began its journey with a single plant of 1000 tonnes per annum at Porbandar in Gujarat. Since then, India has emerged as the world's second largest cement

producing country after China. At present, there are 81 cement companies with around 206 major cement plants and a total capacity of about 358.64 million tonnes. Besides, there are mini and tiny cement plants, which have an estimated capacity of about 10 million tonnes. The Indian cement industry's existence for the last 100 years is marked by the roller coaster ride it underwent ever since its inception in 1914. From the days of scarcity, rigid controls, and imports, the cement industry today has come a long way from a seller's market to a buyer's market. At present, the Indian cement industry has 81 large companies, which have about 206 major plants with an aggregate capacity of about 358.64 million tonnes. The 206 major plants comprises of about 146 integrated plants and 60 grinding units. This does not include mini and tiny cement plants, which have an estimated capacity of about 10 million tonnes. Further, there are about 50 companies making efforts to set up their cement plants. This phenomenal growth is a result of 100 years of anomalous and gruelling transition.

### **Origin**

The first ever reference of cement production in India is recorded in George Watt's Directory of 'Economic Products of India', published in 1889, which stated: "Portland cement was being made in Calcutta from argillaceous Kanker". However, the first organised attempt to manufacture the cement was made in 1904 by the Madras-based

South India Industries Limited but this venture failed. It was in October 1914 that the cement produced at Porbandar in Gujarat by Indian Cement Corporation Limited saw the light of the day. It had an installed capacity of 1000 tonnes per annum.

### **Size of the industry**

The Cement Industry in India is the second largest in the world. Cement Industry constitutes of 140 large and more than 365 mini cement plants. The Indian Cement Industry's capacity at the beginning of the year 2009-10 was 217.80 million tonnes. The Indian Cement Industry comprises of 125 units with an installed capacity of 148.28 million tonnes and more than 300 mini cement plants with an estimated capacity of 11.10 million tonnes per annum.

### **Investments**

On the back of growing demand, due to increased construction and infrastructural activities, the cement sector in India has seen many investments and developments in recent times.

According to data released by the Department of Industrial Policy and Promotion (DIPP), cement and gypsum products attracted Foreign Direct Investment (FDI) worth US\$ 5.24 billion between April 2000 and March 2017.

Some of the major investments in Indian cement industry are as follows:

- Emami Ltd, a fast-moving consumer goods (FMCG) company, plans to invest around Rs.8,500 crore (US\$ 1.32 billion) to scale up its cement production capacity from 2.4 million

tonnes (MT) to 15-20 MT in the next three to five years.

- The Gujarat-based Nirma group, with presence in detergent, soap and chemicals sector, has bought Lafarge India's cement business, consisting of 11 MT production capacity, for US\$ 1.4 billion.
- FL Smidth, a global engineering company based in Copenhagen, has signed a contract with India's Larsen & Toubro Limited for engineering, procurement and supply of equipment for a complete cement production line with a capacity of 3,000 tonne in Tamil Nadu.

#### **Role of cement industry in India GDP**

The Role of Cement Industry in India GDP is significant in the economic development of the country. The cement industry in India is one of the oldest sectors in India. The industry is driven by the immense growth in the housing sector, the infrastructure development, and construction of transportation systems.

Indian Cement Industry is the second largest cement producer in the world after China with a total capacity of 151.2 Million Tonnes (MT). Government of India has been giving immense boost to various infrastructure projects, housing facilities and road networks, the cement industry in India is currently growing at an enviable pace. In the coming years more growth in the Indian cement industry is expected to come. It is predicted that the production in India would rise to 236.16 MT in FY11 & expected to rise to 262.61 MT in FY12 in the Cement Industry.

The Indian cement industry is dominated by 20 companies, which account for almost 70% of the total cement production in India. The Indian Cement industry plays a major role in the growth of the nation for that case in any country. Industry Cement Industry was under full control and supervision of the government. However, it got great relief at a large extent after the economic reform which made its growth easier. Still government interference, especially in the pricing, is evident in India.

#### **Top Leading Companies**

- ❖ Ultratech Cement
- ❖ Century Cements
- ❖ Madras Cements
- ❖ ACC
- ❖ Gujarat Ambuja Cement Limited
- ❖ Grasim Industries
- ❖ India Cements Limited
- ❖ Jaiprakash Associates
- ❖ JK Cements
- ❖ Holcim
- ❖ Lafarge
- ❖ Heidelberg CemexItalcementi
- ❖ ACC
- ❖ Gujarat Ambuja Cement Limited
- ❖ Grasim Industries
- ❖ India Cements Limited
- ❖ Jaiprakash Associates
- ❖ JK Cements
- ❖ Holcim
- ❖ Lafarge
- ❖ Heidelberg CemexItalcementi

#### **Role of Cement Industry in India GDP-Facts**

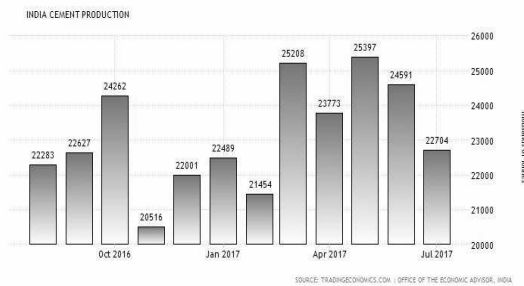
- ❖ The Indian cement industry is one of the booming sectors of the Indian economy



- ❖ The infrastructure development of the country in the recent years is the demand driver for the cement industry
- ❖ The Indian Cement Industry is experiencing the entry of many foreign players in the Indian market

### Role of Cement Industry in India GDP-Production

India's cement production from the fiscal year of 2008 through the fiscal year of 2016, with a forecast for 2017. It is estimated that India's cement production will reach more than 280 million metric tons by 2017.



- ❖ The cement industry in India constitutes of 365 small cement manufacturing units and 130 large cement manufacturing units
- ❖ The total installed capability of the cement manufacturing is 165 million tonnes per year
- ❖ The large manufacturing units accounts for 94% of the total output of cement

### Market Size

Cement prices in India recorded a 6.7 per cent month-on-month growth in April 2017, thereby indicating the probability of growth in volume and profitability of cement companies in the quarter ending June 2017.

The housing sector is the biggest demand driver of cement, accounting for about 67 per cent of the total consumption in India. The other major consumers of cement include infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at 9 per cent.

The cement capacity in India is estimated to be at 420 MT as of March 2017 with production growing at 5-6 per cent per year. The country's per capita consumption stands at around 225 kg.

The Indian cement industry is dominated by a few companies. The top 20 cement companies account for almost 70 per cent of the total cement production of the country. A total of 188 large cement plants together account for 97 per cent of the total installed capacity in the country, with 365 small plants account for the rest. Of these large cement plants, 77 are located in the states of Andhra Pradesh, Rajasthan and Tamil Nadu.

### Role of Cement Industry in India GDP-Mergers and Acquisitions

- ❖ **Heidelberg Cement - Indorama Cement Ltd**
  - Heidelberg Cement Company entered into an agreement for a 50% joint venture with the Indorama Cement Ltd, situated in Mumbai, originally possessed by the Indorama S P Lohia Group.
  - Heidelberg Cement Company has two manufacturing units in India
- ❖ **Italcementi cement-Zuari Cement Limited**
  - Italcementi cement company has acquired share of the famous Indian

cement manufacturer, the Zuari Cement Limited

- The acquisition was of 50% shareholding and the deal was of about 100 million
- It took over the plant of the Zuari Cement Limited in Andhra Pradesh

#### ❖ **Holcim Cement-Gujarat Ambuja Cements (GACL)**

- Holcim Cement signed an agreement of 14.8% take over with the Gujarat Ambuja Cements (GACL).
- Holcim Cement Company is among the leading cement manufacturing and supplying companies in the world.

#### ❖ **Lafarge India**

- Lafarge India is the subsidiary of the Lafarge Cement Company of France.
- It was established in 1999 with the acquisition of the Tisco and the Raymond cement plants
- Lafarge Cement presently has three cement manufacturing units in India one of them is in Jharkhand and two other in Chhattisgarh

#### **Total Contribution to the economy / sales**

The Indian Cement Industry comprises of 125 large cement plants with an installed capacity of 148.28 million tonnes and more than 300 mini cement plants with an estimated capacity of 11.10 million tonnes per annum. The Cement Corporation of India is a Central Public Sector Undertaking which has 10 units. State Governments owns 10 large cement plants.

#### **Employment Opportunities**

The Indian Cement industry in India consists of organized and the unorganized sector. Organized sector constitutes the cement producing industries while the main players of the unorganized sector are the regional and local cement producing units in various states across the state. Job opportunities are available in organized and the unorganized sector. In most cases, one needs to have some type of expertise in architecture in order to get a job in this sector. There are many opportunities for site engineer, packaging engineer, shift in charge, surveyor, geologist, contractor, supervisor and other posts.

#### **Pollution**

In Pollution Category, the Indian Cement Industry is under the "Red" Category which represents highly polluting industries.

#### **Latest developments**

- ❖ The industry experts project the sector to grow by 9 to 10% for the current financial year provided India's GDP grows at 7%. India ranks second in cement production after China.
- ❖ The major companies have made investments to increase the production capacity in the past few months, heralding a positive outlook for the industry.
- ❖ The housing sector accounts for 50% of the demand for cement and this trend is expected to continue in the near future.

The Indian Cement Industry with Modernization and technology up-

gradation has become a continuous process for industry. At present international standards and benchmarks in the quality of cement and building materials produced are met in India and is able to compete international markets. Substantial technological improvements have been bought in the industry for which we can legitimately be proud of its state-of-the-art technology and processes incorporated in most of its cement plants. This particular technology up gradation is resulting in increased capacity, reduction in cost of production of cement.

### **Cement Hazards and Health Risks**

Thousands of construction workers are exposed to concrete every day without harm Cement can cause ill health by skin contact, eye contact, or inhalation. Risk of injury depends on duration and level of exposure and individual sensitivity.

### **Controls risk factors**

The following are some basic recommendations for handling and using cement safely **Personal protection, Work practices, Hygiene, First aid, Training.**

### **Objectives**

- ❖ To find out the growth and development of cement sector in India.
- ❖ To find out the Significance of cement sector in India.
- ❖ To examine the role and importance of cement in infrastructure development of India.

### **Research Methodology**

The method of study is descriptive. The study surveys from books, reports, journals and from self-knowledge.

### **Cement Industry's Performance**

The Cement Industry witnessed slowdown in cement demand in the year 2013-14 due to fall in construction activity, prolonged monsoon, with floods and cyclones that hit some parts of the country, financial constraints and increasing rate of interest, and virtual drop in Government spending which had led to slowdown in realty and infrastructure sectors. During the year 2013-14, cement production, as per the Office of the Economic Advisor, Department of Industrial Policy & Promotion (DIPP), was 255.57 Mn.t. as against 248.23 Mn.t. in the previous fiscal, registering a growth of 2.96% as against 7.7% in the previous year 2012-13. New capacities in the pipeline materialized and lack of demand resulted in further decline of capacity utilization of the Cement Industry. Cement is one of the core industries and an important contributor in infrastructure growth. Cement has a direct co-relation of 1:1.2 with the GDP. But, it has witnessed lower growth than GDP. In view of the downward revision of the previous year's production figures from Cement Industry's Outlook - (2014-15)

### **Government Initiatives**

The Government of Tamil Nadu has launched low priced cement branded 'Amma' Cement. The sale of the cement started in Tiruchi at Rs.190 (US\$ 3.05) a bag through the Tamil Nadu Civil

Supplies Corporation (TNCSC). Sales commenced in five godowns of the TNCSC and will be rolled out in stages with the low priced cement available across the state from 470 outlets.

- ❖ The Government of Kerala has accorded sanction to Malabar Cements Ltd to set up a bulk cement handling unit at Kochi Port at an investment of Rs 160 crore (US\$ 25.68 million).
- ❖ The Andhra Pradesh State Investment Promotion Board (SIPB) has approved proposals worth Rs 9,200 crore (US\$ 1.47 billion) including three cement plants and concessions to Hero Moto Corp project. The total capacity of these three cement plants is likely to be about 12 MTPA and the plants are expected to generate employment for nearly 4,000 people directly and a few thousands more indirectly.
- ❖ India has joined hands with Switzerland to reduce energy consumption and develop newer methods in the country for more efficient cement production, which will help India meet its rising demand for cement in the infrastructure sector.

The Government of India has decided to adopt cement instead of bitumen for the construction of all new road projects on the grounds that cement is more durable and cheaper to maintain than bitumen in the long run.

### **Key Drivers of Cement Industry**

- ❖ Real Estate Market
- ❖ Infrastructure Spending

- ❖ Various Governmental programs like National Rural Employment Guarantee
- ❖ Low-cost housing in urban and rural areas under schemes like Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Indira Aawas Yojana
- ❖ New Township Development

### **Recommendations**

Fiscal support to housing and roads could accelerate the demand for cement quite substantially. Given the housing shortages in rural and urban areas and given the increase in the cost of affordable house income tax relief for the interest paid on the house building loans may be extended from Rs.1.5 lakh to Rs.4 lakh per annum.

- ❖ Cement is highly taxed commodity in India. The overall rate of tax on cement was estimated to 30% compared to 19% in China and almost negligible in Thailand. Therefore tax burden on cement industry be lowered suitably.
- ❖ Excise duty on cement is currently being levied at mixed rates i.e. ad-valorem (on transaction value) plus specific (specific rate to be charged on the basis of MRP).
- ❖ Levy of Excise Duty on Cement should be simplified i.e. specific rate or as a per cent to Retail Sale Price with suitable abatement as is available in other commodities.
- ❖ There is no import duty for import of Cement into the country. This tax anomaly puts domestic manufacturers at a disadvantage. Thus such differences in tax treatment need to be removed to offer a level playing field to

domestic production vis-à-vis imports. The import of cement should also be with a duty of 5 per cent along with the applicable CVD.

- ❖ Import Duty on Coal, Pet Coke and Gypsum be abolished to be in line with the established principle that “Import Duty on Inputs should not be higher than on the finished product.” Further it is also recommended that Cenvat Credit be allowed on Clean Energy Cess.
- ❖ Electricity Duty & Water Cess be withdrawn.
- ❖ The royalty paid on lime stone should be neutralized for export of cement. This is consistent with the approach that domestic taxes are not exported.

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## THE ROLE OF E-HRM IN CONTEMPORARY HUMAN RESOURCE MANAGEMENT

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### ABSTRACT

*More and more organizations have been replacing face-to-face human resource management activities with electronic human resource management, E-HRM for short. E-HRM facilitates the HR function to create dynamic and operational capabilities and contributes greatly on HRM effectiveness. This article elaborates on E-HRM in detail on the following aspects: Introduction of E-HRM, types of E-HRM, role of E-HRM, factors influencing utility, effectiveness of E-HRM, determinants of attitude towards E-HRM and it is expected to help people understand E-HRM more comprehensively and systematically.*

**Key Words:** *e-HRM, HRM, ADRENALINE HRM*

### 1.1. INTRODUCTION ABOUT THE STUDY

Human Resources management is an organizational function that deals with issues such as recruitment and selection, training, appraisal, compensation and performance management of the employee. Human beings are also considered to be resources because it is the ability of humans that helps to change the gifts of nature into valuable resources.

It includes the activities which falls in the domain of human resource management are,

- ❖ Organization and job design
- ❖ Selection and staffing
- ❖ Training and development
- ❖ Human resource policies and practices
- ❖ Compensation and benefits
- ❖ Employee assistance
- ❖ Personnel research and Information system

This study deals with the current technological interpretation that makes the effective working of human resource department by digitalizing their firm with electronic human resource management system otherwise known as E-HRM.

### E-HRM

E-HRM is basically an intersection of human resources and information technology through HR software. This allows HR activities and processes to occur electronically. In simple, electronic human resource management (E-HRM) is the composite of databases, computer applications, hardware and software that are used to collect, record, store, manage, deliver, present and manipulate data of human resource.

Information system is a system, whether automated or manual that comprises people, machines and methods which is organized to collect, process,

transmit, and disseminate data that represent user information.

**Types of E-HRM**

There are three types of E-HRM. These are described respectively as Operational, Relational and Transformational.

- **Operational E-HRM** is related with administrative functions-payroll and employee personal data for instance. Operational type of HRM provides the choice between asking employees to keep their own personal data up to date through an HR website or to have an administrative force in place to do this.
- **Relational E-HRM** is related with supporting business processes by ways of training, recruitment, performance management and so forth. As to relational HRM, there is the choice between supporting recruitment and selection through a web-based application or using a paper-based approach (through advertisements, paper based application forms and letters etc.).
- **Transformational E-HRM** is related with strategic HR activities known as knowledge management, strategic re-orientation. As to transformational HRM, it is possible to create a change-ready workforce through an integrated set of web-based tools that enables the workforce to develop in line with the company's strategic choices or to have paper-based materials.

**1.1.1 AREAS OF E-HRM**

- ❖ Personal employee information.
- ❖ Wages and salaries.
- ❖ Succession planning.
- ❖ Calculation of Benefits.
- ❖ Training and development.
- ❖ Attendance.
- ❖ Performance appraisal.
- ❖ Strategic planning.

**1.1.2 NEED OF E-HRM**

- ❖ Storing information and data for each individual employee.
- ❖ Providing a basis for planning, decision making, controlling and other human resource functions.
- ❖ Meeting daily transactional requirement such as marking absent and present and granting leave.
- ❖ Supplying data and submitting returns to government and other statutory agencies.
- ❖ Technological advances
- ❖ Computerized information system
- ❖ Changes in legal environment.

**1.1.3 APPLICATIONS OF E- HRM**



**2.1. ABOUT HRM MODULE**

Adrenalin is web-based human resource software that automates the

entire HR processes to boost productivity. It is a Polaris Group Company. Polaris Builds, Maintains, Expands and Extends highly complex and integrated Financial Technology infrastructure. Adrenalin is a comprehensive solution that covers every aspect of the HR process spectrum: Workforce Administration, Recruitment, Performance Management, Talent Development, Payroll, HR Analytics, Enterprise Collaboration and Mobile.

Adrenalin's experience and knowledge gained as a result of being a 'pure-play vendor' over the years has been invested in re-engineering the product to bring in a modern interface, making it accessible on smart phones and tablets, besides bringing in faster access to forms and simpler ways to complete transactions.

### 3.1. STATEMENT OF THE PROBLEM

With the advent of information technology, database management system is inevitable for any type of firm. It enables the centralized controlling system and enhances the decision making ability of management. Thus HRMS is important for maintaining the HR assets for organization. This study focus on the study of E-HRM systems of TMC

### 4.1 OBJECTIVES OF STUDY

- ❖ To analyze the effectiveness of HRMS used in TMC.
- ❖ To analyze the helpfulness of adrenalin in reducing the HR related cost for the organization.
- ❖ To know about the various modules of adrenalin system and its efficiency.
- ❖ To know the benefits and advantages for organization by using adrenalin systems.

## 5.1 RESEARCH METHODOLOGY

Research methodology is a systematic way to solve a problem. It is a science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. It is also defined as the study of methods by which knowledge is gained. Its aim is to give the work plan of research. A target of 150 respondents was set, but many of them provided incomplete questionnaire and having no experience of system knowledge therefore only 115 questionnaires were entertained for final analysis and data interpretation.

### 5.1.1 RESEARCH DESIGN

A research design is the "blue print" of the study. The research design was descriptive in nature. It helps to analysis fact finding of the problem. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

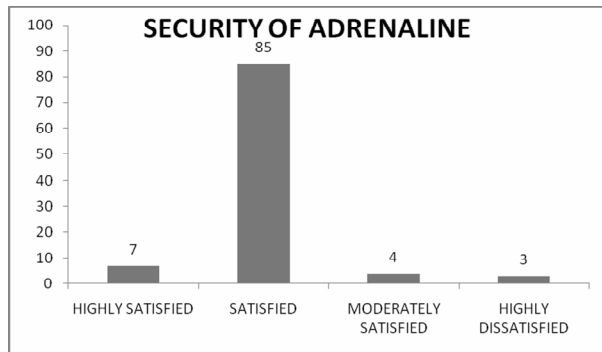
**TABLE NO: 1 Classification of security of adrenalin**

S. No.	Security of Adrenalin	No. of Respondents	Percentage
1	Highly satisfied	8	7
2	Satisfied	98	85
3	Moderately satisfied	5	4
4	Highly Dissatisfied	4	3
<b>Total</b>		<b>115</b>	<b>100</b>

**SOURCE:** Primary data



**CHART NO: 1**



**INTERPRETATION**

From the above chart, it is found that security of adrenalin is satisfied by 85% and highly dissatisfied for 3% of respondents.

**TABLE NO: 2 Classification of claims & Reimbursements**

S. No.	Claims & Reimbursements	No. of Respondents	Percentage
1	Always good	44	38
2	Good at sometimes	38	33
3	Satisfactory	29	25
4	Bad at sometimes	4	3
<b>Total</b>		<b>115</b>	<b>100</b>

**SOURCE:** Primary data

**CHART NO: 2**



**INTERPRETATION**

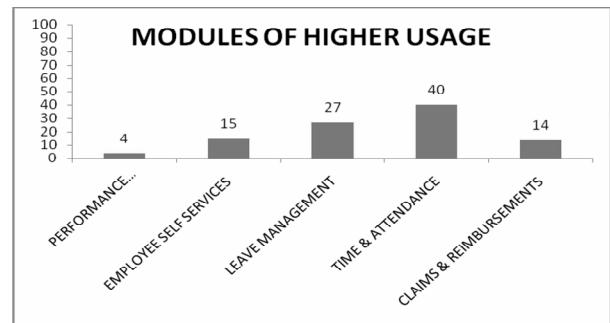
From the above chart, it is found that 38% of respondents say that claims & reimbursements are always good and 3% says bad at sometimes with use of adrenalin.

**TABLE NO: 3 Classification of Modules of Higher Operative**

S. No	Modules Of Higher Usage	No. of Respondents	Percentage
1	Performance Management System	5	4
2	Employee Self Services	17	15
3	Leave Management	31	27
4	Time & Attendance	46	40
5	Claims & Reimbursements	16	14
<b>Total</b>		<b>115</b>	<b>100</b>

**SOURCE:** Primary data

**CHART NO: 3**



**INTERPRETATION**

From the above chart, it is found that time & attendance module is used by 40% of respondents and performance appraisal is used by 4% of respondents.

**TABLE: 4**

**Correlations**

	Performance Appraisal	Efficient Use of Time
Performance Appraisal	1	.921**
	Sig. (2-tailed)	.000
	N	115
Efficient Use of Time	.921**	1
	Sig. (2-tailed)	.000
	N	115

Comparison of performance appraisal of adrenaline with helpfulness of adrenaline in efficient use of time using correlation analysis:

## HYPOTHESIS

### ❖ Null Hypothesis:

There is a positive relation between performance appraisal by adrenaline with efficient use of time

### ❖ Alternate Hypothesis

There is a negative relation between performance appraisal by adrenaline with efficient use of time

## 5.1 FINDINGS

- ❖ Security features of adrenaline is satisfied by 85% and highly dissatisfied for 3% of respondents
- ❖ 38% of respondents say that claims & reimbursements are always good and 3% says bad at sometimes with use of adrenaline.
- ❖ 55% respondents say that adrenaline is good and 7% says that it is bad in efficient utilization of time.
- ❖ In correlation analysis, it is found that calculated value is positive. Hence null hypothesis is accepted. There is a positive correlation among performance appraisal by adrenaline with efficient use of time

## 5.2 SUGGESTIONS

- ❖ Security features, user friendliness of the software are satisfied among the executives and GUI can be more interactive.
- ❖ Record maintenance and attendance system of the firm are satisfactory to the executives.

- ❖ Too much of icons and fields may create confusions, so that simplified menu styles can be made training schedules
- ❖ Training calendar of employee to be displayed and triggering e-mail to be sent prior as reminder for employee to make them comfortable with

## CONCLUSION

The study on E-HRM system in TMC pvt. ltd carried among 115 executives of Employees of Chennai plant. The main objective of the study is to analyze the effectiveness and efficiency of adrenaline HRMS used in organization and helpfulness to increase efficiency and reduce HR related cost. Generally the software is inevitable of human resource department, to reduce the time in maintaining of employee information and reduced paper work. 85% of the executives are satisfied in installation of software in Human resource information system. Executive are satisfied with the overall performance of Human resource department. Even executives are comfortable with the maintainability of software. The TMIC has to focus on the clarity and field style of the software. Majority of respondents feel they are comfortable and satisfied with the software which will develop the efficiency level of the organization goals in a better way.

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## **ELECTRONIC PAYMENTS TRANSFORMATION AND ITS IMPACT ON THE BANKING SECTOR**

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### **ABSTRACT**

*Digital Transformation is far beyond just moving from traditional banking to a digital world. It is a vital change in how banks and other financial institutions learn about, interact with and satisfy customers. An efficacious Digital Transformation begins with an understanding of digital customer behavior, preferences, choices, likes, dislikes, stated as well as unstated needs, aspirations etc.. And this transformation leads to the major changes in the organizations, from product-centric to customer-centric view. The most effective way to understand and bring the organization from traditional banking to digital banking is Omni-Channel approach. Omni-channel is a multichannel approach to customer service where all the channels are tightly integrated, keeping customer in the center of the integration.*

### **INTRODUCTION**

Digital payments in India are not limited to being an urban and affluent phenomenon. Trends show that future adoption and growth of such services will be driven by the next set of low income users. Currently, users of digital payments lie across a wide spectrum of income, consumption profiles, attitudes, pain points and motivations. While some of these needs have been addressed with current propositions, the rest present a huge opportunity to include masses into the envelope of digital payments use.

### **REVIEW OF LITERATURE**

Dannenber and Kellner (1998), in their study, overviewed the opportunities for effective utilization of the Internet with regard to the banking industry. The authors evaluated that appropriate application of today's cutting edge

technology could ensure the success of banks in the competitive market. They evaluated the services of banks via internet as websites provide sophisticated line of products and services at low price. The authors analyzed that transactions via internet reduce the risk of data loss to customers, chance to cut down expenses, higher flexibility for bank employees, re-shaping the 43 banks' image into an innovative and technologically leading institutes, etc .The researchers found that banks could move one step further by entering into a strategic alliance with internet service provider. So, the bank of tomorrow stands to be feasible with today's technology.

Daniel (1999), in his research paper, described e-banking as the newest delivery channel offered by the retail banks in many developing

countries. The objective of the study was to analyze the current provision of electronic services of major retail banking organizations in the UK. The researcher through a questionnaire found that 25% banks in the UK were those already providing e-banking services, 50% banks were testing or developing such services while 25% were not providing any e-banking services. Electronic channels, PC, digital TV and all these provide greater accessibility and services at lower price. To make services more adaptable, customers should be provided maximum choice and convenience. Restriction and limitation within organization to operate the services and its market share or strength were viewed as important to decide and operate the e-banking services.

Sathye (1999), in his research paper, explored the factors affecting the adoption of internet banking by Australian customers. The author stated that internet and other virtual banking had significantly lower the cost structure than traditional delivery channels. So, the banks should encourage customers to use internet for banking transactions. The author also emphasized that for adoption of internet banking, it was necessary that the banks offering this service made the consumers aware about the availability of such a product and explain how it adds value to the other products. The analysis of the study showed that security concerns and lack of awareness stand out as the reasons for non-adoption of internet banking by

Australian customers. However, internet should be considered as a part of overall customers' service and distribution strategy. These measures could help in rapid migration of customers to internet banking resulting in considerable saving of operating costs of banks.

Talwar (1999) examined the IT Revolution in banking sector which had not only provided improved service to the customer, but also reduced the operational cost. The author brought out that computerization of banks, introduction of Real Time Gross Settlement System, setting up of Infnit, Electronic Payment Products(such as Electronic Clearing Service) had ensured better resource management, systematic efficiency and substantially reduced inter-branch reconciliation entries. However fear of hacking, tampering of data, secrecy maintenance were certain issues which pose threats on usage 44 of electronic banking. The challenges in banking sector were manifold but still the constitution of National Payment Council by RBI and development of the integrated payment and settlement system was a step in this direction to remove the obstacles coming in the way of using electronic banking.

### **Types of Electronic Payment Systems**

Electronic payment systems have become more popular thanks to increased use of Internet shopping. These systems do not just involve Internet transactions, as there are more and more ways being developed to facilitate electronic money transfers. With increasing technology, the range of

devices and processes used to transact electronically continues to increase while the use of cash and check transactions is decreasing. This is mainly because it is much easier to carry cards or use cell phones to pay for purchases compared to cash.

### **CARDS**

These are the most common form of electronic payments. There are three types of cards: credit, debit and prepaid cards. They typically are made of plastic and have a magnetic stripe on the back of the card. The customer gives the merchant the card while shopping, and the merchant swipes the card through a terminal or puts the relevant information into a database, which is then delivered to the credit card company, who relays a confirmation message back to the merchant that the purchase was completed. This process typically takes only a few seconds to complete. Credit cards are an extremely popular form of electronic payment because you can use them almost anywhere for almost any kind of purchase, and you do not have to have cash on hand to pay for things.

### **INTERNET**

Internet payments involve a person transferring money or making a purchase online. Consumers have a choice of either transferring the money directly from their bank account, which can easily be accessed online, or they can use a credit, debit or prepaid card. Most people prefer to use the second option, especially when making online

purchases. This form of payment continues to increase in popularity with the ever-growing e-commerce industry.

### **MOBILE PAYMENT**

Although the number of transactions that can be carried out via a cell phone are limited, they still can be used to facilitate some electronic transactions. Mobile phone manufacturers have enabled their phones' software to allow users to access electronic commerce. In some countries, mobile service providers allow their customers to have a bank account on their cell phone numbers and can use the funds in their accounts to carry out transactions.

### **PERSON – PERSON PAYMENT**

These payments enable a person to pay another using an online account, a prepaid card or another mechanism that stores value. Various companies facilitating such payments are PayPal, Alert pay and Money bookers. These services can easily be accessed over the Internet via computers, phones and other devices. They provide an easy and secure means of making transactions online.

### **A PAYMENT IN INDIA AND CURRENT STATUS**

The payment system in any country needs to pass the litmus test of safety, security, soundness, efficiency, and accessibility. In order to address all these, payment systems have evolved from barter to currency, to payment systems, disrupting the monopoly of

physical/paper-based system by electronic ones digital systems.

There are basically two types of payment systems:

1. Paper-based, like Cheques and draft
2. Electronic payments, like ECS, NEFT, and RTGS; and payment systems extensively used by people at large, such as PPI, mobile banking, and ATM/POS.

### Paper Based System

- Cheques are one of the oldest payment systems offering a negotiable instrument to make payment.
- Recently the reserve bank of India has launched speed clearing for local clearance of outstation cheques drawn on core banking enabled branches of banks through the cheque truncation system (CTS) to restrict physical movement of cheques and enable use of images for payment processing.
- Several measures have been introduced, like magnetic ink character recognition (MICR) technology, to speed up and enhance efficiency in the processing of Cheques.
- Despite the continuing efforts to reduce the use of paper for transactions, 823 million cheques amounting to RS.61 trillion were used in the three quarters of the current financial year (2015/16).

### Electronic Payments – RTGS

Real Time Gross Settlement (RTGS), introduced in 2004, is a funds transfer systems where transfer of money takes place from one bank to

another on a "real time" and on "gross" basis. RTGS is primarily meant for large value transactions. It processes customer transactions above Rs.200,000 (US\$3,076) and is available between 9 AM and 4.30 AM on all the banking days. The RTGS is the largest payment system in India in terms of value and had handled Rs.729 trillion (US\$11.2 trillion) in 72 million transactions by Q3, FY 2016.

The table below has captured the data of last FY and till Q3 of the current FY for various payment systems.

Payment System	Volume (Mn)		Value (Rs. Trillion)	
	2014-15	Till Q3FY16	2014-15	Till Q3FY16
RTGS	92.78	72.03	929.33	729.23
Paper Clearing	1196.51	823.04	85.43	61.38
Retail Electronic Clearing	1687.44	2215.21	65.37	63.67
EFT/ NEFT	927.55	886.44	59.80	57.96
Prepaid Instruments	314.46	545.34	0.21	0.33
m- Wallet	255.00	452.86	0.82	0.14

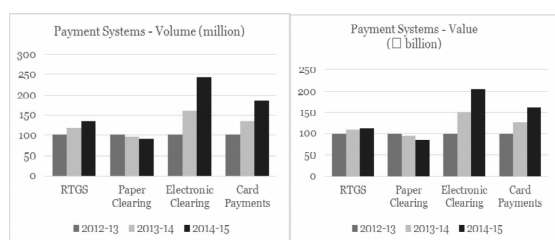
### Other Payments System

We have seen other innovative payment systems (like closed wallets, PPI, e Com, etc.) propelled by the environment and changes in the regulations. Pre-paid instruments (PPI) facilitate purchase of goods and services against the value stored on these instruments. The PPIs can be issued in the form of smart cards, magnetic strip cards, Internet accounts, Internet wallets, mobile accounts (issued by banks), mobile wallets, paper vouchers, etc. With 68.67 million transactions in December 2015, this has generated a throughput of Rs.44 billion (US\$682 million) - an average ticket size of Rs.646 (US\$10).

With the ever increasing penetration of mobile phones, RBI brought out a set of operating guidelines on mobile

banking for banks in October 2008, under which only banks were permitted to offer mobile banking. With almost all banks promoting mobile banking, the latest data as of Q3, FY16 shows that a significantly lower number (39 million) of mobile banking transactions resulted in throughput of more than 11 times (Rs.490 billion – US\$7.5 billion), of PPI.

Debit cards in India have overtaken credit cards. As of December 2015, there are more than 630 million debit cards as against 22.75 million credit cards. With about 193,000 ATMs and 1.25 million POS, debit cards are generating 816 million transactions per month comprising Rs.2.3 trillion (US\$35 billion) in retail payment.



The last 3 years' trends clearly show the direction of the market – less and less paper, and more and more electronic payments – with all electronic categories growing both in volume and value terms. The electronic clearing comprising of ECS, NEFT and IMPS are growing at the highest rate. With this and the new Payment Banks, there will be ever-increasing focus on electronic payments. These will be accessible to a large section of society at remarkably low cost. Since June 2015, electronic transactions of EFT/NEFT has surpassed paper-based, in volume terms. Even in value terms, this has overtaken

beginning September 2015, highlighting a clear trend towards adoption of electronic payments over paper-based payments.

**PREPAID WALLETS:** In 2009-10, the RBI had issued 26 prepaid payment instrument licenses (PPI). PPI issuers could wallets that enabled payments without 2F authentication. As a result, two types of PPIs emerged.

**MOBILE WALLETS:** These are app-based stored value accounts, funded through credit/debit cards or via net banking. Pay tm, mobikwik, free charge and citrus pay are some well-known Mobile wallet examples. These wallets are primarily used for mobile recharges and bill payments.

## BARRIERS IN ADOPTING DIGITAL PAYMENTS

A real problem that is also presented by digital payments is the perception of inferior technology and poor supporting infrastructure many merchants do not want to try digital payments as they are wary of technical issues during the transaction leading to them being stuck between the payment service provider and customer. Merchants would also prefer having a physical access point managing disputes or for query resolution.

The Indian economy is predominantly cash-driven with only 5 per cent of the country's Personal Consumption Expenditure done electronically. This shows that there is a huge unexplored market for payment companies. It will require all players



across the payments value chain to create much greater innovation in payment services. In other words, greater competition and collaboration will be beneficial for all segments like consumer, financial institutions, merchants as well as the government by creating innovative solutions that meet the needs of different segments of the society.

However, the current scenario does not provide conducive environment for innovation, given that over 90 per cent of the markets electronic flows (this includes ATM volumes, POS volumes and E-commerce) are controlled by one network National Payments Corporation of India (NPCI). If we create an open environment and allow technology and service companies to participate, it would make much greater payment service proliferation possible in the country with greater innovation. Habit to use cash, complexity and perceived lack of value proposition key barriers to adoption. Security, identity theft and fraud are big barriers in India.

#### **DRIVERS OF GROWTH IN DIGITAL PAYMENT**

The growth of the Indian digital payments space is expected to be driven by four trends that are also likely to impact how this industry looks in future.

1. Indian going digital
2. Favorable regulatory environment
3. Emergence of Next gen payment service providers.
4. Enhanced customer experience

#### **India going digital**

India is rapidly evolving into a digital rising smart phone penetration and internet access have ensured that Indian consumers stay constantly connected. This is also reflected in the growth of digital transactions. The internet network with increased 3G and 4G penetration even in the remotes parts of the country, the internet network in India is rapidly expanding. The national optical Fibre network (NOFN) Initiative by digital India is set to provide broadband connectivity to cover 250,000 Gram panchayatas across rural India. While 70 percent of rural users currently access the internet from their mobile handsets, the initiative is expected to increase the adoption of data enabled devices in these developments in place, we expect around 90 percent of all devices to be internet enabled by 2017 and the number of internet users to double to nearly 650 million by 2020 from the while 300 million in 2015.

#### **Favorable regulatory environment**

A lot is changing in the payments world. The government and concerned regulators have this and have constantly kept pace with the rapidly changing environment vis-à-vis technology and customer expectations. However, this is still the beginning and lots more needs to be done in this space to make it conducive for payments business to succeed in the country.

#### **Emergence of next gen payment service providers**

India has witnessed significant payments activity in the last 3-4 years.

The competitive digital payment landscape in the India now span stelcos, banks wallet companies, e-commerce / tech firms and, in the near future, payment banks.

### **Enhanced customer experience**

Indian customers are now used to a superior experience owing to the popularity of e-commerce, and are demanding a similar experience from their financial services providers as well. This includes seamless access to bank account and payments, coupled with rewards , loyalty and offers.

### **The Future of India's Payments System**

Looking at the trends, we can be sure that electronic payments is the future and that digital will redefine the payment systems of years to come. This will be significantly more pronounced with the entry of 11, resource-rich, technology-focused payment banks in 2016/17. Based on our experience, these are some of the broad trends that will redefine payment systems in India:

- a. **Inter-operability:** With a myriad of payment service providers servicing millions of customer accounts, the time is ripe to unleash network effects through inter-operability between various digital channels.
- b. **Proliferation of acceptance networks:** As of now, India has about 1.2 million POS terminals. This needs to increase rapidly (some estimates suggest it should expand to around 20 million), given India's population, geography, number of merchants, etc.

- c. **Government initiatives:** The Government of India has been at the forefront in the drive to encourage digital payments. Furthermore, it is working to use direct benefit transfers for its various schemes and thus deliver entitlements directly into beneficiaries' accounts, identified and authenticated by the *Aadhaar* system. Buoyed by the success of DBT for LPG, the Union Budget 2016 announced trial of DBT for fertilisers.

- d. **Customer convenience and affordability:** With a critical mass of 50 million transactions per month happening over mobile wallets – increasingly in rural areas of country, the continued focus on convenience (without losing sight of security and risk mitigation) will be essential. There are very real concerns about client service and protection that should be addressed urgently. With this, and a low-cost 24X7 backbone offered by IMPS, the time is ripe to reduce the transaction cost for the customer. This would be something that will be hastened with the entry of new players.

Given various experiments and initiatives in the market, they need to ensure safety and security of transactions, in addition to adding convenience for the customer and affordability for the service provider.

### **Conclusion**

Technology is making digital payments simpler smart phone penetration, ubiquitous connectivity, biometrics,

tokenization, cloud computing and the internet of things are a few trends that will shape the way consumers transact in the future. The government and regulators have to take a long-term view to build a sustainable digital payments market. Regulators need to emphasize awareness on cost of cash and incentivize the use of non-cash instruments, while the government needs to shape policy that simplifies KYC requirements, making digital payment transactions more user friendly. Government investments in building merchant acceptance networks, setting up common payments infrastructure and developing a proper framework for grievance redressal are also essential.

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## A STUDY ON EMPLOYEE EMPOWERMENT AT ADVANCED SOLUTIONS, CHENNAI

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### ABSTRACT

*In recent years, empowerment has been given a great deal of attention due to its influence on organisational effectiveness and innovation. Employee empowerment starts with the concept of strategic fit between people, tasks, technology, information process, rewards and organisation can work efficiently. Employees with strong organisational commitment are emotionally attached to the organisation and have strong desire to contribute significantly towards organisational success. This leads to increased competitiveness, accountability, risk taking, highly innovativeness, low wastage, and the desire to improve overall job performance. The study was made at Avacend Solutions private limited. This study concentrates on analysing the various factors influencing employee empowerment. The objectives of the study were to understand the empowerment culture at Avacend Solutions systems, to evaluate the employee's participation in decision making, to analyse the reward system, to study the interpersonal relationship of employees with top management.*

### I. INTRODUCTION

Employee empowerment is not a new innovative word. It is being used for many decades. But now employee empowerment has become a buzz word in recent management trends in both private and public sectors. Employee empowerment received a wide recognition as an important subject in management circles mainly because it seen as one of the fundamental elements of organizational effectiveness that increases when power and control are shared in organisation. Employee empowerment can be applied universally across all organisations as mean of dealing with the modern global business. Generally employee empowerment comprises of an innovative approach with people

and a shift of power from the top management to lower level of an organisation. Researchers and leaders worldwide have advocate for empowerment of employees in all organisations that are committed to employee empowerment is also seen as a motivational technique if it is designed and nurtured properly in organisations.

Thus employee empowerment leads to improved performance of the organisation through increased level of employee participation and self-determination. Basically employee empowerment is mainly concentrated with trust, motivation, decision making and breaking their inner boundaries between management and employees. Employee empowerment is one of those terms that everyone thinks they

understand, but few really do. Some writers indicate that empowerment consists of sharing power and authority. Others say that empowerment occurs when the organisation's processes are set-up to allow for it. A primary goal of employee empowerment is to give workers a greater voice in decisions about work-related matters.

Employee empowerment is a process whereby: a culture of empowerment is developed; Information in the form of a shared vision, clear goals, boundaries for decision making, and the results of efforts and their impact on the whole is shared; competency in the form of training and experience is developed; resources, or the competency to obtain them when needed to be effective in their jobs, are provided; and support in the form of mentoring, cultural support, and encouragement of risk-taking is provided. Employee empowerment may be understood as a strategy and philosophy that allows employees to make decisions about their jobs. Such strategy helps employees own their work and take responsibility for results of their decisions. Employee Empowerment is not an activity, but a process which enables the employee to think, act and control work independently. This tends to give a sense of elation to the employee who feels self-empowered.

Where an organisation wishes to motivate, develop and retain employees; empowerment can prove to be a very powerful tool in achieving this end. Employee empowerment Improved employer satisfaction, By being shared,

organizational power can grow, Employees to perform better, Increases trust in the organization, Reduces Turnover rates. First, empowerment can strengthen motivation by providing employees with the opportunity to attain intrinsic rewards from their work, such as a greater sense of accomplishment and a feeling of importance. Intrinsic rewards such as job satisfaction and a sense of purposeful work can be more powerful than extrinsic rewards such as higher wages or bonuses. The second means by which employee empowerment can increase productivity is through better decisions. Especially when decisions require task-specific knowledge, those on the front line can often better identify problems. Informal participative decision-making programs involve managers and subordinates making joint decisions on a daily basis.

The success of empowerment also often hinges on whether employees want to participate in decision making. Some employees, for instance, have no desire to make work-related decisions. All possible solutions are equally effective. For example, consider employee vacation schedules. If one solution is as good as another, employee groups can be empowered to work out the scheduling.

The group's acceptance of our commitment to effective implementation is crucial and the group is unlikely to accept a manager's unilateral decision. If employees' acceptance is crucial, participative decision-making should be used. As alluded to previously,

employees tend to accept decisions more willingly if they have had a voice in the decision-making process. One caveat is that the participation should be genuine; managers should not ask for employee input simply to give the appearance of participation. Employees can usually recognize this ploy and, if they do, feelings of distrust will likely develop. Employees' goals are aligned with those of management. If employees do not share management's goals, participative decision-making would be inappropriate, because the two parties would be at odds.

Empowerment, if it is to be implemented effectively, calls for a culture change for the typical organization. Leaders must learn to be visionaries who can provide an idea to which employees will want to dedicate themselves. Supervisors must change their ways of supervising and learn to be coaches and mentors. Top management of the organizations must develop trust with their employees by sharing important pertaining to the work with them. Employees must also be provided with effective training programs so as to increase their self-confidence to accept the responsibility.

## II. AVACEND SOLUTIONS – COMPANY PROFILE

Avacend Solutions is an Atlanta-based, global telecom technology firm, specializing in converging communications, broadband network services, solutions and innovations. With two distinct practice areas, centred on the Telecom and Technology sectors, Avacend

Solutions provides value-added network planning, design, installation, and optimization and deployment services. These behind-the-scene services enable seamless, anytime, anywhere access to information and entertainment. Historically, Avacend Solutions roots originate in the Telecom Services sector, where we have played a critical role in helping to implement network infrastructures worldwide for major global operators and OEM's. Avacend Solutions will continue to play an important part in this arena by helping to design and deploy Fourth Generation (4G) technologies such as LTE and WiMAX. Over time, Avacend Solutions has diversified their consulting services model to include Technology Services in areas such as project management, data analytics & visualization, IT infrastructures management, and software development.

Avacend Solutions Technology Services division continues to evolve from simple staff augmentation to turnkey, fixed-bid solutions to help customers in supply chain logistics, telecommunication, and cable, big 4 consulting companies minimize costs and mitigate risks. A very important element to the technology services we provide is Avacend Solutions Innovation Centre focused on advanced analytics, cloud delivery, big data, and enterprise social to enable data driven decisions and collaboration. Avacend Solutions played a significant role in the design, deployment and ongoing optimization of the current 3G broadband networks in the U.S and globally in Canada and Asia. While we continue to complete the

3G deployments, we began the next generation 4G / LTE networks for our Carrier and OEM clients. Avacend Solutions is also playing an important role in migrating, rationalizing and integrating from older 2G/3G networks to improve efficiencies, coverage and capacity for better customer experience. The public and private Wi-Fi networks once thought off competing technology for mobile broadband, now has evolved to be an excellent complement to enable increased coverage, offload backhaul traffic for improved cost efficiencies.

Avacend Solutions provided project management services to enable large Wi-Fi projects in stadiums, parks, Universities, airports across the country. It has become a connected society now with estimated 5 billion mobile subscribers by 2016 and 50 billion connected devices by 2020. This "always on" connectivity of people, devices and "things" has the potential to profoundly change all aspects of life on this planet: Education, health, commerce, employment, poverty, pollution, books, music, movies and more Consumers, enterprises, governments and other organizations are benefiting from ever increasing choices and power of mobile devices with increasing capabilities, to provide great user experiences. But the need for "behind the scene" network engineering expertise needed to design, deploy and continue to optimize ever increasing traffic is critical. Avacend Solutions is committing to continue play a significant role in this mobile revolution. The combination and convergence of Cloud Services, Bring

Your Own Devices (BYOD), Big Data and Enterprise Social technologies can be considered a "perfect storm" for rapid innovation for smarter communities, cities and planet. Avacend Solutions is investing to leverage these emerging trends to offer innovative solutions in advanced Analytics and Visualizations to help organizations to make better decisions for proactively managing their businesses for improved business outcomes.

### III. REVIEW OF LITERATURE

The research of Sanjay Menon, (2001) extends existing perspectives on empowerment by incorporating the empowering effect of valued goals, such as those provided by transformational leadership. Goal internalization was identified as a major component of the psychological experience of empowerment, in addition to the two traditional facets of perceptions of control over the work environment and perceptions of self-efficacy or competence. The implications of defining empowerment as a psychological state and the need for multiple measures of empowerment are also discussed.

Isaiah O. Ugboro·Kofi Obeng, (2001) in their research stated that top management leadership and employee empowerment are considered two of the most important principles of total quality management (TQM) because of their assumed relationship with customer satisfaction. This study surveyed organizations that have adopted TQM to determine the relationship between top management leadership, employees'

empowerment, job satisfaction, and customers' satisfaction. The results reveal positive correlation between top management leadership, employee empowerment, job satisfaction, and customer satisfaction. Employee empowerment and improved levels of job satisfaction are facilitated by top management leadership and commitment to the TQM goal of customer satisfaction by creating an organizational climate that emphasizes total quality and customer satisfaction. Effective strategies for achieving employee empowerment and job satisfaction, together with top management leadership roles in a TQM environment, are identified and discussed.

In the study of Mary Ann Hocutt, (2000) Predictions from a service recovery model regarding employee and customer responses to empowerment in a restaurant context were examined in two experiments. Empowerment via training and autonomy led to higher service employee satisfaction. Greater customer satisfaction following a service failure was created by higher employee responsiveness and empathy during a service recovery.

The research paper of Conrad Lashley, (1999) suggests that a framework of analysis needs to be developed which goes beyond the more simplistic claims which tend to discuss empowerment as that which is labelled empowerment. The success or failure of an initiative which claims to be empowering will be determined by the experience of being empowered. The empowered employee is said to respond

more quickly to customer service requests, act to rectify complaints and be more engaged in service encounters.

The findings of the study conducted by Kay Greasley, Alan Bryman, Andrew Dainty, Andrew Price, Robby Soetanto, Nicola King, (2005) indicate that there can be a gap between the employee experience and the management rhetoric. Health and Safety issues were often cited by the employees as a major barrier to empowerment. The strict Health and Safety regulations under which construction employees operate limit their freedom to influence the work that they undertake. A further factor that was found to have a strong influence on the diffusion of empowerment was the role of the employees' immediate supervisor.

#### **IV. STATEMENT OF PROBLEM**

In today's competitive world, the duration of the product life cycle is decreasing and customers are constantly looking for newer & innovative products. So companies are pushed to a situation where they have to fasten the decision making process so as to meet the requirements of their internal & external customers on time. In order to fasten the decision making process, companies have to eliminate the traditional practice of making employees rely on their superiors for the entire day to day decision making. Empowerment is the process of authorizing an individual to think, behave, take action, control work and decision making in autonomous ways. Empowerment can be



a major contributor to the successful performance of an organization by giving the responsibility and power to the employees. The objectives of the study were to understand the empowerment culture at Avacend Solutions systems, to evaluate the employee's participation in decision making, to analyse the reward system, to study the interpersonal relationship of employees with top management.

## V. OBJECTIVES OF THE STUDY

1. To study about the effect of monetary and non-monetary benefits provided by the organization on the employee's performance.
2. To analyze the effect of job empowerment on employees.
3. To examine the employee's satisfaction on the interpersonal relationship exists in the organization.
4. To suggest measures for the improvement of organization's performance

## VI. RESEARCH METHODOLOGY

### 6.1 RESEARCH DESIGN

The type of research design used was descriptive research design.

### 6.2 SAMPLE DESIGN

The sample design used for this study is disproportionate stratified random sampling.

### 6.3 POPULATION

A research population is also known as a well-defined collection of individuals and the employees of Avacend solutions population covers 725 Employees.

## 6.4 SAMPLE SIZE

The survey covers the employees of Avacend Solutions systems, Chennai with a sample size of 100.

## 6.5 SOURCE & TOOLS FOR DATA COLLECTION

The data collected were both primary & secondary in nature. Primary data collection techniques used in this study is Questionnaire Method. Questionnaire was circulated to 100 respondents. In this study various questionnaire techniques are used and they are: Closed Ended Questions and Open Ended Questions. The sources for secondary data were organizational records, journals and magazines.

## 6.6 TOOLS FOR DATA ANALYSIS

The collected data has been analysed using statistical tools such as Karl-Pearson coefficient of correlation, interval estimation, Anova, chi-square, percentage analysis and weighted average method.

## VII. DATA ANALYSIS AND INTERPRETATION

### 1. Table showing experience

S. No.	Experience in Years	No. of Respondents	Percentage %
1	Below 1	23	23
2	1-3	27	27
3	3-5	27	27
4	5-8	14	14
5	Above 8	9	9
Total		100	100

From the above table it was found that 23% of respondents have below 1 year experience, 27% of respondents have 1-3 years of

experience, 27% of respondents have 3-5 experience, 14% of the respondents have 5-8 years of experience, and 9%

respondents have above 8 years of experience.

## 2. Table showing the rank showing Employee satisfaction in the organization

Factors	1	2	3	4	Total	Total Avg = Total/TW	Rank
a) responsibility and accountability	33	12	36	19	259	25.9	1
b) work related stress	26	27	24	23	256	25.6	2
c) my job more convenient for clients	13	36	42	9	253	25.3	3
d) my job easier, faster and effective	28	12	37	23	245	24.5	4

It is inferred that Empowerment increases responsibility and accountability has been Ranked as No 1, Empowerment reduces work related stress has been ranked as No 2; Empowerment makes my job more convenient for clients has been ranked as No 3 and Empowerment makes my job easier, faster and effective has been Ranked as No 4.

## 3. Table showing factor that influences employee empowerment

S. No.	Influences employee empowerment	No. of Respondents	Percentage %
1	Message connect	23	23
2	Insufficient training	27	27
3	Reluctant managers	23	23
4	Breakdown of organizational structure	27	27
5	Others	0	0
Total		100	100

From the above table it was found that 27% of respondent says that insufficient training are the factors

influencing employee empowerment and 27% of respondent says that Breakdown of organizational structure are the factors influencing employee empowerment.

## 4. Table showing suggestions for the improvement in the organization

S. No.	Suggestions	No. of Respondents	Percentage %
1	Leadership and employment	59	59
2	Safety management systems	23	23
3	Risk reduction	9	9
4	Performance measurement	9	9
Total		100	100

From the above table it was found that 59% of respondents suggest Leadership and employment improves the organization, 23% of respondents suggest systems improves the organization, 9% of respondents suggest Risk reduction improves the organization and 9% of respondents suggest Performance measurement improves the organization.

**5. Table showing important factor for employee empowerment**

S. No.	Employee empowerment	No. of Respondents	Percentage %
1	Job Design	23	23
2	Management support	45	45
3	Knowledge	9	9
4	Reward & Recognition	23	23
Total		100	100

From the above table it was found that 23% of respondents says that

job design are the important factor for employee empowerment, 45% of respondents says that Management support are the important factor for employee empowerment, 9% of respondents says Knowledge are the important factor for employee empowerment and 23% of respondents says that Reward & Recognition are the important factor for employee empowerment.

**6. Table showing the extent which management gives empowerment in job**

Sources	Never	Seldom	Sometimes	Often	Always	total
I know what my job requires from me	2	3	2	3	90	100
My works motivates me	3	2	5	5	85	100
I take initiative to work	1	2	1	1	95	100
Management sets a good example to employees	2	3	2	3	90	100
Management tries to solve my work related problems	3	2	5	5	85	100

**METHOD: H -TEST**

Null hypothesis  $H_0$  = There is no significant difference between the Management and job of the employees

Alternative hypothesis  $H_1$  = There is significant difference between the Management and job of the employees

**7. Table showing the Ranks**

Factors	Rank	Factors	Rank	Factors	Rank
1	2	2	7	5	18.5
1	2	3	13.5	5	18.5
1	2	3	13.5	85	21.5
2	7	3	13.5	85	21.5
2	7	3	13.5	90	23.5
2	7	3	13.5	90	23.5
2	7	3	13.5	95	25
2	7	5	18.5		
2	7	5	18.5		

Sum of Ranks

$$R_1 = 64.5, R_2 = 75, R_3 = 38, R_4 = 64.5, R_5 = 79$$

$$H = \frac{12}{N(N+1)} \left\{ \frac{R_1^2}{N_1} + \frac{R_2^2}{N_2} + \frac{R_3^2}{N_3} + \frac{R_4^2}{N_4} + \frac{R_5^2}{N_5} \right\} - 3(N+1)$$

$$H = \frac{12}{25(25+1)} \left\{ \frac{64.5^2}{5} + \frac{75^2}{5} + \frac{38^2}{5} + \frac{64.5^2}{5} + \frac{79^2}{5} \right\} - 3(25+1) = 1.86$$

Degree of Freedom =  $k-1 = 5-1 = 4$

Level of Significance: Here  $\alpha = 0.05$

Table Value = 9.488

Calculate Value < Table Value

$$1.86 < 9.488$$

Accept  $H_0$

There is no significant difference between the Management and job of the employees.

### 8. Table showing the rank organization that uses to identify the performance of the employees

Factors	1	2	3	4	5	Total	Total Average = Total/Total Weight	Rank
a) Cash Bonuses	41	29	10	8	12	379	25.3	2
b) Formalized Flex time Options	43	27	13	5	12	384	26	1
c) Adequate Salaries	40	22	18	10	10	372	25	3
d) Supervisor Training & Consistency	31	27	22	13	9	358	24	4
e) Appreciation of Work Contribution	25	29	25	10	11	347	23.1	5

#### Weighted average method

Weighted Average Method

$$= [(R_1 \times W_1) + (R_2 \times W_2) + (R_3 \times W_3) + (R_4 \times W_4) + (R_5 \times W_5)]$$

$$= [(41 \times 5) + (29 \times 4) + (10 \times 3) + (8 \times 2) + (12 \times 1)]$$

$$= [(205) + (116) + (30) + (16) + (12)] = 379$$

Weighted Total =

$$[(43 \times 5) + (27 \times 4) + (13 \times 3) + (5 \times 2) + (12 \times 1)]$$

$$= [(215) + (108) + (39) + (10) + (12)] = 384$$

Weighted Total =

$$[(40 \times 5) + (22 \times 4) + (18 \times 3) + (10 \times 2) + (10 \times 1)]$$

$$= [(200) + (88) + (54) + (20) + (10)] = 372$$

Weighted Total =

$$[(31 \times 5) + (27 \times 4) + (20 \times 3) + (13 \times 2) + (9 \times 1)]$$

$$= [(155) + (108) + (60) + (26) + (9)] = 358$$

Weighted Total =

$$[(25 \times 5) + (29 \times 4) + (25 \times 3) + (10 \times 2) + (11 \times 1)]$$

$$= [(125) + (116) + (75) + (20) + (11)] = 347$$

It is found from the analysis that Formalized Flex time Options has been ranked as No. 1, Cash Bonuses has been ranked as No. 2, Adequate Salaries has been ranked as No. 3, Supervisor Training & Consistency has been ranked as No 4, and Appreciation of Work Contribution has been ranked as No. 5.

#### ONE WAY ANOVA- I

##### FORMULATION OF HYPOTHESIS

H<sub>0</sub>: There is no significant difference between the factors of Motivation and mutual trust among employee and top management enhance empowerment

H<sub>1</sub>: There is significant difference between the factors of Motivation and mutual trust among employee and top management enhance empowerment.

### 9. Difference between the factors of Motivation and mutual trust among employee and top management enhance empowerment

Factors	Strongly Agree	Agree	Neither agree Nor disagree	Disagree	Strongly Disagree	Total
Motivation enhance empowerment	24	20	12	21	23	100
Mutual trust enhance empowerment	24	17	19	24	16	100

$n = 10$

$G = 200$

$G^2 = 40000$

Correction Factor (CF) =  $\frac{G^2}{n}$

CF = 4000

Column Sum of Square

$$= \sum \frac{C_{ij}^2}{r_i} - C.F$$

$$= 4090 - 4000=90$$

Total Sum of Square (TSS)

$$= \sum Y_{ij}^2 - C.F$$

$$= 4148 - 4000=148$$

Error Sum of Square = TSS – CSS

E.S.S = 148-90= 58

Source of variation	Degree of freedom	Sum of Square	Mean of Square	F ratio	F table
B/w the factors of Motivation and mutual trust among	$c - 1$ 5-1=4	C.S.S = 90	$\frac{C.S.S.}{c-1}$ = 22.5	$\frac{22.5}{11.6}$ =1.94	$F(c - 1, n - c)$ $F(4,5) = 5.19$
Error	$n - c$ 10-5=5	E.S.S = 58	$\frac{E.S.S.}{n - c}$ = 11.6		
Total	$n - 1$ 10-1=9	T.S.S = 148			

d.f =  $(Y_1, Y_2) = (4, 5)$

Table value at  $\alpha$  (5%) =5.19[From the 5% table]

**Conclusion**

Calculated value < Table value = 1.97 < 5.19

Accept  $H_0$ .

There is no significant difference between the factors of Motivation and mutual trust among employee and top management enhance empowerment

**VIII. SUGGESTIONS**

- The Company may make every employee to participate in the target setting process. Since they are made

to participate in their own target setting, resistance will be less and employees will strive to achieve those targets.

- The Organization can go long way in empowering employees by asking their opinions and suggestions. This can be done by putting out suggestions boxes at all departments, asking for opinions at meetings and one to one. Take well intended suggestions in to considerations and let the employees realize that they do have a role in the overall success of the business. Then acknowledge their ideas that has been implemented and worked and all.
- Encouraging employees to make their own decisions on matters pertaining to their day-to-day work will help the superiors to focus more on their core work. This will save more time and decision making will be made faster
- The roles & responsibilities can be clearly explained so that there are gray areas when it comes too specific employees. That way, employees will know exactly what is expected of them and there will be no room for passing the buck. Additionally when the organization shows employees that it is entrusting them to complete responsibility for a task, it improves their confidence and boosts pride in their work.
- The findings show that the majority of the respondents feel that management support plays a crucial role in Employee empowerment. So

the management can always display its interest on the employees by listening their problems & other needs and fulfilling those needs.

- An important part of empowering employees is letting them know that their opinions are valuable for the organization. Adopting an open door policy lets employees know that the top management cares about what employees have to say and enables them to give their input and play an active role in the wellbeing of the business. Any employee who feels involved is an employee who is empowered.
- Provide means for employees to get whatever training that is necessary to attain their optimal performance so that they can truly master their job responsibilities. The organization must also show that it is interested in employee's professional success by making arrangements for them to attend career development seminars and courses. This will not only promote employee empowerment but will also gain employee loyalty and improve employee performance.

## IX. CONCLUSION

Empowering employees is the ongoing process of providing the tools, training, resources, encouragement and motivation to workers to make them perform at an optimum level. If an organization is looking for a way to speed up the process and to produce quality materials & services, it must focus on employee empowerment. When an organization trusts its employees, gives them timely information and the authority to find solutions, they will be

able to solve problems and provide solutions more rapidly than the organizations without the empowerment.

The findings of the study showed that employee relationship with top management is very positive. Employee's participation in decision making is also high. Most of the employees are also satisfied on the reward system prevailing in the organization. So there is a healthy empowerment culture prevailing in the organization. This study states that the company has earned a good reputation and the project report will definitely help the organization to bring better changes and to continue its excellence in the future

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## **A STUDY ON RECRUITMENT PROCESS AND ITS EFFECTIVENESS WITH SPECIAL REFERENCE TO FYMC PVT LTD, CHENNAI**

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### **ABSTRACT**

*Recruitment forms a major part of an organization's overall resourcing strategies, which identify and secure people needed for the organization to survive and succeed in the short to medium-term. This study was conducted to know the recruitment process as well as the effectiveness of the services provided for their clients. This study will enable the company to identify the satisfaction level of clients and know the response of their clients towards a cost effective method in choosing FYMC.*

### **I. INTRODUCTION**

According to Edwin B. Flippo, "Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization". Recruitment means to estimate the available vacancies and to make suitable arrangements for their selection and appointment. Recruitment is understood as the process of searching for and obtaining applicants for the jobs, from among whom the right people can be selected. Recruitment involves attracting and obtaining as many applications as possible from eligible job seekers. The concept of recruitment takes back to the years of 1940s during the World War II. The years of 1990s the online recruitment was introduced and various methods of scanning the candidates' takes place till date. This Project looks into one very specific issue within this category: Recruitment Process Outsourcing. This project

evaluates the effectiveness of recruitment process in FYMC in terms of recruitment, time to hire and to attract right kind of candidates. The recruitment process has five interrelated stages such as recruitment planning, strategy development, searching, screening and evaluation and control. Evaluation of Recruitment Process and Recruitment Methods are being used in order to evaluate the effectiveness of the company in order to determine whether it provides a cost efficiency services to its clients.

#### **1.1 The concept of recruitment outsourcing**

The umbrella concept of recruitment process outsourcing, or human resources outsourcing, emerged in the 1900s. There is no conclusive reason why such a strategy emerged at that specific time, but it is worth assuming that it had to do with the increase in overall outsourcing activities current then. The

definition of human resources outsourcing by Alewell, Hauff, Thommes and Weiland (2009) is well in line with the one utilized in this project. They state that outsourcing '*provides an external, market based alternative to internal procurement of HR functions and HRM,*' and is an excellent way of defining the core characteristics of such services. As opposed to human resources outsourcing, recruitment outsourcing as a subject is of much more recent origin. The earliest academic articles concerning it are from around the mid-2000s. Due to its short history, recruitment process outsourcing has not been extensively researched. Recruitment is often considered a vital process for any company, if not a potential source of competitive advantage. It deals directly with the current and future employees of the firm and is one of the core HR functions. Looking into the question of why firms are willing to let go of this process and what type of efficiencies can engaging in outsourcing activities bring to them, is the core theme of this project.

## 1.2 Factors influencing recruitment

### □ Strategic plans

The steps most commonly used in developing an HR strategy:

- Setting the strategic direction
- Designing the Human Resource Management System
- Planning the total workforce
- Generating the required human resources
- Investing in human resource development and performance
- Assessing and sustaining organizational competence and performance.

### □ Recruitment Criteria

- ✓ Technical criteria, i.e. know-how, professional skills, and experience in your field.
- ✓ The candidate's personality and charisma are the most influential criteria in the process of recruitment in France.
- ✓ Communication skills and the knowledge of foreign languages are also very important, to ensure the smooth flow of communication between the company and its subsidiary.

## II. FYMC Pvt. LTD – COMPANY PROFILE

FYMC means "Faithfully Yours Management Consultant Private Limited". FYMC started in January, 1999. Today 927 Clients have already experienced their Services. FYMC is a Private Limited Company having offices in Chennai and Bangalore. FYMC name is a reflection of their service committed and also passion to help people. They registered FYMC as their brand name. FYMC logo reflects the sign of progress. You can also see F & Y inside symbol with a human face. Reputed Clients from 22 cities in India, MNCs from 7 countries across the world experienced their services. 3 Key Service: Corporate Learning and Development, Recruitment & Search and Coaching & Personality Profiling. More than Two Lakhs People experienced FYMC Learning and Development programme. Every day, Minimum One Indian gets job through FYMC. More than 50000 Personality and Leadership Profiling done for



Corporate Leaders, Executives. FYMC is a Pioneer Organisation in Learning & Development field in India. FYMC is well known in Industry for conducting Soft skills Training Programs. FYMC have conducted Soft skills Training Programs for more than 500 reputed companies in 21 different types of Industries in India. FYMC has a qualified and experienced Faculty Team to Present Quality and Result Oriented Learning Programs. Thousands of Corporate Executives have benefited through their Learning Programs. FYMC are unique in the way they design the Program. It is very lively, productive and result oriented.

### **2.1 Recruitment**

FYMC have their own candidate network. They can recruit multiple requirements across the level in many verticals. FYMC offered Recruitment Services to range of industries such as Automobile, Bank and Financial Institutions, Buildings and Construction, Energy, FMCG, Garments & Apparel, Hotel and Hospitality, Infrastructure, Information Technology, ITES, Jewel and Ornaments, Logistics, Oil, Power, Pharmaceuticals, Real Estate, Retail, Shipping and etc. . They have recruited more than 288 leaders as CEO, COO, Directors, Vice President, General Manager and Manager Level.

### **2.2 Training Programme**

FYMC have conducted training programs in variety of topics for various levels in the Organization. FYMC conducted training's on Team Building,

Supervisory Skills Programs, Managerial Development Programs, Leadership Development Program, Selling Skills Program, OBT and the list goes on. Technical Programs: FYMC conducted Technical Programs Such as: Total Productive Maintenance (TPM) & Total Quality Management (TQM), Measurement System Analysis (MSA), Advanced Product Quality Planning (APQP), Advanced Excel, MS Office, and Speak in English, etc.

### **2.3 Personality Profiling**

It just takes 20 minutes to discover your strengths and weakness for understanding the Personality. PPT can give a clear picture about who you are and how you manage things in personal and professional life. Many managers, corporate executives take this test to know about their self for further development. Their reputed Clients use the PPT to assess the Talent for Recruitment, Know them for further Learning and Development, Coaching, Appraisal, Identifying the Managerial and Leadership Competencies. They have Internationally Certified Coaches and Examiners to assess and give the inferences about the test report. PPT Test Reports will be simple and effective way.

### **2.4 Executive Coaching**

Coaches will enable the Executives to discover the Strengths and Weakness in a Professional Way. At the end of the executive coaching program, they gain clarity to establish clear goals and take steps to achieve it

effectively. It improves their self-confidence, self-motivation and team managing capability. Since it is a One to One Program, Self-Realization and Possibility of Change is very high.

### III. REVIEW OF LITERATURE

According to Windolf (1986), the choice of a particular recruitment strategy by a firm is specific to the resources available to the organization at hand and its environmental dynamics. Boxall, Purcell and Wright (2007), highlight five different questions an organization has to answer to have an effective recruitment strategy in order to pursue its survival and success.

As discussed by Jackson et al. (2009), human resource management approaches in any business organization are developed to meet corporate objectives and materialization of strategic plans. The nature of recruitment and selection for a company that is pursuing HRM approach is influenced by the state of the labour market and their strength within it. Furthermore, it is necessary for such companies to monitor how the state of labour market connects with potential recruits via the projection of an image, which will have an effect on and reinforce applicant expectations. Bratton & Gold (1999), were of the view that organizations are now developing models of the kind of employees they desire to recruit, and to recognize how far applicants correspond to their models by means of reliable and valid techniques of selection.

Odiorne (1984), postulated that the quality of recruitment practices put

in place by an organisation is a function of the quantity of application that will be received; he stated further that the relative effectiveness of the next human resources phase (selection) is inherently dependent upon the quality of applicant attracted. Furthermore, Smith and Robertson (1993), agreed with the above assertion by stating that the more effectively the recruitment phase is implemented and carried out, the easier and accurate the selection process becomes in making decisions on which applicant to select. Odiorne (1984), added that the result of effective recruitment and selection are the reduction on labour turnover, good employee morale and improves organisation performance.

The recruitment process outsourcing (RPO) literature forms the fundamental part of this analysis. There is a sufficient amount of current research on the subject (i.e. Hauser, 2011) some of which is easily applicable to this research. Recurring themes in this stream of literature are the outsourcing decisions and their rationales (Legget, 2007) and the general benefit that may be acquired from the process, as evaluated by authors like Cappello and Constance (2011).

Another, more straightforward way of viewing this issue is evaluating the employer brand, which is composed of a mixture of conspicuousness, relevance and differentiation from competitors (Moroko & Uncles, 2008). Wang and Wang (2009) follow on the issue of employer brands, stating that during

the recruitment process candidates are exposed to indirect marketing of that company's corporate culture, and thus of the employer brand of the company they are applying to. Furthermore, the importance of employer branding has been seen as a critical factor influencing applicant pool sizes and quality (Collins & Han, 2004), making it an issue that has to be addressed when evaluating recruitment processes.

#### IV. STATEMENT OF THE PROBLEM

Recruitment is understood as the process of searching for and obtaining applicants for the jobs, from among whom the right people can be selected. Recruitment involves attracting and obtaining as many applications as possible from eligible job seekers. Recruitment forms a major part of an organization's overall resourcing strategies. This research evaluates the effectiveness of recruitment process in FYMC in terms of recruitment, time to hire and to attract right kind of candidates. Evaluation of Recruitment Process and Recruitment Methods are being used in order to evaluate the effectiveness of the company in order to determine whether it provides a cost efficiency services to its clients. The study focus on the various services provided to them such as responding on opening calls and order processing, understanding of client requirement, providing the quality candidates profile, duration of stay of the selected candidates. This study will enable the company to identify the satisfaction

level of clients and know the response of their clients towards a cost effective method in choosing FYMC.

#### V. OBJECTIVES OF THE STUDY

- To identify the attributes of recruitment process done by HR consultancy with special reference to FYMC.
- To understand the relationship between the clients' tenure of experience with FYMC and the cost effective services provided by the company.
- To find out the factor that influences the quality of profile delivered by the company.
- To give suggestions to improve the recruitment process in FYMC.

#### VI. RESEARCH METHODOLOGY

##### 6.1 RESEARCH DESIGN

This study is descriptive in nature.

##### 6.2 SAMPLING METHOD

The sampling method used in this research is convenience sampling.

##### 6.3 SAMPLE UNIT

The area selected for this study is AVR manufacturers in Chennai.

##### 6.4 POPULATION

Total number of clients at Faithfully Yours Management Consultant (FYMC) is 927.

##### 6.5 SAMPLE SIZE

Among 927 clients a sample size of 60 clients in the organization was selected for this study.

## 6.6. INSTRUMENT FOR DATA COLLECTION

Both primary and secondary data were used. Questionnaire was used to collect primary data from the Sample and secondary data were collected through magazines, newspapers and journals.

## 6.7. TOOLS FOR DATA ANALYSIS

According to the chosen methodological research approach the quantitative data were analyzed using Statistical tools such as percentage, chi-square test, Ordinal Regression and Spearman Correlation.

## VII. DATA ANALYSIS AND INTERPRETATION

**Table 7.1 Opinion on respondents understanding of job requirements in FYMC**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	8	13.33
2	Satisfied	42	70
3	Neutral	8	13.33
4	Dissatisfied	2	3.33
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

The above table shows the Opinion on respondents understanding of job requirements in FYMC. 83.33% of the respondents are highly satisfied and satisfied, 13.33% of the respondents are neutral due to proper understanding of the job description mentioned by the clients and 3.33% are dissatisfied due to not understanding of the actual knowledge of the candidate.

**Table 7.2 Level of Satisfaction regarding the quality of profile**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	8	13.33
2	Satisfied	30	50
3	Neutral	18	30
4	Dissatisfied	4	6.67
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

The above table shows the respondents satisfaction regarding quality of profile. 63.33% of the respondents are highly satisfied and satisfied, 30% is neutral and 6.67% of the respondents are dissatisfied due to the lack of candidates' eligibility to attend the interview.

**Table 7.3 Level of Satisfaction regarding the time taken to provide candidate requirements**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	6	10
2	Satisfied	42	70
3	Neutral	10	16.67
4	Dissatisfied	2	3.33
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

The above table indicates the respondents' level of satisfaction towards the time taken to provide candidate requirements. 80% of the respondents are highly satisfied and satisfied, 16.67% is neutral due to high coordination among the employees and the duration of providing candidates requirements can be met appropriately to the clients. 3.33% of the respondents

are dissatisfied due to inappropriate communication.

**Table 7.4 Level of Satisfaction towards performance of the candidates delivered by FYMC**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	4	6.67
2	Satisfied	26	43.33
3	Neutral	30	50
4	Dissatisfied	0	0
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

From the above table it is inferred that, 50% of the respondents are highly satisfied and satisfied and 50% of the respondents are neutral due to quality of selection of candidates by the recruitment manager with a thorough checking of the clients' job description & CV's.

**Table 7.5 Level of Satisfaction of cost effective method of hiring employee through FYMC**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	8	13.33
2	Satisfied	34	56.67
3	Neutral	18	30
4	Dissatisfied	0	0
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

The above table clearly shows the level of satisfaction towards cost effective method of hiring employees through FYMC. 70% of the respondents are highly satisfied and satisfied and 30% of the respondents are neutral due to effectiveness in training cost and recruitment cost.

**Table 7.6 Level of Satisfaction towards FYMC's candidates' period of employment**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	2	3.33
2	Satisfied	34	56.67
3	Neutral	22	36.67
4	Dissatisfied	2	3.33
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

The table shows the level of satisfaction towards candidates' period of employment: 60% of the respondents are highly satisfied and satisfied, 36.67% are neutral and 3.33% are dissatisfied as it purely depends upon the candidate's choice.

**Table 7.7 Level of Satisfaction of overall sourcing service**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	12	20
2	Satisfied	44	73.33
3	Neutral	4	6.67
4	Dissatisfied	0	0
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

The above table shows the respondents' overall satisfaction towards sourcing service. 93.33% of the respondents are highly satisfied and satisfied and 6.67% of the respondents are neutral in their view. Over all service is based on the certified website such as Naukri and Monster and it is checked once again, supervised by the recruiter manager according to the clients requirement.

**Table 7.8 Level of Satisfaction towards soft skills training and personality profiling**

S. No.	Options	Respondents	Percentage %
1	Highly Satisfied	6	10
2	Satisfied	28	46.67
3	Neutral	26	43.33
4	Dissatisfied	0	0
5	Highly Dissatisfied	0	0
	<b>Total</b>	60	100

The above table shows the respondents' overall satisfaction towards

soft skill training and personality profiling. 56.67% of the respondents are highly satisfied and satisfied and 43.33% of the respondents are neutral in their view.

#### **CORRELATION - BIVARIATE: (SPEARMAN)**

##### **FORMULATION OF HYPOTHESIS**

**Null Hypothesis** –There is no relationship between understanding of job requirements and quality of profiles.

**Alternative Hypothesis** –There is a relationship between understandings of job requirements and quality of profiles.

#### **Correlation between understanding of job requirements and quality of profiles**

			Quality Profile	Understanding Job Requirements
Spearman's rho	Quality Profile	Correlation Coefficient <b>Sig. (2-tailed)</b> N	1.000 . 60	.376** .003 60
	Understanding Job Requirements	Correlation Coefficient <b>Sig. (2-tailed)</b> N	.376** .003 60	1.000 . 60

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

#### **Result:**

Level of significance - **0.05**

Significance value - **.003**

$0.05 > .003$

Hence the Null hypothesis is rejected. There is a relationship between understanding of job requirements and quality of profiles.

#### **CHI-SQUARE**

##### **FORMULATION OF HYPOTHESIS**

**Null Hypothesis** – There is no association between experience of the clients with FYMC and the cost effective service provided by FYMC.

**Alternative Hypothesis** –There is an association between experience of the clients with FYMC and the cost effective service provided by FYMC.

**Association between experience of the clients with FYMC and the cost effective service provided by FYMC**

Experience	Cost Effective Method			Total	Chi-square value	P Value
	Neutral	Satisfied	Highly Satisfied			
0-4	8	28	6	42	16.623	.003
5-8	8	2	2	12		
9-12	0	4	0	4		
13-16	2	0	0	2		
Total	18	34	8	60		

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence there is a significant association between experience of the clients with FYMC and the cost effective service provided by FYMC.

#### VIII. SUGGESTION

Suggestions that can be recommended for FYMC are:

##### **Suggestion recommended by the clients**

**A.** The areas FYMC can improve to provide a better service

- ✓ Need to have a location wise candidates' database.
- ✓ Response time could be improved.
- ✓ Can send minimum 5 profiles for all the requirements.
- ✓ FYMC needs to understand the client requirements in few critical areas – as per JD and source right talent to close the positions ASAP.
- ✓ Relevance of resume, even if 5 resumes it should be apt to JD instead of Bulk resumes.
- ✓ All our job descriptions should be appropriately understood by the employees.

- ✓ Before sending the candidates profile the employee should contact through telephonic interview with the candidates.
- ✓ Line up candidates at interview dates without fail.
- ✓ Profiles should be sent on time with more options to shortlist.
- ✓ Hit rate should be improved, by means of primary screening.

**B.** Recommendation for additional technology to be used in the current recruitment process:

- More competitor's database.
- Use of Professional Network sites like LinkedIn, Twitter, Plaxo etc. Also feedback about the candidate should be given, that is Consolidated History sheet of the candidates.
- FYMC can use psychometric tools for selecting the tools.
- Most of the companies prefer bio-data in video format.

##### **Suggestion by the researcher to the FYMC**

- The profile can be recheck by the manager for more effectiveness.
- For some of the Job Description it is

difficult to allocate the Curriculum Vitae. So FYMC can conduct primary interviews more effectively like other big consultancies' primary interview.

- ✓ Misunderstanding of the requirements will lead to failure in the process. So before sending the candidates Curriculum Vitae to the clients, the recruitment manager should check the ability of the candidates.

## IX. CONCLUSION

This study is carried out to understand the satisfaction level of the clients towards the recruitment service rendered by the FYMC. From the study it is understood that the clients are satisfied in many aspects of the service. There are also few areas for improvement if the company incorporates the suggestions, it can enhance the satisfaction of the clients.

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## ANALYSIS OF RETAIL MARKETING STRATEGY AND STATISTICS IN THE TOWN AND OUTSKIRT

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### ABSTRACT

*This paper studies the problems and present situation in the local environment with the title, "Analysis of Retail Marketing Strategy and Statistics in the town and outskirt". The experiment travels with an approach is the direct field study, collecting data and interview method and presented the grievance, handles, barriers, manufacturing problems. To bring into lime light towards progress and profit motivation a considerable solutions have been presented. Consumer goods' marketing is a field of struggle and having achievement destination point in the present condition and the way of life. Actually it drives towards incremental growth and profit. This has been observing and focusing time and resources on the problem. It is blended with strategy and Statistics together casual Data can improve the execution of better trade promotions with a expected profit by way of applying "smarter" often.*

### Introduction

Another angle to promote the stacked products by Re-imagine for Retail execution is think faster with a competitive spirit and enthusiastic way by keeping aside the negative, discourage comments; but covering with positive, innovative and creative ways such as "Sell Smarter, and win at the shelf". This notion transforms into best practices. Trade improvement is the continuous process till the business man energetically, mentally involved in his profession. The ethics surrounds to planning journey which leads to the direction in the strategically way to improve the business.

### Definition

Retail is the activity of selling goods direct to the public, usually in

small Quantities for a particular price in an existing way, individually in small amounts or at a retail price.

### Style of life

The person who involve in retail are may be a middle class, belonging to earning member of the family, keeping an ambition to become a business men, to register the name in the midst of the people by way of step in to the trade. etc., with a motivation they do not want to be a drift wood, which is floating on the surface of water, they want to be an achiever.

### Selection of the Current Trends

Many businessmen in the fun of the moment they select their own taste of business rather never think in which field they are experts or in which

business they could strive in what kind of business they could do in the present needed market. Nobody gives the second thought of the reparation or pros and Cons. They never Smell the result of their selection, resulted they meet Unnecessary and Unwanted or Unrequited result and the end.

### **Time and Tide**

Some traders exclusively Retail traders meet the unexpected closing and which created by their own deeds and ignorance of them shaved their Untimely the action and wrong decision have been taken. They never study the field, market where they are going to earn and learn process. They fail to transmit their ideology with the present situation which is suitable or may be Unsuitable or very fertile to launch their venture. If the Keen observation without mechanical methods adaptations, they space, commercial purposes would fetch them only profit and they could maintain the smooth harmony in the business particularly in retail trade.

### **Fertile Land of Thanjavur**

The glory of Thanjavur situation was on the cliff in Paddy cultivation. Now the trend has been shifted from the name “granary of south” to “business centre”. The enterprisers with the intension to utilise the current potential for earning and profit purpose which in turn makes them to be an the high level business magnet.

It has been observed that form petty shop to reasonable margined retail business have been launched in the

deserved and required area, with to be indicated problem that retail shops have not been multipurpose, and the same prototype of commodities dubbed in continuous all shops, even with any change in version model, and the brand also which enable the customer to be vexed and they don't have any new in another option to posses their needed articles. Even in Tea shops also are found the same aspect of prototype, even at the peak hour's moment no alternate or variables available. The fine fertile lands occupy by commercial desires, now it is seen that lack of variables makes the entrepreneurs to get low profit sometimes they become debtors.

This hurdle is seen in out skirts also. The possible ways were not chosen or thought by the persons who hold the ownership. Prevention is better than cure thoughts should make them to put themselves in the right directions. Which will two ways benefit one is customers and satisfied as they are having multichoices to select and at the same time owners are getting expected profits. They can run their business for a pretty long term conditions.

It has been received from the persons who involved in retail Trade that they give the mentality of the customers that the customer's never go for a long distance for a tiny articles, or immediate refreshment. The seek to get the some from available sources. It does not show their laziness; rather it is a time saver. They want to utilize the saved or any other purpose. Secondly another the person uttered that even it is a teashop customer particularly

regular customer expect the good look fashion appearance with equipped sign board, seating, technology conveniences like TV and other modes. The association of the retailer's members accepted the same and agreed to launch the feedback of the customers. Apart from these points, avoiding traffic jam, parking facilities, good ventilation. Air free condition, electricity facilities. Protection methods should be adopted.

### **Finding General and Particular Problems**

1. Drainage stinge causes to produce more dangerous part to create complications. Health hazardous might not have been notices.
2. Many types of people like children as well as old people. For children attractive areas are found in some bigger retail shops like textiles, but old people no chairs, or resting table, cushions are not seen.
3. Wherever necessary water canes are not provided enough.
4. In the tea shop, found uncleaned, in hygienic properties are available which make people to be sick permanently.
5. The Out Skirts trader's have not proper and hygienic food articles for selling purpose. The travellers, passerby, public carriers do not get hygienic food.
6. Most of the tea shops are aiming at greater profit for this purpose they manufacture low quality products this problems has been viewed seriously by the customer's obsearvers.
7. Health point of view is also a kind of important analysis in the paper.
8. Petty shops are fixed in a street corners would create o in traffic problem, though earning purpose, they would be route cause are traffic jam as well as accident zone.

### **Conclusion**

This paper has analysed the retail trades which are meeting the problems, hurdles in financial assistance, public support, political obstacles, law and order. Apart from this the main sources of the paper is the humanity, if the trade and retail commerce should aim at profit as well as humanity background.

## A STUDY ON INVESTMENT BEHAVIOUR OF WOMEN EMPLOYEES IN THANJAVUR DISTRICT

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### ABSTRACT

*Investment made in different sectors is the most important determinant of growth of the economy. Both private and public sector investment needs are largely satisfied by the flow of funds from the general public. In case of public sector, its investment needs are partly met out of government's tax revenue contributed by general public. Women employees want to save a portion of their current income to meet the future needs such as constructing a house, marriage of children, unexpected contingencies. The main aim of the study is to analyse the investment behaviour which affects the saving habits of the women classes, as well as quantum of savings, which in turn, has affected the investment decision of this elite class. The study also focuses women employees' preference in various investment opportunities, amount & pattern of investment. The study identifies the factors motivating the women employees to select a particular investment channel and the impact of investment over the standard of living. The study will focus on the investment avenues which are available to the investor. An attempt has been made in this study to examine the preference of the investment by the investors.*

**Key Words:** *Investment Patterns, savings, tax benefits, fiscal policy and monetary investment.*

### 1. INTRODUCTION

Women's role which was confined to domestic areas has now switched over to the other areas where she is competing with her male counterpart. This is due to the education she is getting, the women centered policies, programmes of the government and the job opportunities available to her in the wake of modernization, urbanization, industrialization, liberalization, globalization etc. The opportunities available to women paved the way for economic independence and their involvement in

political and social sphere has increased to a great extent.

In India's household sectors contribute about 80% of Gross domestic savings. Savings and Investments are the most important sources of our economy. Savings are obtained from present consumption for future use. Savings and Investments are sometimes autonomous coming from household as a matter of habit, but bulk of the savings and investments come from specific objectives like interest, return on investment, future needs, contingencies, precautionary motive or growth in

future wealth leading to rise in standard of living etc.

Every household tends to keep some cash balance and maintain certain amount of money in the form of bank deposits to meet their transactions and precautionary needs. Investor's expectation is very important factor to be analyzed for the alternative avenues of investments. The present study focuses on measuring the expectations of working women investors. It also attempts to gauge the factors that they take into considerations before making any investments.

Many financial assets are available in the forms of bank fixed deposits, government and corporate fixed income securities, mutual fund units, common stocks, provident funds, pension funds insurance home, real estate, gold etc .Each asset has a different rate, return risk and liquidity. This research attempts to characterize and profile the individual investors in order to determine whether the variables like age income occupation designation dependent impact the risk aptitude of an investor. The findings will provide some opportunities for purveyors of financial services to be selective in their approach to various groups of individual investors.

### **1.1 What is income?**

Income is the consumption and savings opportunity gained by an entity within a specified timeframe, which is generally expressed in monetary terms. However, for households and individuals, "income is the sum of all the wages, salaries, profits, interests

payments, rents and other forms of earnings received... in a given period of time". It also means, money or other forms of payment (received periodically or regularly) from commerce, employment, endowment, investment, royalties, etc.

### **1.2 What is investment?**

In finance, the purchase of a financial product or other item of value with an expectation of favorable future returns. In general terms, investment means the use money in the hope of making more money. It also means money committed or property acquired for future income.

There are basically two main classes of investment (1) Fixed income investment such as bonds, fixed deposits, preference shares, and (2) Variable income investment such as business ownership (equities), or property ownership. In economics, investment means creation of capital or goods capable of producing other goods or services. Expenditure on education and health is recognized as an investment in human capital.

### **1.3. Defining women's work and income and investment**

Women's income is always considered as a supplementary income within the family. Usually women's work/domestic work is included in the nonproductive category in the earlier censuses – showing that other categories are supposed to be reproductive. It is universally considered as, women and children in the family are consumers, not producers (U.Kalpagam, Labor and

Gender, 1994). But the growing importance of income earned by women raises many interesting issues worth serious consideration. First, it is related to the share in the total household income. Second is related to their control over the expenditure of the total household income – that means who took decisions and what are the decisions etc. Third is, after spending a considerable amount of earnings, what are the investment tools opted by women to save their earnings. During this survey, it was found that respondents were highly educated, typically employed, and almost all have savings and assets. The economic crisis has heightened women's recognition of the need to develop a financial plan that will meet long-term financial goals. Women are more involved than ever in their households' investment and financial decision making. Among the survey respondents, 95% of women were involved in financial decision-making in their households, and one-fourth was the primary decision makers. Married women played a key role in the financial decisions of their households as well. While most decisions were made jointly, 84% say they were involved in their household's financial decisions.

#### **1.4. Reason for increasing popularity of investments**

Investing has been an activity confined to the rich and business class in the past. This can be attributed to the fact that availability of investable funds is a pre-requisite to deployment of funds. But today, we find that investment has

become a household world and is very popular with people from all walks of life.

The following are the reasons for increasing the popularity of investment;

- Increasing working population, larger family incomes and consequent higher savings.
- Provisions of tax incentives in respect of investment in specified channels.
- Increasing tendency of people to hedge against inflation.
- Availability of large and attractive investment alteration.
- Increase in investment related publicity.
- Ability of investments to provide income and capital gains etc.

#### **1.5 Factors of sound investments**

##### ***(i) Liquidity***

Liquidity refers to the speed and ease with which an investment can be sold for a fair price.

##### ***(ii) Risk of investment***

If returns are not stable, then the investment is termed as risky

##### ***(iii) Capital Appreciation***

If the matured value of investments more than the initial deposit is termed as capital appreciation.

##### ***(iv) Tax aspects of investment***

An investment which enjoy tax benefit under income tax Act

##### ***(v) Investment Horizon***

It refers to the planned liquidation date of the investment.

## 1.6 Risk associated with investment

### 1.6.1. Systematic Risk

The entire market is moving in a particular direction either upward or downward due to political condition, economic conditions, sociological changes. It may be

- Market risk
- Interest rate risk
- Purchasing power risk etc.

### 1.6.2 Unsystematic Risk

Unsystematic risk is unique and peculiar to a firm or an industry. Unsystematic risk stems from managerial inefficiency, technological changes in production process, availability of raw materials, changes in consumer preference, and labour problems etc. It may be (i) Business risk (ii) Financial risk.

## 2. REVIEW OF LITERATURE

**Palacios (2001)** in his study had observed the challenges of old age income security in India. It was found that one eighth of the world's elderly population lives in India. By 2020, about 15 % of the population will be over age 60 in Tamil Nadu and Kerala-roughly the same proportion as Australia today. The study concluded that reforms would provide current and future contributors with a viable alternative to a traditional family support system that will come under increasing strain in the course of the demographic transition.

**Suresh (2004)** in an analysis of popular perceptions said that retail investors swarmed back to the stock market in the year 2003-04. The investments of households in shares and debentures rose by a paltry 8.6 percent

to Rs.5,847 crore in 2003-04. Households had deposited Rs.169000 crores in bank deposits while investments in small savings rose 19 percent. The data suggests that in 2003-04 the household investor had tuned extremely conservative.

**Karthikeyan (2001)** has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for Kisan Vikas Patra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE), and the Overall Score Confirmed that the level of awareness among investors in the old age group was higher than in those of young age group. NO differences were observed among male and female investors except for NSS and KVP. Savings and Investments Attitude

## 3. OBJECTIVES OF THE STUDY

- ❖ To examine the investment objectives of working women investors.
- ❖ To study the life style of working women investors.
- ❖ To identify the sources influencing the scheme selection decision of working women investors
- ❖ To measure the positive and negative aspects of various investment pattern.

## 4. RESEARCH METHODOLOGY

A research design must contain the clear statement of the research problem, procedures and techniques for gathering information, the population to be studied and the methods used in processing and analyzing data (Kothari, 1999). This is a descriptive research

involving the data collection from primary as well as secondary sources. In case of primary data collection a well-structured questionnaire was prepared using different scales and the data was collected from the investors through survey method. Information was gathered from various secondary sources such as journals, web sites, books and research articles etc.

#### 4.1 Population and samples

The investors who invest their money in different alternative avenues are treated as the population of the study. Thanjavur District is the geographical area of the present study. As the population is infinite one the method of selecting the sample investor is a difficult process. Here the respondent who have been working in private and government undertakings are considered as the appropriate sample of the study. 250 self-administered questionnaires were administered on the participants and they were briefed about the purpose of the study, and given enough time to fill out the questionnaire. So, those investors have been selected at random from eight revenue block of the Thanjavur District. There are Thanjavur Town, Kumbakonam, Papanasam, Thiruvaidaimarudur, Orathanadu, Pattukkottai, Peravurani, and Thiruvaiyaru. Representation has been given to every type of stratum viz., rural- urban, income category, occupation, educational qualification etc.

#### 4.2 Dimensions of the Study

The present study takes the following dimensions for its analysis.

- The demographic profile of the investors
- Investors Profile of the investment
- Attitude of the investors
- Risk factor of the investment
- Investors expectations
- Motivational factor of investors
- Investors Satisfaction towards investment

#### 4.3 Hypothesis of the Study

- ❖ There is no significant association between demography of the investors and investment pattern
- ❖ There is no significant association between demography of the investors and risk factor
- ❖ There is no significant association between demography of the investors and expectations.
- ❖ There is no significant association between demography of the investors and their attitude.

#### 4.4 Analytical Tools

Apart from the percentage analysis, the study takes chi square test, ANOVA, Regression Analysis, correlation analysis, multiple regression, Standard Deviation, and factor analysis.

### 5. ANALYSIS AND INTERPRETATION

**Table 5.1 -Age wise Classification of the Respondents**

S. No.	Age	No. of Respondents	Percentage
1	26 to 35 years old	142	57
2	36 to 45 years old	57	23
3	46 to 60 years old	51	20
<b>Total</b>		<b>250</b>	<b>100</b>

*Source: (Primary Data)*



From the above table it was inferred that 57% of the respondents are 25 - 35 years. 23% of the respondents belong to the age group of 36-45 and the remaining 20% of the respondents belong to the age group of 46-60.

**Table 5.2 Distribution of Respondents by their Educational Qualification**

S. No.	Qualification	No. of Respondents	Percentage
1	Professional Degree	82	33
2	Post-Graduation	104	42
3	Under-Graduate	38	15
4	Diploma and Others	26	10
<b>Total</b>		<b>250</b>	<b>250</b>

*Source: (Primary Data)*

The study reveals that 104 (42%) respondents out of 250 Post-Graduates and above. The remaining employees are professional, technical and Diploma level educated persons.

**Table No Family Type wise Classification of the Respondents**

S. No.	Family Type	No. of Respondents	Percentage
1	Joint	62	25
2	Nuclear	188	75
<b>Total</b>		<b>250</b>	<b>100</b>

*Source: (Primary Data)*

The study further reveals that 188 (75%) respondents out of 250 Nuclear family type. The remaining women's are have Joint Family type.

**Table 5.3 Distribution of Respondents by their Marital Status**

S. No.	Marital Status	No. of Respondents	Percentage
1	Married	180	72
2	Unmarried	55	22
3	Divorced	15	6
<b>Total</b>		<b>250</b>	<b>100</b>

*Source: (Primary Data)*

The study further reveals the marital status of the women employees. Out of 250 respondents selected for the study, as many as 180 (72%) are married employees.

**Table 5.4 Distribution of Respondents by their Working Industry**

S. No.	Work Industry	No. of Respondents	Percentage
1	Government organization	42	17
2	Private organization	208	83
<b>Total</b>		<b>250</b>	<b>100</b>

*Source: (Primary Data)*

From the above table it is inferred that 17% of the respondents are working in Government organization and 83% of the respondents are working in Private organization.

**Table 5.5 Distribution of Respondents by their Annual Income**

S. No.	Monthly Income	No. of Respondents	Percentage
1	10,000-20,000	107	43
2	20,000-40,000	52	21
3	40,000-60,000	71	28
4	Above 60,000	20	8
<b>Total</b>		<b>250</b>	<b>100</b>

*Source: (Primary Data)*

Nearly 43% of the respondents are having a monthly salary between Rs.10, 000-20,000.

**Table 5.6 what their main preferred tool for investment?**

Percentage, Mean and standard deviation of respondent's responses on categories where they invest their money							
Options	Degrees of Agreement					Mean	Std. Deviation
	Strongly Agree	Agree	Neutral	Dis Agree	Strongly Disagree		
Fixed deposits with banks	225	73.33	40	16.67	1.67	3.57	1.81
Mutual funds	8.33	26.67	20	6.67	16.67	0.78	0.15
Stocks/ shares	8.33	20	10	23.33	20	0.82	0.13
Gold	166.67	100	45	20	10	3.42	1.71
Real estate	25	40	10	23.33	13.33	1.12	0.08
Fixed deposits with companies	0.00	13.33	20	16.67	11.67	0.62	0.27
Insurance	58.33	80.00	85	20	3.33	2.47	1.04
Post office/ PPF/ Government scheme	50	33.33	25	13.33	8.33	1.3	0.21
Any other	0.00	0.00	0.00	0.00	1.67	0.02	0.7

Since most of the respondents surveyed mentioned that their income was not the major source of earning for their family, whatever they earned only doubled up in total family investment in various sectors. The findings were as follows,

➤ They preferred to save their wealth in fixed deposits with banks.

➤ Second option preferred by them was to invest in gold by buying jewellery

➤ The third preferred option was insurance schemes.

➤ In the fourth slot, there was a tough competition between post office/PPF schemes and real estate, where post office and government schemes was picked up

**Table 5.7 Percentage, Mean and standard deviation of respondent's responses on their main reasons of investment**

Percentage, Mean and standard deviation of respondent's responses on their main reasons of investment							
Main Reasons for Investment	Degrees of Agreement					Mean	Std. Deviation
	Strongly Agree	Agree	Neutral	Dis Agree	Strongly Disagree		
High Returns	333.33	46.67	10.00	20.00	1.67	4.12	2.2
Tax benefits	25.00	80.00	25.00	16.67	8.33	1.55	0.39
Emergency need	16.67	33.33	55.00	10.00	3.33	1.18	0.13
Retirement plans	33.33	60.00	20.00	23.33	15	1.52	0.47
Security for the family	8.33	6.67	15.00	16.67	5.00	0.52	0.34
Education of children	16.67	33.33	30.00	13.33	6.67	1.00	0.00
Marriage of children	0.00	20.00	10.00	6.67	3.33	0.4	0.32
To spend later in life	33.33	40.00	20.00	10.00	13.33	1.17	0.42
Others:	8.33	20.00	15.00	6.67	3.33	0.53	0.33

- The main reasons voiced by the respondents for investment in various tools were high returns, followed by retirement plans and to spend later in life.
- They also mentioned that tax benefits also lured them towards safer investment options

## 6. FINDINGS OF THE STUDY

- ❖ 17% of women investors are government employee. They get more income and allowances. So their contribution to invest is higher than others.
- ❖ The majority (72%) of the women investors are married. The savings of the married women investors are more than unmarried investors. Because the responsibilities of them are increased after marriage.
- ❖ The most vital problem spotted is family commitments and frustration. Only 40% of the investors invested in capital market instruments.
- ❖ Maximum (62%) of the investors attitudes are control over their expenditure.
- ❖ The majority (64%) of the women investors expected safety of their investment.

## 7. SUGGESTIONS

- Women investors must resolve the problem of their limited movements which itself is a hazard for their development by breaking through by some means or other. They must switch over their aptitude from traditional investment to speculative investment.

- Apart from all these things the economic policies of the government should be closely watched by any investor. The economist and policy makers should not hesitate to warn the government in case of adverse change in economic policies.
- Each and every citizens of the nation is either directly or indirectly responsible for the inflation rate. So, the investing public should think properly and protectively, that reduces the impact of inflation.
- Working women investors also hesitate to invest in marketable securities. So, it is evident that a wide publicity through media be done.
- The policy “invest for Tomorrow” should be inculcated in the minds of the young generation.

## 8. CONCLUSION

The position and status of women in any society is an index of the socio-economic and cultural achievement of that society. They have been subjected to some changes in the position of women in India over the years but these changes are not uniform. Women small investor's options are thus limited only to the traditional investment scheme. They can't take the risks of putting their money in speculative financial institutions. Devoid of a concrete option, they prefer to put most of their investment in financial securities. As for small investors their frustration has rarely been obvious. There are no new avenues for savings or is there any social security network. They are forced to keep most

of their investments in traditional investment securities when they should have been looking for diversified investment.

### 9. SCOPE FOR FURTHER STUDY

Although the study yields significant insights, certain limitations are worth addressing. The study has used random sampling for selection of respondents. This may result in selection bias and limit the generalizability of the findings. The study has not taken foreign investment into consideration, which might have imparted greater significance to the outcome. The survey area of the study is confined to Thanjavur District, which again restrict results. The results are also subject to response biasness. Wider area of coverage maybe considered in future research for more generalizable findings.

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## IMPACT OF ECOMMERCE ON GLOBAL ECONOMY IN DEVELOPING COUNTRIES

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### **Introduction**

E-commerce is the process of managing online financial transactions by individuals and companies. This includes business-to-business (B2B), business-to-consumer (B2C) and business-to-government (B2G) transactions. The focus of e-commerce is on the systems and procedures whereby financial documents and information of all types are exchanged. This includes online credit card transactions, e-cash, e-billing, e-cheques, electronic invoices, purchase order and financial statements. An internationally agreed working definition of e-commerce accepts three dimensions as part the process. These dimensions relate to the: Networks over which the relevant activities are carried out; Processes that ought to be included within the general domain of electronic commerce; and Actors involved in the transactions.

Networks are specified through broad and narrow definitions. The broad definition considers goods and services are ordered over electronic transactions, whether between business, house holds, individuals, Governments, and other public or private organizations, but the payment and the ultimate delivery of the good or service may be conducted on- or offline. The narrow definition considers goods and services are ordered

over the internet whether between business, house holds, individuals, Governments, and other public or private organizations, but the payment and the ultimate delivery of the good or service may be conducted on- or offline.

E-commerce is often described as being one of three varieties – business-to-business (B2B), business-to-consumer (B2C) or business-to-government (B2G). Most of statistics has focused on this two. About 80 per cent of the total value of electronic commerce in the world today are accounted for by B2B e-commerce. B2C e-commerce has the potential to substantially affect the way in which people live and interact with each other and is therefore a key aspect for statistical measurement.

### **E-Commerce Eludes Developing Countries**

**By Ron Berry**

The business world and society have changed very much due to the information technology and impact of internet is high. Internet is becoming essential for every business activity .Moreover, at the beginning; No one thought that the internet will be a source for conducting business. It is estimated that 288 million people are using online for conducting business (www.gltreach.com).

The internet is quickly becoming the major choice for electronic commerce transactions. The internet will definitely change the global economy as all organizations and companies are looking towards the e-commerce. The increase in e-commerce via the Internet is definitely moving society a little closer to the "global village" concept that has been touted as a future way of life. More importantly, it is changing the face of business. The internet also plays very important role in the field of small businesses and entrepreneurs competing global economy. Because of the internet the small and virtual organizations are gaining more profits because there is no need for maintaining large staffs, huge capitals, multi-lingual, transitional infrastructures.

People began using internet for business purposes by publishing static web pages for advertising and dynamic pages soon emerged and allowed organizations to support online sales, customer service and other value added services.

According to some statistics, it is estimated that over \$10 billion in business to consumer sales have occurred within the last year via the Internet. Sales in the area of Internet commerce expected to see the largest growth, business to business commerce, are expected to reach \$153 billion this year. Many challenges and obstacles must be overcome before developing countries can benefit from the Internet and Internet commerce. The necessary technological infrastructure is either inadequate or non-existent. Developing

this infra structure is very difficult for the developing countries for this they require government support. Until governments become Internet and business friendly and set Internet access and use as a priority, developing countries may never reap the benefits their world counterparts share.

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### **E-commerce and the Reduction of Transaction Costs**

Now days it is belief that by implementing B2B e-commerce they can reduce the transaction costs associated with trade across organizational and geographical boundaries. By utilizing ICTs facilities to maximum they can reduce the transaction costs to maximum. This reduction will encourage the firms to extend the number of transactions they conduct across both organizational and geographical boundaries. It also is expected to provide opportunities for producer firms in developing countries to enhance their international profile and to develop direct one-to-one trading relationships with international buyers and sellers.

### **B2B E-commerce: Issues for Developing Countries**

E-commerce works through 'many-to-many' e-marketplaces. It involves large number of buyers and sellers. In this many buyers and sellers can come together in one trading community and gets idea of whether to buy or sell. 'Many-to-many' e-markets will be

supported by complementary business functions. If the buyers and sellers decided to do business through online then they require producing complete information for making the transaction and systems must be in place to arrange binding contracts and payment.

B2B e-commerce offers greater returns to firms in developing countries than Other trading channels. It offers two advantages for developing country firms. First, e-commerce related transaction costs are less sensitive to distance than Traditional marketing channels, so access to global markets is made easier. Second, by simplifying and making market channels more efficient, B2B e-commerce should enable developing country firms to retain a larger share of the final consumer price of products. It particularly helps smaller firms to enter global markets. Reduction in the costs of accessing global markets is very important for the small firms because they can't afford more money for the global market. Electronic trading has created opportunities for developing country producer firms to enter new markets and to strengthen their position international trade. It opens new commercial opportunities for small firms to participate in the international markets. It improves the source production with less input and improves the economy as it eliminate intermediaries or 'middlemen' and its own supply and export distribution reduces the business transaction costs. Government should give its support for the development of ecommerce in developing countries and it should give priority to ensuring that

the conditions for participating of their businesses are met. As B2B transactions are complex and information-intensive government should take care of the telecommunication services and ensure that they are modern and efficient. Government should reduce tariffs to support trade in ICT hardware and software and it also maintain taxation, security and privacy protection at compatible level so that the small firms can improve their trading much more flexibly in to the global market.

### **Trust services in e-marketplaces**

A crucial issue for the use of e-marketplaces is how to establish trust. Firms purchasing products on-line need assurances about the companies they are dealing with and about the products they are buying. Firms selling products on-line need to be confident that payment will be made. Trust is very important in the development of e-market other wise every one will loose trust and it will become more complex rather than utilizing its benefits. It was the responsibility of user to know complete details of the product and the company before making the transaction and in the similar it is responsibility of company whether they are selling to right person or not. If the transaction is taking between strangers, for the relationship with each other there should be registration requirements and screening procedures and get complete details of other so that strangers can trust each other.

### **Using e-market places to find buyers for fruits and vegetables**

In Nairobi a small trading company selling fruits and vegetables through open E-marketplace and gaining more profits. Now the company had registered with many open e-marketplaces which sites did not charge a registration fee. The company's overall turn over was not less than US\$20,000 per annum. Before they registered through e-marketplaces their income is less and much of the money was paid to the intermediaries but after registering with e-marketplaces they are gaining more profits and they are able to develop their business through internet and supplying the fruits and vegetables according to the customer choice, because of this direct contact with the customer they are getting more interaction with the customer and also saving costs by not paying to the intermediaries.

### **On-line showroom**

A firm had registered with an on-line trading service providing an on-line showroom. In the 12 months following registration, the firm received about 20 product inquiries via e-mail. Negotiations were entered into with three potential clients. After personally visiting all three companies, a successful transaction was negotiated with one of them. This buyer became a regular client and accounted for six per cent of the exporter's sales. The respondent was satisfied with the business that had been generated, but he was not prepared to renew the subscription for the on-line showroom service because of the additional costs

incurred in assessing the Credibility of potential buyers.

### **Use of the Web for information purposes**

One company in the Nairobi had directly benefited from using the web as a resource for obtaining information. The company is a small flower exporting firm exports flower through a flower exporter through different places. The proprietor of this company had frequently visited the flora Holland website to check average prices for specific periods of sale and for the types of flowers that his company exported to the auction. By checking regularly he compared the prices listed at the auction site with those received from the broker for his product. He described How Web-based information had enabled him to challenge his broker about differences between what the broker was paying him and the prices paid for his products at the auction. The discussions with his broker often proceeded along the lines of, 'the average this day was 10 Ksh, so why are they giving only 3 Ksh!' Now he is planning to work with a new export because he noted prices at auction and the local broker paying to him had large discrepancies.

### **Promoting tourism through internet**

Tourism also plays very important role in the development of economy. Before the advent of internet the tourism organizations gained very less amount as they have to pay to the intermediaries but after the advent of



internet they are gaining more profits by directly contacting the customers.

In the Caribbean tourism is one of the main source for economy because tourism accounts for about 25percent of its GDP. In 2004, it attracted over 42million tourists, of whom 20 millions where cruise passengers, and generated \$21 billion. As they are known to the internet they launched a website in late 2000 (www.doitcaribbean.com) with complete details of their destination places. They developed website in a complete user friendly manner. It contains six major languages and listed all the availabilities in an attractive manner. After launching the website their business was increased rapidly, now they are receiving 200 million visitors yearly.

**Conclusion**

E-commerce had a great effect on the development of global economy in developing countries. Small firms are gaining more profits by using e-commerce for making transactions with the clients. By utilizing ICTs facilities to maximum they can reduce the transaction costs to maximum. This reduction will encourage the firms to extend the number of transactions they conduct across both organizational and geographical boundaries. Many developing countries are not able to utilize the efficiencies and potentialities of internet marketing. By using the internet in the developing countries only very little business had been takes place with new customers/suppliers .Many industries in the developing countries are not able to

utilize the B2B e-commerce effectively. Trust is very important in the development of e-market other wise every one will loose trust and it will become more complex rather than utilizing its benefits. Banks and financial services companies in the developing countries will need to adopt online payment systems and practices that will meet their clients’ new needs arising from a shift to e-commerce. In the development of the e-commerce the government should also play a key role by becoming Internet and business friendly and set Internet access and use as a priority.

**Appendix**

Table 5.2: Registration at open e-marketplaces by size of firm

Number of Employees	Have Registered with an e-marketplace	Have not Registered with an e-marketplace	Total
≤ 500	13	21	34
≥ 501	4	36	40
<b>Total</b>	<b>17</b>	<b>57</b>	<b>74</b>

Table 5.3: Firms using the internet to buy or sell products internationally

Number of Employees	Have Used Internet to Buy or Sell	Have not Used Internet to Buy or Sell	Total
≤ 500	8	26	34
≥ 501	8	32	40
<b>Total</b>	<b>16</b>	<b>41</b>	<b>74</b>

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## RURAL MARKETING IN INDIA: CHALLENGES AND OPPORTUNITIES

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### ABSTRACT

*'Go Rural Win Rural' is the new mantra of corporate world. Most of the national as well as international corporations are attracting towards Indian rural market because its potential is still untapped. According to Indian census 2001, approximately 73 percent population is living in rural India. It means in rural areas, there are more market opportunities for the sale of products and services. According to McKinsey report (2007) in 20 years the rural Indian market will be larger than the countries such as Canada and South Korea. The estimated size of the rural market will be USD 577 billion. The main objective of present paper is to analyze the features, opportunities, strategies and challenges of Indian rural marketing. It also includes some recommendations as to formulate better marketing programmes.*

### INTRODUCTION

The concept of Rural Marketing in India Economy has always played an influential role in the lives of people. In India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. The rural market in India is not a separate entity in itself and it is highly influenced by the sociological and behavioral factors operating in the country. The rural population in India accounts for around 627 million, which is exactly 74.3 percent of the total population. Rural Markets are defined as those segments of overall market of any economy, which are distinct from the other types of markets like stock market, commodity markets or Labor economics. Rural Markets constitute an important segment of overall economy, for example, in the USA, out of about

3000 countries, around 2000 counties are rural, that is, non-urbanized, with population of 55 million. Typically, a rural market will represent a community in a rural area with a population of 2500 to 30000. The concept of rural marketing in India is often been found to form ambiguity in the minds of people who think rural marketing is all about agricultural marketing. However, rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. To be precise, Rural Marketing in India Economy covers two broad sections, namely - Selling of agricultural items in the urban areas and Selling of manufactured products in

the rural regions. The Registrars of Companies in different states chiefly manage, the rural market in India brings in bigger revenues in the country, as the rural regions comprise of the maximum consumers in this country. The rural market in Indian economy generates almost more than half of the country's income. Rural marketing in Indian economy can be classified under two broad categories. These are: The market for consumer goods that comprise of both durable and non-durable goods and the market for agricultural inputs that include fertilizers, pesticides, seeds, and so on.

#### Definition of rural marketing

From time immemorial there has been regular trade between rural and urban areas. With increasing disposable income the rural population also aspires to improve its lifestyle. Thus, the urban manufacturing and service sectors have entered the rural scene with consumables, durables and services, though traditionally very few companies like those marketing tea, cigarettes and match boxes were operating there. The urban to rural below covers goods and services of all agricultural inputs like fertilizers, pesticides, seeds, tractors, power tillers, etc., consumables like bath and washing soaps, detergents, cosmetics, cigarettes, beverages, etc., and consumer durables like bicycles, mopeds, television sets, radios, clocks, electrical goods, etc.

Rural marketing is thus a two-way marketing process. Its content now encompasses inflow of products in to rural areas for production or consumption

purposes, and also outflow of products to urban areas.

#### NEED FOR THE STUDY

Rural Markets are defined as those segments of overall market of any economy, which are distinct from the other types of markets like stock market, commodity markets or Labor economics. The so-called urban markets are crowded and saturated and the share of agriculture in GDP is going down but India still lives in her villages. Such a potential market was being ignored by corporate sector and small and medium industries. Hence it is proposed to study the potentiality and problems of rural market with a special reference to Indian Rural Market.

#### Income Generation in Rural Areas

S. No.	Sources of Income	Proportion To Total Rural Income (%)
1	Agriculture	59
2	Agricultural wages	16
3	Business and craft	9
4	Non-agricultural wages	7
5	Salaries	3
6	Current transfers	2
7	Others	4
	<b>Total rural income</b>	<b>100</b>

**Sources:** Sundaram. K.P.M & Ruddar Datt, Indian Economy, S. Chand Publications, New Delhi, 2006, P.63.

## OBJECTIVES OF THE STUDY

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. The objectives of this study include observing the dynamics of Indian Rural Markets over a period of time, reviewing the literature of rural markets and rural marketing, outlining the potentiality of rural markets with respect to different segments like FMCG, Automobiles, Retail etc. The study also concentrates on the problems faced by rural markets and finally offering suggestions to overcome the problems and tapping the potentiality of the rural markets at maximum level.

## METHODOLOGY OF THE STUDY

In order to study the various problems and prospects of rural markets, to find out the facts, to analyse the findings and to offer suggestions – a tool, namely, SWOT Analysis Matrix has been adopted. The inputs for this matrix have been collected from past studies of rural marketing, reports published by various institutions etc.

## REVIEW OF LITERATURE

NSSO (Census) defined rural market as a Market with population density less than 400 sq km., 75% of male working

population is engaged in agriculture and no Municipal Corporation / board.

- Planning Commission of India defined rural market as towns up to 15,000 populations are considered as rural market.
- NABARD defined as all locations with a population up to 10,000 considered as rural area.
- The Consumer electronics giant LG Electronics defined as all places other than seven metro cities of India.
- The Sahara group defined as commercial establishments located in areas serving less than 1000 population are rural markets.

(Source: The Rural Marketing Book – Text & Practice, Kashyap. P and Ruat. S (2007))

## PHASES IN RURAL MARKETING PHASE ONE (PRE 1960'S)

- Marketing Rural Products in Rural Areas and Urban Areas.
- Agriculture inputs in rural areas.
- Agriculture Marketing.
- Farming methods were primitive and mechanization was low.
- Markets unorganized.

## PHASE TWO (1960S TO 1990S)

- Green Revolution.
- Companies like Mahindra & Mahindra, Sri Ram Fertilizers and IFFCO Emerge.
- Rural Products were also marketed through agencies like KVIC.

## PHASE THREE (1990S AND PRESENT)

- Demand for Consumables and durables rise.

- Companies find urban markets declining.

### **CHARACTERISTICS OF RURAL MARKETING**

Some of the important features or characteristics of Rural Marketing in India Economy are being listed below:

- ❖ With the initiation of various rural development programmes there have been an upsurge of employment opportunities for the rural poor. One of the biggest cause behind the steady growth of rural market is that it is not exploited and also yet to be explored.
- ❖ The rural market in India is vast and scattered and offers a plethora of opportunities in comparison to the urban sector. It covers the maximum population and regions and thereby, the maximum number of consumers.
- ❖ The social status of the rural regions is precarious as the income level and literacy is extremely low along with the range of traditional values and superstitious beliefs that have always been a major impediment in the progression of this sector.
- ❖ The steps taken by the Government of India to initiate proper irrigation, infrastructural developments, prevention of flood, grants for fertilizers, and various schemes to cut down the poverty line have improved the condition of the rural masses.

### **DEMOGRAPHIC DETAILS OF INDIAN RURAL MARKETS**

- About 285 million live in urban India whereas 742 million reside in rural

areas, constituting 72% of India's population resides in its 6, 27,000 villages.

- The number of middle income and high income households in rural Indian is expected to grow from 46 million to 59 million.
- Size of rural market is estimated to be 42 million households and rural market has been growing at five times the pace of the urban market.
- More government rural development initiates.
- Low literacy rate
- Increasing agricultural productivity leading to growth of rural disposable income.
- Lowering of difference between taste of urban and rural customers.

### **SIGNIFICANCE OF RURAL MARKETING**

Rural market is getting an importance because of the saturation of the urban market. As due to the competition in the urban market, the market is more or so saturated as most of the capacity of the purchasers has been targeted by the marketers. So the marketers are looking for extending their product categories to an unexplored market i.e. the rural market. This has also led to the CSR activities being done by the corporate to help the poor people attain some wealth to spend on their product categories. Here we can think of HLL (now, HUL) initiatives in the rural India. One of such project is the Project Shakti, which is not only helping their company attain some revenue but also helping the poor women of the village to

attain some money which is surely going to increase their purchasing power. Also this will increase their brand loyalty as well as recognition in that area. Similarly we can think of the ITC E-Chaupal, which is helping the poor farmers get all the information about the weather as well as the market price of the food grains they are producing. In other view these activities are also helping the companies increase their brand value. So as it is given above the significance of the rural market has increased due to the saturation of the urban market as well as in such conditions the company which will lead the way will be benefited as shown by the success of HUL and ITC initiatives.

#### **REASONS FOR IMPROVEMENT OF BUSINESS IN RURAL AREA**

- ❖ Socio-economic changes (lifestyle, habits and tastes, economic status)
- ❖ Literacy level (25% before independence – more than 65% in 2001)
- ❖ Infrastructure facilities (roads, electricity, media)
- ❖ Increase in income
- ❖ Increase in expectations

#### **PROSPECTS OF RURAL MARKETS**

The Indian growth story is now spreading itself to India's hinterlands. The rural consumer market, which grew 25 per cent in 2008, is expected to reach US\$ 425 billion in 2010-11 with 720-790 million customers, according to a white paper prepared by CII-Technopak, in November 2009. The figures are expected to double the 2004-05 market size of US\$ 220 billion. The Union

Budget for 2010-11 has hiked the allocation under the National Rural Employment Guarantee Act (NREGA) to US\$ 8.71 billion in 2010-11, giving a boost to the rural economy.

#### **FMCG SECTOR**

According to figures released by market researcher Nielsen, demand for personal care products grew faster in rural areas than urban areas during the period January-May 2010. In shampoos, rural demand grew by 10.7 per cent in value terms, while in urban markets, it rose by 6.8 per cent. Similarly, toothpaste sales grew by 9.1 per cent in rural India and by 4.4 per cent in urban markets. Several fast moving consumer goods (FMCG) companies such as Godrej Consumer Products, Dabur, Marico and Hindustan Unilever (HUL) have increased their hiring in rural India and small towns in order to establish a local connect and increase visibility. Swiss FMCG giant, Nestle plans to make further inroads into the rural markets. The company has asked its sales team to deliver "6,000 new sales points every month in rural areas" to expand its presence in Indian villages, according to Antonio Helio Waszyk, Chairman and Managing Director, Nestle India.

#### **RETAIL SECTOR**

The rural retail market is currently estimated at US\$ 112 billion, or around 40 per cent of the US\$ 280 billion Indian retail market, according to a study paper, 'The Rise of Rural India', by an industry body. Hindustan Unilever (HUL) is planning to significantly

increase its rural reach. According to Harish Manwani, Chairman, HUL, the quality and quantity of rural coverage will go up to the extent that "what we have done in the last 25 years we want to do it in the next two years." Currently HUL products reach approximately 250,000 rural retail outlets and the company intends to scale it up to nearly 750,000 outlets in two years time. Direct selling firm Tupperware India, known for its storage containers plans to foray into the rural markets in the next two-three years. "We have solid plans for the rural market. We are working on bringing products for rural people as well," said Asha Gupta, Managing Director, Tupperware India. Castrol India is pushing its rural sales by building up a distribution infrastructure to reach out to all villages. According to Ravi Kirpalani, Chief Operating Officer, Castrol India, "Our distribution now reaches 5,000-7,000 towns and villages, but we are planning to take our products to six lakh villages with a population of less of 5,000.

### **OPPORTUNITIES OF RURAL MARKETS**

In the early 2000s, around 700 million people, i.e. 70% of the Indian population lived in 6,27,000 villages, in rural areas. Of this, 90% were concentrated in villages with population less than 2000. According to a study conducted in 2001 by the National Council for Applied Economic Research (NCAER), there were as many "middle income and above" households in rural areas as there were in urban areas.

Infrastructure is improving rapidly - In 50 years only, 40% villages have been connected by road, in next 10 years another 30% would be connected. More than 90% villages are electrified, though only 44% rural homes have electric connections. Rural telephone density has gone up by 300% in the last 10 years; every 1000+ population is connected by STD. Social indicators have improved a lot between 1981 and 2001 - Number of "pucca" houses doubled from 22% to 41% and "kuccha" houses halved (41% to 23%). Percentage of BPL families declined from 46% to 27%. Rural literacy level improved from 36% to 59%. Low penetration rates in rural areas, so there are many marketing opportunities.

### **PROBLEMS OF RURAL MARKETS**

- The development of appropriate communication systems to rural market may cost up to six times as much as reaching an urban market through established media, need rural communication facilities.
- The problems of physical distribution and channel management adversely affect the service as well as the cost aspect. The existent market structure consists of primary rural market and retail sales outlet. The structure involves stock points in feeder towns to service these retail outlets at the village levels. But it becomes difficult maintaining the required service level in the delivery of the product at retail level.
- Rural consumers are cautious in buying and decisions are slow and



delayed. They like to give a trial and only after being personally satisfied, do they buy the product.

- Culture is a system of shared values, beliefs and perceptions that influence the behavior of consumers. There are different groups based on religion, caste, occupation, income, age, education and politics and each group exerts influence on the behavior of people in villages.
- As a general rule, rural marketing involves more intensive personal selling efforts compared to urban marketing. Marketers need to understand the psyche of the rural consumers and then act accordingly. To effectively tap the rural market a brand must associate it with the same things the rural folks do. This can be done by utilizing the various rural folk media to reach them in their own language and in large numbers so that the brand can be associated with the myriad rituals, celebrations, festivals, melas and other activities where they assemble.
- Life in rural areas is still governed by customs and traditions and people do not easily adapt new practices. For example, even rich and educated class of farmers does not wear jeans or branded shoes.
- An effective distribution system requires village-level shopkeeper, Mandal / Taluka- level wholesaler or preferred dealer, distributor or stockiest at district level and company-owned depot or consignment distribution at state level. The presence of too many tiers in the

distribution system increases the cost of distribution.

- Television has made a great impact and large audience has been exposed to this medium. Radio reaches large population in rural areas at a relatively low cost. However, reach of formal media is low in rural households; therefore, the market has to undertake specific sales promotion activities in rural areas like participating in melas or fairs.
- Many rural areas are not connected by rail transport. Kacha (wet) roads become unserviceable during the monsoon and interior villages get isolated.
- There are not enough opportunities for education in rural areas. The literacy level is as low (36%) when compared to all- India average of 52%.

#### **RECOMMENDATIONS FOR EFFECTIVE RURAL MARKETING PRACTICES**

- ❖ The Government has to develop infrastructure facilities like roadways, railways etc., in rural areas so as to reach large Indian rural market.
- ❖ The rural communication facilities like telecommunication systems, internet facilities, broadcasting systems etc., have to be improved so that there will not be any communication gap among players of the rural market segments.
- ❖ Effective Supply Chain Management practices can bring down the various costs associated with rural markets like distribution cost, cost of

communication, customer cost, cost of sale etc.

- ❖ Educating rural consumers is the key to successful rural marketing. Rural consumers need to be educated in all aspects like usage of the products, gathering product information, consumer rights, laws and regulations, getting the right product at right place at right cost in right time.
- ❖ The efficient marketing is predominantly influenced by efficient distribution system it means products such ultimate consumer in the quickest time possible at minimum cost.
- ❖ The state marketing board or federation or market committees also the producers, traders and sellers have necessarily to be consulted as they have the principle interest towards its use.
- ❖ Suitable structure of support prices for various farm commodities adjusted from time-to-time. Adequate arrangement of agricultural produce on support price, if the price falls below the level.
- ❖ Rural marketing is the nerve center of a rural economy; rural markets are the channels for the movements of goods and services as well as to promote cultural integration.
- ❖ Greater Need for Strategic Rural Marketing Practices Which includes.
  - Client and location specific promotion
  - Joint or cooperative promotion
  - Bundling of inputs
  - Developmental marketing
  - Unique selling proposition (USP)

- Extension services
- Business ethics
- Partnership for sustainability
- Management of demand

## CONCLUSION

There were almost twice as many "lower income households" in rural areas as in urban areas. There were 2.3 million "highest income" households in urban areas as against 1.6 million in rural areas. NCAER projections indicated that the number of "middle income and above" households was expected to grow to 111 million in rural India by 2007, compared to 59 million in urban India. Gone were the days when a rural consumer had to go to a nearby town or city to buy a branded product. The growing power of the rural consumer was forcing big companies to flock to rural markets. At the same time, they also threw up major challenges for marketers. In rural markets, customs and beliefs play important role in success or failure of any product. Therefore every marketer has to concentrate on rural markets apart from the matured urban markets. The role of government is very vital in solving the problems of rural markets. Development of infrastructure and effective implementation of laws, rules and regulations will protect of interest of rural consumer.

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## GROWTH PATTERN IN INDIA'S SERVICES SECTOR

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In the beginning of the 21<sup>st</sup> century the global economy shows significant structural changes with a swing of developments in the services sector through its various contributions. In the process of economic development, there is also a simultaneous growth of primary, secondary and tertiary sector. However, the high growth of services sector has become phenomenal in recent decades. This is directly due to the development of sophistication in the information technology. Since 1980s the share of services sector in the real GDP in India has also surpassed that of agriculture and industry. It is also reflected in the state level development growth. No doubt, the dynamics of the services sector infuses now growth impulses stimulating investments, income, consumption and employment.

Of course, current phase is the emergence of the service producing sector as a dominant player in terms of contribution to economic activity. The revolution in information and communication technology since 1980's clearly was responsible for this. Labour productivity has increased significantly in the service producing sector and in most of the advanced economies, the growth of the service producing sector is above the national average.

### THEORETICAL BACKGROUND AND REVIEW OF RELATED LITERATURE

The most obvious and the most famous definition for services is provided by **Adam Smith** who noted that, contrary to commodities, services rendered "generally perish in the very instant of their performance, and seldom leave any trace of value behind them for which an equal quality of service afterwards be procure".

There have been a number of attempts in recent years to find the most suitable way of dividing services into component sectors. The international standard industrial classification identifies four main groups of service industries.

- a. Wholesale and retail trade, hotel and restaurants.
- b. Transport, storage and communication.
- c. Finance, real estate, insurance and business services.
- d. Community, social and personal services.

Traditional trade theory recognizes extensive marginal trade in relation to commodities, and considers the output of the services sector to be least associated with trade. A standard neo-classical, two-sector open economy growth model would predict, under **Balassa-Samuelson** conditions, that as a result of trade liberalization, a

country's tradable sector experiencing relatively rapid cost-reducing productivity growth will expand in output and trade, while the non-tradable sector will grow as the consequences of a real appreciation of the exchange rate which accompanies the relative productivity growth in tradable. Yet India's post liberalization growth is characterized by little expansion of output and trade in the 'tradable' manufacturing sector and tremendous growth in the 'non-tradable' service sector.

As is well known, globally due to growing tertiarisation of several economies, services sector has emerged as the largest and fast-growing sector in the global economy in the last two decades. Starting from the pioneering work of **Clark** (1940) **Kuznets** (1957), and **Chenery** (1960), evolution of sectoral shares in output, consumption and employment growth have been studied for a long period. These studies attribute economic development as a three-stage process, where in primary, secondary and service sectors dominate the economic activity.

During the 1950s and 1960s research by Kuznets and Chenery suggested that development would be associated with a sharp decline in the proportion of GDP generated by the primary sector, counterbalanced by significant increase in industry, and by a more modest increase in the service sector.

As against the views of Kuznets and Chenery, recent literature has tended to emphasize the growing importance of service sector activity

(Inman 1985, Kondsamut, Rebedto and Xie, 2001).

## I. RAPID GROWTH IN SERVICES SECTOR

The growth of the service sector has been progressing in double-digit number during the past two years. Service providers are confident that revenues will rise over the coming year, predicting an increase of 61 percent. Service companies remain optimistic about future profit levels. The remarkable performance of the service sector as a whole has been reflected in the select lead indicators of the service sector.

The overall outlook on the service sector front during the first Quarter of fiscal year 2008-09 appears disquieting, through not completely depressing. The tourism industry has displayed improved performance in terms of foreign tourist arrivals, through the growth rate of foreign exchange earned has slipped.

The production of commercial vehicle shows higher growth from 2.1 percent to 9.1 percent. The sales of Commercial and passenger vehicles recorded a higher growth.

With the latest availability of data railways shows good performance where its growth accelerated by 4 percent.

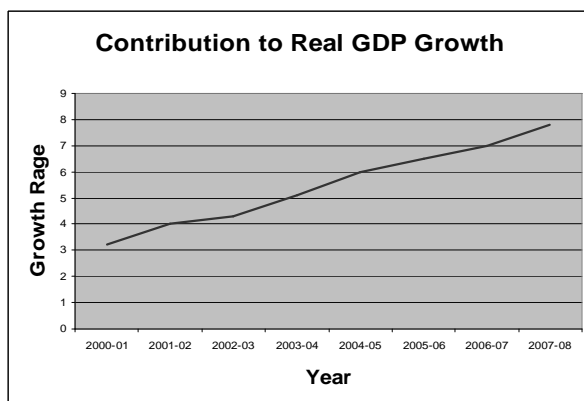
In respect of transport service, the slow down has set in at cargo and passengers handled at domestic as well as international airport during April-May 2008 due to the impact of skyrocketed price of Air Turbine Fuel and capacity reduction carried out by almost all the airlines as well as air fare

increases. As for community services, expenditure by the central government, though has recorded an impressive growth of 20.6 percent, has mainly been on account of high cost effect.

## II. CONTRIBUTION TO GDP

The service sector recorded double digit growth during the study period, although the growth rate was moderate. The deceleration in growth was mainly on account of lower growth witnessed in trade, hotels, restaurants, transport storage and communication and business service sub-sector during the quarter. The construction and community, social and personal service sub-sector, however, recorded higher year-on-year growth to identify the growth path of the contribution of GDP from period to period a straight line trend is fitted by the method of least square. We identified that the calculated trend value is going on increasing year by year. And we can estimate expected trend value for the period 2011-2012. The expected trend values will be 10.22.

### SERVICE SECTORS CONTRIBUTION TO REAL GDP GROWTH



Empirical evidence from literature shows that there is acceleration in growth during April – July 1008-09 when compared with April July 2007-08. The Railway revenue earning from freight traffic increased from 6.1 percent to 9.4 percent, commercial vehicle production has increased from 3.4 percent to 8.9 percent and export cargo handled by civil aviation has increased from 3.6 percent to 8.1 percent. Some deceleration was also observed in productivity of cement and steel, cargo handled at major ports and other indicators of civil aviation excluding export cargo.

## FINDINGS

The service of Indian economy has brought much success in the recent years. It constitutes a large share in the total Gross Domestic Product. The growth rate of service sector of India is faster than any other sector. It constitutes more than 50 percent of the total GDP in the country. In the budget 2008-09, the services sector is the top source of revenue for the government. Policy changes are also likely to be a factor behind the growth in service sector activity especially changes relating to deregulation, liberalization of FDI and privatization of government owned services.

## SUGGESTIONS

- ❖ The tremendous success of services sector in India is due to the availability of vast skilled labor. In the coming year, India is expected to benefit further from a higher proportion of younger population. For demographic dividend to be

reaped fully, the improvements in education, skills, health and governance are essential.

- ❖ There is need to improve the availability of educational facilities at all levels to equip the labour with

the necessary skills to maintain current competitive advantage.

- ❖ Improve regulation in health and education is necessary to protect the interest of consumers and Indian service providers should be able to secure access to foreign markets.

## APPENDIX

Table - 1

### Select Indicators of Services Sector Activities (Growth Rates In %)

S. No.		Sub-sector	Latest Period <sup>^</sup>		Full Financial Year		
1		Tourism (April-June)	2008-09	2007-08	2007-08	2006-07	
	I	Tourist arrivals (in numbers)	10.2	8.2	12.6	11.7	
	II	Foreign exchange earnings (in US\$)	4.5	22.2	30.9	23.5	
2		Transport					
	I		Automobiles (Apr-June)				
		A	Commercial vehicles production (numbers)	9.1	2.1	4.9	33
		B	Passenger vehicles production (numbers)	12.5	13	14	18
		C	Commercial vehicles domestic sales (numbers)	15.1	12.6	12.2	19.7
		D	Passenger vehicles domestic sales (numbers)	15.1	12.6	12.2	19.7
	II		Railways (April-May)				
		a	Revenue earning freight traffic (in tonnes)	10.2	6.2	10.7	9.2
	III		Civil Aviation (April)				
		A	Freight handled at international terminals (tonnes)	7.2	7.3	12.3	10.9
		B	Freight handled at domestic terminals (tonnes)	0.9	13.4	7.1	10.1
		C	Passengers handled at international terminals (numbers)	8.5	18.6	15.7	15.1
	IV		Shipping (April- November)				
		A	Cargo handled at major ports (in tonnes)	10.4	17.5	11.9	9.5
	3		Communication (April -November)				
I		New Cell phone connection (numbers)	42.9	82.4	39.3	72.8	
4		Banking and Finance* (Apr-Nov)					
	I	Aggregate deposit # (Rs crore)	3.5	4.1	22.2	23.8	
	II	Non-food credit (Rs crore)	1.7	-0.7	22.3	28.5	
5		Public Administration (Apr-May)					
	I	Central government expenditure (Rs crore)	20.6	-1.3	22.3	15.3	

Note: '-' means not available, ^ latest available period specified against each indicator

\*Refers to the scheduled commercial banks and the figures are as on Nov 24, 2006

# Date reflect redemption of India millennium Deposits (IMDs) on December 29, 2005

Sources: Data re taken from respective ministries of other government authorities and CMIE

**Table – 2**  
**Service Sectors – Contribution to Real GDP Growth**  
**(Points in %)**

Year	Construction	Trade, Hotels, Transport and Communication	Financing, Insurance, Real Estate and Business Service	Community, Social and personal Service	Total Service	Trend values
1	2	3	4	5	6	7
2000-01	0.4	1.6	0.5	0.7	3.2	3.18
2001-02	0.2	2	0.9	0.6	3.8	3.32
2002-03	0.5	2.2	1.1	0.6	4.3	4.46
2003-04	0.7	2.9	0.8	0.8	5.2	5.51
2004-05	1	2.7	1.2	1	5.8	5.74
2005-06	1.1	3	1.5	1	6.6	6.38
2006-07	0.8	3.1	1.9	1	6.8	7.02
2007-08	0.7	3.1	1.9	1	6.6	7.66
2007-08	0.6	3.4	1.8	0.7	6.5	
Q1	0.9	3	1.9	1.1	6.9	
Q2	0.5	3	1.9	0.8	5.9	
Q3	0.9	3.4	1.9	1.3	7.1	
2008-09						
Q1	0.8	3	1.4	1.1	6.4	

**Source:** Central Statistical Organization

## CONCLUSION

The rise in service sector's share in GDP marks a structural changes. Reason for high growth rate in service sector in India is the liberalization in the regulatory frame work which gives rise to innovation and high level of exports. The challenge before India is to devise innovative polices and efficient instruments to ensure that the efficiency gains from liberalized markets translate into more effective attainment of social goals. Looking forward this analysis suggests a bright future for the Indian services sector. The effects of high income elasticity of demand and increased input usage in industry are likely to continue for some time, before tapering off. But extra impetus to

services growth is likely to come from exports from liberalization. New market for India service exports are just beginning to be tapped and there is sustained scope for future high growth rate in tradable services. There is also scope for considerable growth liberalization and the associated productivity gains in some of the services sub-sectors were growth has lagged behind.



## CONSUMER PREFERENCES TOWARDS ONLINE SHOPPING IN THANJAVUR DISTRICT

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### ABSTRACT

*Online promotion has been employed by e-marketers to influence the shoppers during online shopping. In recent years, it has emerged as one of the promising tool in marketer's arsenal to sway potential customers in Indian online shopping environment. The Indian Online Retail segment is changing rapidly by the impact of technology. Smart phones and internet enabled customers to connect e-tailing in a huge manner. E-Tailing has become extremely popular over the last decade. Today is the Era of Globalization and the consumer is not bound within a particular place to access products available anywhere in the world. Now he can go beyond the boundaries of any market area where he lives, to access the things of his interest. The medium holds many virtues favorable for the retail industry including a higher customer penetration, increased visibility, and convenient operations. The current web-based models for e-tailing are part of an embryonic phase preceding an era of rapid transformation, challenge, and opportunity in Indian retail market. The Indian retail market is witnessing a revolution.*

**Key Words:** Internet, Retailing, E-tailing, growth, Challenges and Opportunities

### 1. Introduction

Promotion is all about companies communicating with customers. A business's total Marketing communication program is called "Promotional Mix" and it consists a blend of Advertising, Personal selling, sales promotion, Public relation tools & Direct mailing. The Internet, as an information and entertainment medium, naturally lends itself to being used to promote products. The online promotional mix is an extension of the offline, but with some significant differences. Online promotion can be tracked, measured and targeted in a far more sophisticated way. Advertising, personal sales, promotions

based marketing and public Relations can all be conducted through the online medium.

If this robust growth continues over the next few years, the size of the e-retail industry is poised to be 10 to 20 billion USD by 2017-2020. This growth is expected to be lead by increased consumer purchases in durable and electronics, apparels and accessories, besides traditional products such as books and audio-visuals and lately grocery. The paper tries to analyze and understand what is e-retailing, what are e-retailing platforms, the major e-retailers and their marketing wars with emphasis on various Digital

advertising websites. The paper also analyzes the future growth of e-retailing in India.

In this study sample, around 65 per cent were males, showing a predominance of male consumers in online shopping. Around 48 per cent of the respondents were in the age group of 25–30 and 40 per cent were below the age of 25. Overall, a predominantly younger population (80 per cent) is shopping online in a big way. The majority of the respondents were employed in private service (42 per cent).

## 2. E-Retailing

Electronic retailing or e-tailing as it is being called now is the direct sale of products information and services through virtual stores on the Web, usually designed around an electronic catalogue format and auction sites. There are many stores on e-commerce sites on the Internet that are extensions of existing retailers or start-ups. E-tailing is synonymous with business-to consumer (B2C) transactions in online stores, where a customer can shop for apparel, cell phones, cameras, computers, books, magazines, music CDs and DVDs, shoes, furniture, health equipment, flowers, grocery etc. the list is long and exhaustive and is growing day by day. Electronic retailing has emerged as a new avenue for consumers to shop in. With the Internet spreading across India at a fast rate, online selling is becoming attractive for e-retailers.

The essence of e-retailing is in its ability to transcend physical boundaries and reach customers in a manner

different from the traditional brick-and-mortar stores, to their very door step. However, the base of the e-retailing model is technology and logistical solutions that facilitates the customer acquisition and the final 'reach' process. E-commerce further facilitates differences in customer orders, free delivery; order rescheduling, cancellation, returns and cash-on-delivery.

## 3. E-Commerce in India

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. The first e-commerce site in India was rediff.com. It was one of the most trafficked portals for both Indian and non-residents Indians. The past 2 years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues. The web communities built around these portal sites with content have been effectively targeted to sell everything from event and mouse tickets the grocery and computers. The major pioneer in this services being Rediff.com and the e-commerce sites have popped up everywhere hawking things like

groceries, bakery items, gifts, books, audio and video cassettes, computer etc. none of the major players have been deterred by the low PC penetration and credit card.

E-Business Opportunities, Challenges, Drivers and Barriers

e-Business related opportunities	e-Business related challenges
1. Cost savings	1. Lack of awareness
2. Efficiency and productivity gains	2. Increasing market competition, where retailers are highly concentrated
3. Increasing information about the market and the customers (e-marketing)	3. Economic return of e-business
4. Online selling and multi-channel approach	
e-Business drivers	e-Business barriers
1. Trends in demography and lifestyle	1. Lack of interest in internet based applications and sales systems among a large number of retailers
2. Improved systems for increasing the efficiency of supply chain relationships	2. ICT skills gap
3. New private labels	3. Trust and security issues

Source: e-Business W@tch sector study on the retail sector (August 2004)[71]

#### 4. The Online advantage

The advantages of e-retailing are-

- ❖ **No rent or land costs-** E-retailers do not require sophisticated showrooms in prime locations, and operate through their websites or portals. This significantly saves the store maintenance costs, which are very high for brick and mortar or physical store retailers.
- ❖ **Enhanced communication with the client** - E-tailing enables personalized interaction with customers.
- ❖ **Universal reach-** A supermarket has a limited geographical area of coverage. It caters only to a limited number of customers of a particular area or locality, but a website can be accessed from any part of the globe, which increases its market manifold.
- ❖ **Effortless and joyful shopping-** Online shopping saves time. Shopping in the comfort of your home through the Internet is a huge attraction for customers.
- ❖ **Any time accessibility-** The online store is accessible 24×7 and delivers your products at home, that saves time and effort.
- ❖ **Prices can be compared-** Online shoppers can compare the prices of the products they want to buy on competitive sites, and then go for the purchase.
- ❖ **No duplication of products-** Branded products is sold at competitive prices on credible online portals. This reassures the consumer that no duplicated, low quality products will be sold on these sites.
- ❖ **Minimized turn-around-time (TAT)** - which leads to word-of-mouth publicity, feedback and customer retention to the e-portal or website.
- ❖ **Updated information-** with respect to inventory status, demand schedules and forecasts, shipment schedules and promotion plans among all the stakeholders of the supply chain which forms the backbone of an e-retailer.
- ❖ **Client Data-** The e-retailer can have the data on purchase pattern by demography and geography.

#### 5. Major e-retailers in India and what they sell

- **Flipkart.com:** Books, mobile phones, digital cameras, laptops, watches, clothing and other products.

- **Amazon.com** - Books, mobile phones, digital cameras, laptops, watches, clothing, etc.,
- **Snapdeal.com:** Mobiles, laptops, appliances, clothes, shoes etc.
- **Myntra.com:** Apparel, branded footwear, accessories
- **eBay:** Consumer electronics products, fashion apparel, collectibles, sporting goods, digital cameras, baby items, watches, coupons, etc
- **Homeshop18:** Mobiles, cameras, home and kitchen appliances, jewellery, fashion products, health and beauty products etc.
- **Rediff Shopping:** Gifts, mobiles, electronics, clothes and shoes.
- **Baniya .com.** - Grocery
- **Reliance fresh-** Grocery, fresh vegetables, fruits etc.

**Note:** Myntra.com was acquired by Flipkart.com in May 2014

## 6. What Products Do Consumers Purchase Online?

Electronics goods are the most purchased products online, with 64 per cent of respondents purchasing these in the last one year. This was followed by clothes (55.2 per cent) and accessories (46.3 per cent). Around 22 per cent of the respondents purchased books online, followed by 15 per cent purchasing personal care items. A small percentage of respondents purchased products from categories of food and eatables (9 per cent) and stationery and toys (3.5 per cent).

Consumer detriment can cause the satisfaction levels for a consumer to drop when purchasing a product online. Consumers' shopping experience can be marred by unsatisfactory experiences

because of delivery problems, poor quality of service, defective products, etc. For the purpose of the study, the focus is limited to problems concerning delay in delivery, non-delivery, defective products, return/replacement/refund issues and poor response of customer care. Respondents in the sample were asked whether they faced any of these problems.

## 7. Analysis and Interpretation

### A. Non-Delivery/Delay in delivery

Out of the 1,327 respondents covered, 160 (12 per cent) had faced problems related to delivery with one site, and 22 had faced delivery problems with two sites. With a score of 13 per cent, a Shopping India time was listed as the site with the highest percentage of respondents reporting some problem related to non-delivery/delay in delivery. It was followed by Rediff Shopping (9.7 per cent) and Reliance Fresh (8.8 per cent). Sites like Zovi (1.3 per cent), Amazon (1.3 per cent), Jabong (2.1 per cent), Flipkart (4 per cent) and Ebay (4.1 per cent) had the lowest percentage of respondents reporting problems with respect to delivery.

**Table 7.1 Non-Delivery/Delay in delivery**

Non-Delivery/Delay in delivery			
Site	Score	Site	Score
Amazon.com	1.30%	Naaptol	4.80%
Zovi	1.30%	Fashion and you.com	5.40%
Jabong	2.10%	Myntra.com	6.30%
Baniya .com	3.90%	Snapdeal.com	6.40%
Flipkart.com	4.0%	Reliance fresh	8.80%
E-Bay	4.10%	Rediff Shopping	9.70%
Homeshop18	4.70%	Shopping Indiatimes	13.0%

Respondents were also asked whether the site with which they faced a delivery-related problem had provided any reason for the same. It was reported that almost 3 out of 10 were not given any reason by the respective site. This was mainly indicated by those who had purchased from Shopping Indiatimes (6.5 per cent).

Product 'out of stock' was reported as reason for non-delivery by 23 per cent respondents and reported as the main reason given by Rediff Shopping (2.8 per cent) and Baniya .com (2 per cent), followed by problems in reaching address for delivery, as was indicated by 21 per cent respondents. Shopping Indiatimes was found to be the site reporting this response i.e., reaching address for delivery with the highest percentage of 4.3 percent.

### B. Receipt of defective products

Defective products refer to products that are damaged, do not function, have a product/accessory missing, are different from the one ordered, etc. Altogether 121 respondents (9.1 per cent) reported that the product they received from a site was defective. This was reported highest in the case of Shopping Indiatimes (13 per cent), followed by Rediff Shopping (9.7 per cent) and Baniya .com (7.8 per cent). Amazon (1.3 per cent), Myntra (2.4 per cent), Homeshop 18 (2.6 per cent) and Jabong (2.9 per cent) had the lowest percentage of respondents reporting problems with respect to defects.

Damaged, broken, or non-functional products were the major type of defect

found on delivery (26.5 per cent), followed by delivery of a different kind of product from what was ordered (25.2 per cent) and delivery of products of different size, colour, or specification (24.5 per cent). From the list of top 14 sites in the study, the highest percentage of damaged products was found to be in the case of Shopping Indiatimes.

**Table 7.2 : Delivery of Defective Products**

Delivery of Defective Products			
Site	Score	Site	Score
Amazon.com	1.30%	Reliance fresh	4.4%
Myntra.com	2.4%	E-Bay	5.4%
Homeshop18	2.6%	Naaptol	5.5%
Jabong	2.9%	Fashion and you.com	6.0%
Zovi	3.9%	Baniya .com	7.8%
Flipkart.com	4.0%	Rediff Shopping	9.7%
Snapdeal.com	4.4%	Shopping Indiatimes	13.0%

### C. Refund

Respondents who faced such problems like non delivery or defective products were asked whether they had claimed for a refund of the purchase amount and what was the response of the site. A total of 124 (9.3 per cent) out of 1,327 respondents reported asking for refund of amount from one or two sites. The highest percentage of respondents asking for refund was reported by Baniya .com (7.8 per cent), followed by Reliance Fresh (4.4 per cent) and Shopping Indiatimes (4.3 per cent). Majority of the respondents who had asked for refund received only partial refund (52 per cent). One-fifth of the respondents also reported that they received only vouchers or credit points for future purchases and only-one tenth

of respondents received full monetary refund. This suggests exercising of caution by online shoppers in confirming the e-commerce site's refund policy before the order is placed.

**Table 7.3: Refund of Purchase Amount**

Refund of Purchase Amount			
Site	Score	Site	Score
Naaptol	0.7%	Myntra.com	3.5%
Homeshop18	1.9%	Jabong	3.5%
Snapdeal.com	2.5%	Flipkart.com	3.6%
Amazon.com	2.6%	E-Bay	3.8%
Zovi	2.6%	Shopping Indiatimes	4.3%
Rediff Shopping	2.8%	Reliance Fresh	4.4%
Fashion and you.com	3.4%	Baniya .com	7.8%

#### D. Return / Replacement of products

Respondents were asked whether they had asked for return/replacement of a product they purchased from a site. Altogether 157 (11.8 per cent) of the total sample reported asking for a return/ replacement of the product they purchased from one or two sites. Asking for a return/replacement was found to be the highest in case of products purchased from Baniya .com (9.8 per cent) followed by Shopping Indiatimes (6.5 per cent) and Myntra (5.5 per cent).

**Table 7.4 : Return / Replacement of Products**

Return / Replacement of Products			
Site	Score	Site	Score
Reliance fresh	1.5%	Snapdeal.com	4.2%
Homeshop18	1.9%	Rediff Shopping	4.2%
Amazon.com	2.6%	Jabong	4.7%
Zovi	2.6%	Naaptol	4.8%
Fashion and you.com	2.7%	Myntra.com	5.5%
E-Bay	3.8%	Shopping Indiatimes	6.5%
Flipkart.com	4.2%	Baniya .com	9.8%

It was also found that in nearly 7 out of 10 cases (68.4 per cent) the product was returned or replaced within the time frame specified by the sites. This was reported by all 16 respondents who had purchased from Jabong, showing that this site had an effective service recovery process in place. This also suggests caution: before placing an order with a site, consumers must confirm if it was able to deliver a timely replacement to their address in case of such problems. Around 16 per cent also reported that the product was returned / replaced within considerable time and this was reported mainly by those who had purchased from Shopping Indiatimes (2.2 per cent) and Baniya.com (2 per cent). These durations can vary by location and type of products as different products may be shipped from different warehouses. Also, products out of stock may take longer to be replaced.

#### E. Poor customer care service

Respondents were asked whether they experienced any deficiency of service in the e-commerce site's customer care in terms of failure to service/repair the product in time, failure to provide bill of purchase, etc., and what were the accessibility and response of the customer care in that regard.

Around 111 respondents had reported such deficiency in service, the majority belonging to those who had purchased from Baniya .com (11.8 per cent) followed by Rediff Shopping (8.3 per cent) and Fashion and you.com (5.4 per cent).

**Table 7.5: Poor Customer Care Service**

Poor Customer Care Service			
Site	Score	Site	Score
Amazon.com	1.3%	Flipkart.com	2.9%
Zovi	1.3%	Naaptol	3.4%
Snapdeal.com	1.7%	Shopping Indiatimes	4.3%
Homeshop18	1.7%	Reliance fresh	4.4%
Myntra.com	2.4%	Fashion and you.com	5.4%
Jabong	2.4%	Rediff Shopping	8.3%
E-Bay	2.5%	Baniya .com	11.8%

### 8. Advice for Consumers

Go ahead and shop. Risks are low as compared to benefits. It is important to note that the number of respondents facing problems when shopping online – out of the total number of respondents using a particular site – ranges from one to ten per cent. Hence, the probability of facing a problem when shopping online is at the most one out of ten. This suggests that the risk is small and consumers should not avoid shopping online merely because some consumers have faced problems and that too in small percentages. You are advised to go ahead if you feel there are benefits like cost savings or convenience. Also, problems in the nature of return/replacement only go to show that consumers are asking for returns / replacements of products if they find them unsatisfactory. It is heartening to note that consumers are getting savvy as they are willing to complain if they face any consumer detriment, so be prepared to complain if you face a problem. The customer care contact number or email ID must be kept handy to lodge a complaint as soon as you face a problem.

Popular sites also have respondents reporting some problems related to delivery, defects, etc., However, such problems do not stop consumers from shopping online because of the benefits like convenience, lower prices and the range of products.

We feel that online shopping is giving traditional brick-and-mortar retailers strong price competition. Online sellers are able to offer lower prices and consumers can compare prices in their local store before purchasing online. There are also consumers who check and compare prices/benefits online and then may buy offline in their nearby shopping centre if the price is about the same as offered by an online store.

#### 8.1. Reason for the growth of e-Commerce in India

It includes busy lifestyles, urban traffic congestion and lack of time for offline shopping; lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs; increased usage of online classified sites, with more consumer buying and selling second-hand goods; evolution of the online marketplace model with websites like Jabong.com, Flip kart, Snap deal, and respectively.

#### 8.2. Consumer Participation in E-Business

From the consumer standpoint, the most likely people to participate in e-business are those that are comfortable with computers and technology. Most of the participation is

by the younger generation users who are approximately under 30 years of age. People who are on the go with work, school, and home life are also more likely to participate in e-business methods because of their existing time constraints and busy schedule. It is hard for them to make it to stores during normal working hours without losing time elsewhere.

### **9. Future of E-Business Success Factors & E-Business Opportunities**

The Internet has become a standard in the consumer's way of life and very few people have not been on the Internet at one point or another. As Internet access speeds continue to advance with the adoption of broadband technologies, the activities possible on the web and beyond will only increase. Like most markets, this one is driven by the consumer. Today's consumers want more flexibility in the way they do business with companies. If a company does not have e business capabilities, it is limiting its ability to effectively compete with other companies. The major catalyst to a successful e-business lies in a company's ability to think dynamically about an ever changing industry and implement a nonlinear approach. Consider a variety of factors, such as:

- 1) Is the company working with suppliers and partners efficiently over the Internet?
- 2) Are there steps in the value chain that should be removed or added?
- 3) Has the company found the most profitable spot within the chain?

- 4) Can buyers and suppliers streamline processes, enhance productivity and reduce costs?
- 5) Senior management must be sincerely committed to the strategic, policy and operating levels of transformation.

Even though there are still many issues and concerns to be dealt with, the future of e-business is bright. Future e-business growth will come from various areas of all types of e-business.

### **10. Conclusion**

E-tailing in India seeing a tremendous growth as it has proven by the flipkart billion day 600 cr worth sales. Now many organizations are focusing on Indian online market. Retaining the e-customer is a tough challenge. The internet customer is very hard to predict and is different from the normal customer. While a normal customer expects strong loyalty, such a loyalty on the Internet is difficult to obtain. To attract and retain the customers, the retailers particularly the e-tailers have to take more efforts than to just attract. They must also provide reluctant consumers with compelling reasons for accepting the Internet as a new way to shop. Some of these reasons might include the use of consumer assurance brands and enhanced levels of convenience, customization, selections, service and pricing. While skills like speed, differentiation, and branding are very more important in the digital world-tailors are need to focus about challenges and legal issues of online retailing.



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## ESSENCE OF STRATEGIC MANAGEMENT IN THE VARIOUS FUNCTIONAL AREAS OF THE ORGANIZATION

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Strategic management allows an organization to be more proactive than reactive in shaping its own future; it allows an organization to initiate and influence activities, and thus to exert control over its own destiny. Small business owners, chief executive officers, presidents, and managers of many for profit and non-profit organizations have recognized and realized the benefits of strategic management. Functional strategy is the approach a functional area takes to achieve corporate and Business unit objectives and strategies by maximizing resource productivity. It is concerned with developing and nurturing a distinctive competence to provide a company or business unit with a competitive advantage. Just as a multidivisional corporation has several business units, each with its own business strategy, each business unit has its own set of departments, each with its own functional strategy. Therefore, in determining functional strategy, the strategist must:

- Identify the company's or business unit's core competencies
- Ensure that the competencies are continually being strengthened.
- Manage the competencies in such a way that best preserves the competitive advantage they create.

### **Marketing Strategy**

Marketing strategy deals with pricing, selling and distributing a product. Using a market development strategy, a company or business unit can

- Capture a large share of an existing market for current products through market saturation and market penetration or
- Develop new markets for current products.

There are numerous other marketing strategies. For advertising and promotion, for example, a company or business unit can choose either a "push" or a "pull" marketing strategy. The push strategy is spending a large amount of money on trade promotion in order to gain or hold shelf space in retail outlets. Trade promotion includes discounts, in store special offers, and advertising allowances designed to "Push" products through the distribution system.

The pull strategy is an approach to advertising "pulls" the products through the distribution channels. The company now spends more money on consumer advertising designed to build brand awareness so that shoppers will ask for the products. Research has indicated that a high level of advertising is more beneficial to leading brands in a market.

### **Financial Strategy**

Financial strategy examines the financial implication of corporate and business-level strategic options and identifies the best financial course of action. It can also provide competitive advantage through a lower cost of funds and flexible ability to raise capital to support a business strategy. It usually attempts to maximize the financial value of the firm. The tradeoff between achieving the desired debt-to-equity ratio and relying on internal long term financing through cash flow is a key issue in financial strategy. Research reveals that a firm's financial strategy is influenced by its corporate diversification strategy.

A very popular financial strategy is the "leveraged buy out"(LBO) is also called as "Management Buy out" (MBO). A company is acquired in a transaction financed largely by debt-usually obtained from a third party, such as an insurance company or an investment banker. Ultimately the debt is paid with money generated from the acquired company's operations or by sales of its assets. The acquired company, in effect, pays for its own acquisition! Management of LBO is then under tremendous pressure to keep the highly leveraged company profitable.

A recent financial strategy being used by large established corporations to establish a tracking stock. A tracking stock is a type of common stock tied to one portion of a corporation's business. This strategy allows established companies to highlight a high-growth business unit without selling the

business. By keeping the unit as a subsidiary with its common stock separately identifies, the corporation is able to keep control of the subsidiary and yet allow the subsidiary the ability to fund its own growth with outside money. Because the tracking stock is actually an equity interest in the parent company, another company cannot acquire the subsidiary by buying its shares.

### **Research and Development Strategy**

R&D strategy deals with product and process innovation and improvement. It also deals with the appropriate mix of different types of R&D (basic, product or process) and with the question of how new technology should be accessed-internal development, external acquisition, or through strategic alliances.

Once of the R&D choices is to be either a technological leader in which alone pioneers an innovation or a technological follower in which one imitates the products of competitors. Porter suggests the deciding to become a technological leader or follower can be a way of achieving either overall low cost or differentiation.

### **Operation Strategy**

Operation strategy determines how and where a product or service is to be manufactured the level of vertical integration in the production process, and the development of physical resources. It also deals with the optimum level of technology the form should use in its operation processes. A

firm's manufacturing strategy is often affected by a product's life cycle.

As the sales of a product increase, there will be an increase in production volume ranging from lot sizes as low as one in a "Job shop" (one-of-a kind production using skilled labour) through "connected line batch flow" (components are standardized) to lot size as high as 1,00,000 or more per year for "flexible manufacturing system" (parts are grouped into manufacturing families to produce a wide variety of mass-produced items) and "dedicated transfer lines" (highly automated assemble lines). According to this concept, the product becomes standardized into a commodity over time in conjunction with increasing demand. Flexibility thus gives way to efficiency. The automobile industry is currently experimenting with the strategy of "Modular manufacturing" in which preassembled subassemblies are delivered as they are needed (Just-in-time) to a company's assembly line workers, who quickly piece the modules together into a finished product.

### **Purchasing Strategy**

Purchasing strategy deals with obtaining the raw materials, parts, and supplies needed to perform the operations function. The basic purchasing choices are multiple, sole, and parallel sourcing. Under multiple sourcing, the purchasing company orders a particular part from several vendors. Multiple sourcing has traditionally been considered superior to other purchasing approaches. Sole

sourcing relies on only one supplier for a particular part. It can also simplify the purchasing company's production process by using the "Just-in-time" (JIT) concept of the purchased parts arriving at the plant just when they are needed rather than keeping inventories. In parallel sourcing, 2 suppliers are the sole suppliers for each other's parts. In case one vendor cannot supply all of its parts on time, the other vendor cannot supply all of its parts on time, the vendor would be asked to make up the difference. Therefore, the company can follow the suitable strategies according to their production process.

### **Human Resource Management Strategy**

HRM strategy, among other things, address the issue of whether a company of business unit should hire a large number of low skilled employee who receive low pay, perform repetitive jobs, and most likely quit after a short time or hire skilled employees who receive high pay and are cross-trained to participate in self-managing work teams. Multinational corporations are increasing using self-managing work teams in their foreign affiliates as well as in home country operation. Research indicates that the use of work teams leads to increased quality and productivity as well as to higher employee satisfaction and commitment. Companies are finding that having a "diverse workforce" can be a competitive advantage. Research reveals that firm with a high degree of racial diversity following a growth strategy have higher

productivity than do firms with less racial diversity.

### **Information Systems Strategy**

Corporations are increasingly adopting information systems strategies in that they are turning to information systems technology to provide business units with competitive advantage. Multinational corporations are finding that the use of a sophisticated intranet for use of its employees allows them to practice “follow-the sun Management”, in which project team members living in one country can pass their work to team members in another country in which the work day is just beginning. Many companies are also attempting to use information systems to form closer relationships with both their customers and suppliers through sophisticated extranets.

### **Conclusion**

Strategic management is that set of managerial decisions and actions that determines the long-run performance of a corporation. It includes environmental Scanning (both external and internal), strategy formulation (Strategic or Long-range planning), strategy implementation, and evaluation and control. The study of strategic management, therefore emphasized the monitoring and evaluating of external opportunities and threats in Light of an organization’s strengths and weakness.

## TRAINING AND DEVELOPMENT SCENARIO IN PUBLIC AND PRIVATE SECTOR BANKS

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### ABSTRACT

*Over the last few years, India's economy has been on a high growth trajectory creating unprecedented opportunities for its banking sector. Most banks have enjoyed high growth and their valuations have appreciated significantly during this period. To maintain this growth, proper training and development of the employees is required in order to meet up with the growing demands of the customers and the market. With change in the economic scenario of India, change in the level of training and development has also been observed. In the present study the changes and challenges in the training and development process of the employees of public and private sector banks is being reviewed. With the help of studies conducted in this field it is concluded that private sector banks are more conscious about the level of training provided to their employees and the rate of the development of their banks to meet up with the latest standards as compared to the public sector banks. Implications and limitations of the study are stated.*

**Key Words:** *training and development, employees, public and private sector banks.*

### Introduction

For the long term profitability of any business sector, training and development are the major factors which enhance the quality of employees. If educated employees are hired, investment in the development of their skills must be done to increase their productivity. Not only for new employees but training should also be given to the older employees of the company at regular time intervals to help them adjust with the rapidly changing job operations. These companies have to constantly keep up with the demands of customers in order to keep their name in the market. One such company are banks. The modern

commercial banks perform a number of functions. Entry of new banks both in public as well as private sector and the other financial institutions has increased competition. Apart from traditional functions banks nowadays provides many other facilities as an advisor, as an agent and in many other forms.

Banks carry out a lot of functions. They borrow money by accepting funds deposited on current accounts, by accepting term deposits, and by issuing debt securities such as banknotes and bonds. Banks lend money by making advances to customers on current accounts, by making instalment loans, and by investing in marketable

debt securities and other forms of money lending. They also borrow most funds from households and non-financial businesses, and lend most funds to households and non-financial businesses they also provide almost all payment services, and a bank account is considered indispensable by most businesses, individuals and governments (Magutu, 2010).

For carrying out all these facilities, regular monitoring of training sessions have to be done and more skilled employees are required in all the types of banks. In terms of ownership, commercial banks can be further grouped into nationalized banks (majority ownership by government of India), regional rural banks and private sector banks (old and new, domestic and foreign). In 2005, there were 330 scheduled commercial banks (SCB) and 31 scheduled co-operative banks. Deposits at SCB grew at a lower rate of 15.4% (excluding the conversion impact) from 2004 to 2005, compared with 16.4% in the previous year. This reduction reflects a slowdown in both demand deposits and savings deposits (Mohan, 2005).

The present commercial banking system in India may be broadly distinguished into public sector banks, private sector banks, and foreign banks. The present study is related to public and private sector banks. A private bank is owned and controlled by an individual or a group of people and these attend personally to its management. The private sector is that part of the economy, sometimes referred to as

the citizen sector, which is run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the state. A public bank is that which is owned and controlled by the government and the decisions taken or the management is totally under the control of the government (Sathye, 2003).

All the banks in India are working under RBI and have been divided into various sectors based on their working areas and ownership. The classification is as follows:

#### **Public Sector Banks**

- a. State Bank of India and its associate banks called the State Bank Group
- b. 20 nationalized banks
- c. Regional rural banks mainly sponsored by public sector banks

#### **Private Sector Banks**

- a. Old generation private banks
- b. New generation private banks
- c. Foreign banks operating in India
- d. Scheduled co-operative banks
- e. Non-scheduled banks

#### **Co-operative Sector**

The co-operative sector is very much useful for rural people. The co-operative banking sector is divided into the following categories.

- a. State co-operative Banks
- b. Central co-operative banks
- c. Primary Agriculture Credit Societies

#### **Development Banks / Financial Institutions**

- a. North Eastern Development Finance Corporation

- b. IFCI, IDBI , ICICI Bank , IIBI
- c. SCICI Ltd.
- d. NABARD
- e. Export-Import Bank of India
- f. National Housing Bank
- g. Small Industries Development Bank of India

In Indian economy the banking sector is playing a major role in its development. The banks of private and public sector are playing their roles efficiently to the growth of the country. For this growth in the economy, the banks have to introduce new concepts, new technologies, new policies etc. which may attract the attention of the customers. However, there is a difference in the banking, management, recruitments and training policies between public sector and private sector banks. Gupta (2008) examined that internet banking had attracted the attention of banks, securities trading firms, brokerage houses, insurance companies, regulators and lawmakers in developing nations since the late 1990s. There were significant gaps in knowledge about the consumer's perspective of Internet banking. Consumer awareness, use patterns, satisfaction and preferences for Internet banking vis-a-vis conventional form of banking were explored the factors that may affect the bank's strategy to adopt Internet banking were highlighted. It also addressed that the regulatory and supervisory concerns of Internet banking are necessary in order to attract customers.

Mittal (2008) studied that new age marketing is basically aimed at

winning customers forever. Companies greet the customers; create the product to suit to their needs and work hard to develop a life time customer. This becomes possible only when the employees are trained in the art of greeting the customers. Customer's opinion about their bank with respect to the relationship oriented behaviour of their bankers towards them was also found to be necessary. Relationship marketing orientation in Public Sector Banks with that of Private Sector Banks was also compared. The survey analysis indicated that the Customers of Public Sector & Private Sector Banks are of the opinion that there is a difference with respect to the application of Relationship Marketing Approach among Public Sector & Private Sector Banks. Therefore, the present study is focussed on the difference in the training and development procedures in public and private sector banks.

### **Objective**

To determine the changes and challenges faced by the banks in the training and development process of the employees and difference in the training and development procedures among public and private sector banks.

### **Hypotheses**

There will be many changes and challenges faced by the training and development procedures of public and private sector banks. There will be a significant difference in the training and development procedures between public and private sector banks.



### **Procedure**

On the basis of secondary data i.e. articles, studies and reviews done on this topic the current changes and challenges faced by the employees in the field of training and development sector of banks was analysed. The difference between the methods of training and development of employees in human resources sector of banks among public and private sector banks was also observed.

### **Results and discussion**

Training and development is a very important part for the progress of any organization. To show its importance a study was conducted in Bangladesh which was mainly aimed at finding the relationship between training and productivity as well as to observe the effect of training cost on profitability. The results revealed that the productivity growth after training is significant as paired sample T-test indicated a significant difference of productivity before and after training at 1% level. Similarly, the fitted regression model for training cost and profit of banks showed a positive impact of training cost on profitability (Rokibul et. al, 2013). It was also said in a research that training and development is a vital tool for organizational effectiveness and staff training and development has a significant effect on organizational effectiveness. Staff training and development also said to have enhanced the employee's performance (Samuel et. al, 2012). Important factor is how to enhance the quality of training and

development in order to meet up with the daily demands and challenges of the market.

### **Findings**

Therefore, it may be said that there are many challenges faced by the training and development procedure of Indian banking system and changes are also done accordingly in all the banking sectors. But there is a difference between the rate of improvement in the level of training and development among private and public sector banks. At a place where private sector banks are making a rapid progress in incorporating the latest technology into their training and development schedules, the public sector on other place is lagging behind leading to lack in the efficiency of their employees which needs to be improved.

### **Conclusion**

Though changes and challenges occur similarly in the training and development department of both public and private sector banks but from the above analysis it may be concluded that training of private sector banks is better than public sector banks.

### **Implications**

Public Sector Banks have begun some effective measures in order to improve their training. Public sector banks may hire trainers externally who have good experience of teaching like from IIBF and NIBM. They may change their training strategies for example- more and more training session may be

provided, training may be too lengthy and fast, it may be kept short and slow so that every employee can understand easily. Revision may be done after every training session. Words used in training may be made easy and understanding, group discussion may be done after every training session, power point presentation may be provided for further reference and study material may not be in difficult language.

### Limitations

A limited amount of research was available on human resource practices in Indian banking sector, which gave a limited opportunity to gather content-rich information from previous studies. Also, the few studies that are available are not totally based on empirical realities and tend to be anecdotal in nature. Lack of empirical data to support the findings is also a limitation of the study.

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## THE ROLE OF TEXTILE AND CLOTHING INDUSTRIES IN GROWTH AND DEVELOPMENT STRATEGIES

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### ABSTRACT

*This paper examines the role of textile and clothing (T&C) industries in growth and development strategies in developing countries. It suggests that textiles and clothing industries are important in economic and social terms, in the short-run by providing incomes, jobs, especially for women, and foreign currency receipts and in the longrun by providing countries the opportunity for sustained economic development in those countries with appropriate policies and institutions to enhance the dynamic effects of textiles and clothing. The potential of the textile and clothing industries to contribute to long-run growth and development will depend not only on the attributes (desirable or otherwise) of the investors, but also on the quality and effectiveness of government policies and institutions in developing countries to build on this investment.*

### Introduction

The textile and clothing (T&C) industries form a major part of manufacturing production, employment and trade in many developing countries. This paper will examine the importance of the T&C industry in growth and development strategies in developing countries. We will review economic and social aspects and describe the importance of textiles and clothing in incomes, employment and growth and development strategies of developing countries.

The T&C industry is one of the oldest, largest and most global industries in the world. It is the typical 'starter' industry for countries engaged in export-orientated industrialization (Gereffi 2002) and is labour-intensive. T&C offers a range of opportunities including entry-level jobs for unskilled

labour in developing countries. The technological features of the T&C industry have made it suitable as the first step on the 'industrialization ladder' in poor countries some of which have experienced a very high output growth rate in the sector, such as Bangladesh, Sri Lanka, Vietnam and Mauritius, and have since become middle income countries (Vietnam, Mauritius). Economic aspects of the textile and clothing industry

This section presents an overview of the global T&C industry, total manufacturing and total T&C exports, the contribution of the T&C sector to growth as a share of GDP, and the share of manufacturing employment in the T&C industry.

It begins with a static overview (section 2.1) highlighting the following aspects:

- ❖ Share of T&C in trade and foreign currency receipts
- ❖ Share of T&C in GDP and incomes
- ❖ Share of T&C in employment

But there are also dynamic effects (section 2.2) which need to be considered when examining the role of T&C in growth and development strategies over the long-run.

These depend on:

- ❖ Learning by doing and knowledge spillovers;
- ❖ Linkages between assemblers and suppliers, and agglomeration effects; and
- ❖ Upgrading; and the role of value chains and FDI.

**Table 1.1**  
**India's Garment / Apparel Market Size**

INDIA'S APPAREL MARKET SIZE								
	2009 - 10		2010-11		2011 -12		2012-13	
	Volume ('000 units)	Value (Rs.Cr.)	Volume ('000 units)	Value (Rs.Cr.)	Volume ('000 units)	Value (Rs.Cr.)	Volume ('000 units)	Value (Rs.Cr.)
Mens Wear	1254370	23335	1297220	26090	1342140	29135	1393639	32590
Womens wear	1236880	19130	1300610	21730	1368310	24680	1443113	28375
Unisex Apparel	417810	4215	434340	5240	452020	5835	470978	6615
Kidswear	1139870	9950	1180290	10810	1222280	11745	1268933	13085
Uniforms	372960	4660	397210	5460	423020	6345	456862	7675
<b>TOTAL</b>	<b>4421890</b>	<b>61290</b>	<b>4609670</b>	<b>69330</b>	<b>4807770</b>	<b>77740</b>	<b>5033524</b>	<b>88340</b>

Source: www.Export Statistics.com

Today India is booming with fashion and lifestyle, with the organized retail trade growing at a rate of 30% per annum. The Indian apparel or Indian garment industry is pegged at more than 90,000 crores with nearly 13% growth per annum. The men's garment or clothing segment constitutes nearly 45 % of the total apparel market and growing at a constant rate each year. The share of organized branded segment in men's wear is fast increasing in the Indian apparel market.

### Statement of the Problem

India's textile industry depends heavily on domestically produced cotton. Almost two-thirds of domestic cotton production is rain fed, which results in wide weather-related fluctuations in cotton production. Moreover, the contamination level of Indian cotton is among the highest in the world. According to sources in India, the cotton ginning quality is poor, contributing to defective textile products.

The competitiveness of India's apparel sector is adversely impacted by an inadequate domestic supply of quality fabrics. Fabric imports are subject to high duty rates and other domestic taxes that increase the cost of imported fabrics.

Another major weakness of the Indian apparel sector is a lack of product specialization which, along with a limited fabric base, has limited India's apparel production and exports to low value-added goods.

Exporting is the most encouraged sector in the LPG era and India's balance of payment position becomes safer due to the export promotion after the 1990s. The ready made garment industry especially Tirupur is one of the Export Promotion Zones of India and the area has lot of industrial clusters. All types of manufacturing units i.e., micro, small, medium and large scale industrial units are running in this area. More concessions and export promotion measures have been announced and implanted by the government to promote the exports from this area. These are the research problem of the present paper.

### Objectives of the Study

1. To analyse the attractive factors towards the exporting of ready made garments
2. To examine the relationship among age and gender of the exporters of the ready made garments with their satisfaction towards the business

### Research Methodology

This is a sample survey that takes the samples from the large population to study the characteristics of the population. This study takes the exporters of ready made garments of Tirupur town as the population and 200 samples were selected as per the convenience sampling technique. A well defined questionnaire was used to collect the opinion of the consumers of online shopping. A 5 point Likert's scale is used to measure the satisfaction. Chi square test is used with the help of software (SPSS, version 16) to test the hypotheses.

### Demography of the samples

The sample exporters consisting of the following features: Gender: [male – 115, female – 85]. Age: [Below 20 – 40 exporters, 20-30 – 77 exporters, 30-40 – 46 exporters, 40-50 – 21 exporters and above 50 – 16 exporters].

### Analysis of data

The data were put in the relevant tables and then the percentage analysis was made. Finally, chi square test was used to test the hypothesis.

**Table 1**

**Attractive Factors**

S. No.	Attractive Factors	No. of Respondents	%
1.	Incentives/ subsidies	86	43
2.	Profitability	26	13
3.	Increasing Demand for garments	16	8
4.	Government policy towards exports	60	30
5.	Easy access into world market	5	2.5
6.	Bankers' support	7	3.5
	Total	200	100

Source: Primary data

Form the above table it is clear that the Incentives/ subsidies is the attractive factor that has majority of the exporters (43 %). At the same time, government policy towards exports is the next factor (supported by 30 % exporters) that gives utmost convenience to them. Profitability, Increasing Demand for garments, Easy access into world market and bankers' support are the other factors.

### TESTING THE HYPOTHESES

#### TEST – 1. AGE OF THE EXPORTERS AND OVERALL SATISFACTION ON EXPORTING OF READY MADE GARMENTS

##### Null hypothesis (H0)

There is no significant relationship between age of the exporters and overall satisfaction towards exporting of readymade garments.

Table No. 2

Age of the exporters and overall satisfaction towards exporting of readymade garments - cross tabulation

Age	Satisfactory Level on exporting of readymade garments					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Below-20	9	13	10	6	2	40
20-30	35	21	15	5	1	77
30-40	9	16	10	8	3	46
40-50	4	8	5	2	2	21
Above-50	6	4	4	2	0	16
Total	63	62	44	23	8	200

#### Chi-square test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.738	16	.282
Likelihood Ratio	19.418	16	.248
Linear-by-Linear Association	.319	1	.572
N of Valid Cases	200		

Degrees of Freedom = 16

Chi Square Value = 18.738

Table Value = 19.418

At 5% level of significant.

Since the calculated value is less than the table value, the null hypothesis is accepted.

Hence there is no significant relationship between age of the exporters and overall satisfaction towards exporting of readymade garments.

#### TEST – 2. GENDER OF THE EXPORTERS AND OVERALL SATISFACTION ON EXPORTING OF READY MADE GARMENTS

##### Null hypothesis (H0)

There is no significant difference between gender of the exporters and

overall satisfaction towards exporting of ready made garments.

**Table No. 3**  
**Gender of the exporters and overall satisfaction on exporting of readymade garments - cross tabulation**

Gender	Overall Satisfaction on exporting of readymade garments					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Male	38	33	11	21	12	115
Female	30	26	13	8	8	85
Total	68	59	24	29	20	200

#### Chi-square test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.160	4	.385
Likelihood Ratio	4.271	4	.371
Linear-by-Linear Association	.806	1	.369
N of Valid Cases	200		

Degrees of Freedom = 4

Chi Square Value = 4.160

Table Value = 4.271

At 5% level of significant.

Hence is it understood that the calculated value is less than the tabular value, there for null hypothesis (H<sub>0</sub>) is accepted.

There is no significant difference between gender of the exporters and overall satisfaction towards exporting of ready made garments.

#### Findings

- ❖ The Incentives / subsidies is the attractive factor that has majority of the exporters (43 %). At the same time, government policy towards exports is the next factor (supported by 30 % exporters) that gives utmost convenience to them.

- ❖ There is no significant relationship between age of the exporters and overall satisfaction towards exporting of ready made garments.

- ❖ There is no significant difference between gender of the exporters and overall satisfaction towards exporting of ready made garments.

#### Suggestions

The government may take further steps to include all the industrial units which are engaged in the exporting of ready made garments but are not covered under the scheme of incentives and subsidies by redefining the eligibility criteria. Quantum of subsidies may further be increased for the benefit of the exporting units. Formalities and procedures of applying for subsidies may be relaxed

#### Conclusion

So, the export business leads the exporters to benefit at the large extent in the form of availability of incentives and subsidies. And at the same time, it offers the maximum financial support to them in such a way that they are able to transact the business without financial

problem. The attraction arises to the exporters from their economic benefit and government support to the export business in the liberalizing, privatization and globalization era.

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- [www.tirupur.com](http://www.tirupur.com)



## IMPACT OF LPG IN INDIAN ECONOMY

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### Introduction

Indian economy had experienced major policy changes in early 1990s. The new economic reform, popularly known as, **Liberalization, Privatization and Globalization** (LPG model) aimed at making the Indian economy as fastest growing economy and globally competitive. The series of reforms undertaken with respect to industrial sector, trade as well as financial sector aimed at making the economy more efficient. With the onset of reforms to liberalize the Indian economy in July of 1991, a new chapter has dawned for India and her billion plus population. This period of economic transition has had a tremendous impact on the overall economic development of almost all major sectors of the economy, and its effects over the last decade can hardly be overlooked. Besides, it also marks the advent of the real integration of the Indian economy into the global economy.

This era of reforms has also ushered in a remarkable change in the Indian mindset, as it deviates from the traditional values held since Independence in 1947, such as self reliance and socialistic policies of economic development, which mainly due to the inward looking restrictive form of governance, resulted in the isolation, overall backwardness and inefficiency of the economy, amongst a

host of other problems. Now that India is in the process of restructuring her economy, with aspirations of elevating herself from her present desolate position in the world, the need to speed up her economic development is even more imperative. And having witnessed the positive role that Foreign Direct Investment (FDI) has played in the rapid economic growth of most of the Southeast Asian countries and most notably China, India has embarked on an ambitious plan to emulate the successes of her neighbors to the east and is trying to sell herself as a safe and profitable destination for FDI.

Globalization has many meanings depending on the context and on the person who is talking about. Though the precise definition of globalization is still unavailable a few definitions are worth viewing, Guy Brainbant: says that the process of globalization not only includes opening up of world trade, development of advanced means of communication, internationalization of financial markets, growing importance of MNCs, population migrations and more generally increased mobility of persons, goods, capital, data and ideas but also infections, diseases and pollution. The term globalization refers to the integration of economies of the world through uninhibited trade and financial flows, as also through mutual exchange

of technology and knowledge. Ideally, it also contains free inter-country movement of labor. In context to India, this implies opening up the economy to foreign direct investment by providing facilities to foreign companies to invest in different fields of economic activity in India, removing constraints and obstacles to the entry of MNCs in India, allowing Indian companies to enter into foreign collaborations and also encouraging them to set up joint ventures abroad; carrying out massive import liberalization programs by switching over from quantitative restrictions to tariffs and import duties, therefore globalization has been identified with the policy reforms of 1991 in India.

#### **The Important Reform Measures (Step Towards liberalization privatization and Globalization)**

Indian economy was in deep crisis in July 1991, when foreign currency reserves had plummeted to almost \$1 billion; Inflation had roared to an annual rate of 17 percent; fiscal deficit was very high and had become unsustainable; foreign investors and NRIs had lost confidence in Indian Economy. Capital was flying out of the country and we were close to defaulting on loans. Along with these bottlenecks at home, many unforeseeable changes swept the economies of nations in Western and Eastern Europe, South East Asia, Latin America and elsewhere, around the same time. These were the economic compulsions at home and abroad that called for a complete overhauling of our economic policies and

programs. Major measures initiated as a part of the liberalization and globalization strategy in the early nineties included the following:

**Devaluation:** The first step towards globalization was taken with the announcement of the devaluation of Indian currency by 18-19 percent against major currencies in the international foreign exchange market. In fact, this measure was taken in order to resolve the BOP crisis

**Disinvestment-**In order to make the process of globalization smooth, privatization and liberalization policies are moving along as well. Under the privatization scheme, most of the public sector undertakings have been/ are being sold to private sector. Dismantling of The Industrial Licensing Regime At present, only six industries are under compulsory licensing mainly on accounting of environmental safety and strategic considerations. A significantly amended location policy in tune with the **liberalized** licensing policy is in place. No industrial approval is required from the government for locations not falling within 25 kms of the periphery of cities having a population of more than one million.

**Allowing Foreign Direct Investment (FDI)** across a wide spectrum of industries and encouraging non-debt flows. The Department has put in place a liberal and transparent foreign investment regime where most activities are opened to foreign investment on automatic route without any limit on the extent of foreign

ownership. Some of the recent initiatives taken to further liberalize the FDI regime, inter alias, include opening up of sectors such as Insurance (up to 26%); development of integrated townships (up to 100%); defense industry (up to 26%); tea plantation (up to 100% subject to divestment of 26% within five years to FDI); enhancement of FDI limits in private sector banking, allowing FDI up to 100% under the automatic route for most manufacturing activities in SEZs; opening up B2B e-commerce; Internet Service Providers (ISPs) without Gateways; electronic mail and voice mail to 100% foreign investment subject to 26% divestment condition; etc. The Department has also strengthened investment facilitation measures through Foreign Investment Implementation Authority (FIIA).

#### **Non Resident Indian Scheme**

the general policy and facilities for foreign direct investment as available to foreign investors/ Companies are fully applicable to NRIs as well. In addition, Government has extended some concessions especially for NRIs and overseas corporate bodies having more than 60% stake by NRIs. Throwing Open Industries Reserved For The Public Sector to Private Participation. Now there are only three industries reserved for the public sector Abolition of the (MRTP) Act, which necessitated prior approval for capacity expansion

The Government of India affirmed to implement the economic reforms in consultation with the international bank and in accordance of its policies. Successive coalition

governments from 1996 to 2004, led by the Janata Dal and BJP, adopted faithfully the economic policy of liberalization. With Manmohan Singh returned to power as the Prime Minister in 2004, the economic policy initiated by him has become the lodestar of the fiscal outlook of the government.

#### **The Bright Side of Globalization**

The rate of growth of the Gross Domestic Product of India has been on the increase from 5.6 per cent during 1980-90 to seven per cent in the 1993-2001 period. In the last four years, the annual growth rate of the GDP was impressive at 7.5 per cent (2003-04), 8.5 per cent (2004-05), nine per cent (2005-06) and 9.2 per cent (2006-07). Prime Minister Manmohan Singh is confident of having a 10 per cent growth in the GDP in the Eleventh

#### **Five Year Plan period**

The foreign exchange reserves (as at the end of the financial year) were \$ 39 billion (2000-01), \$ 107 billion (2003-04), \$ 145 billion (2005-06) and \$ 180 billion (in February 2007). It is expected that India will cross the \$ 200 billion mark soon.

The cumulative FDI inflows from 1991 to September 2006 were Rs.1, 81,566 crores (US \$ 43.29 billion). The sectors attracting highest FDI inflows are electrical equipments including computer software and electronics (18 per cent), service sector (13 per cent), telecommunications (10 per cent), transportation industry (nine per cent), etc. In the inflow of FDI, India has

surpassed South Korea to become the fourth largest recipient. India controls at the present 45 per cent of the global outsourcing market with an estimated income of \$ 50 billion.

In respect of market capitalization (which takes into account the market value of a quoted company by multiplying its current share price by the number of shares in issue), India is in the fourth position with \$ 894 billion after the US (\$ 17,000 billion), Japan (\$ 4800 billion) and China (\$ 1000). India is expected to soon cross the trillion dollar mark. As per the Forbes list for 2007, the number of billionaires of India has risen to 40 (from 36 last year) more than those of Japan (24), China (17), France (14) and Italy (14) this year. A press report was jubilant: This is the richest year for India. The combined wealth of the Indian billionaires marked an increase of 60 per cent from \$ 106 billion in 2006 to \$ 170 billion in 2007. The 40 Indian billionaires have assets worth about Rs.7.50 lakh crores whereas the cumulative investment in the 91 Public Sector Undertakings by the Central Government of India is Rs.3.93 lakh crores only.

### **The Dark Side of Globalization**

On the other side of the medal, there is a long list of the worst of the times, the foremost casualty being the agriculture sector. Agriculture has been and still remains the backbone of the Indian economy. It plays a vital role not only in providing food and nutrition to the people, but also in the supply of raw material to industries and to export

trade. In 1951, agriculture provided employment to 72 per cent of the population and contributed 59 per cent of the gross domestic product. However, by 2001 the population depending upon agriculture came to 58 per cent whereas the share of agriculture in the GDP went down drastically to 24 per cent and further to 22 per cent in 2006-07. This has resulted in a lowering the per capita income of the farmers and increasing the rural indebtedness. The agricultural growth of 3.2 per cent observed from 1980 to 1997 decelerated to two per cent subsequently. The Approach to the Eleventh Five Year Plan released in December 2006 stated that the growth rate of agricultural GDP including forestry and fishing is likely to be below two per cent in the Tenth Plan period.

The reasons for the deceleration of the growth of agriculture are given in the Economic Survey 2006-07: Low investment, imbalance in fertilizer use, low seeds replacement rate, a distorted incentive system and low post-harvest value addition continued to be a drag on the sectors performance. With more than half the population directly depending on this sector, low agricultural growth has serious implications for the inclusiveness of growth. The number of rural landless families increased from 35 per cent in 1987 to 45 per cent in 1999, further to 55 per cent in 2005. The farmers are destined to die of starvation or suicide. Replying to the Short Duration Discussion on Import of Wheat and Agrarian Distress on May 18, 2006, Agriculture Minister Sharad Pawar informed the Rajya Sabha that roughly

1,00,000 farmers committed suicide during the period 1993-2003 mainly due to indebtedness.

In his interview to The Indian Express on November 15, 2005, Sharad Pawar said: The farming community has been ignored in this country and especially so over the last eight to ten years. The total investment in the agriculture sector is going down. In the last few years, the average budgetary provision from the Indian Government for irrigation is less than 0.35 percent. During the post-reform period, India has been shining brilliantly with a growing number of billionaires. Nobody has taken note of the sufferings of the family members of those unfortunate hundred thousand farmers.

Further, the proportion of people depending in India on agriculture is about 60 % whereas the same for the UK is 2 %, USA 2 % and Japan 3 %. The developed countries, having a low proportion of population in agriculture, have readily adopted globalization which favors more the growth of the manufacturing and service sectors.

Nobel Prize-winning economist Joseph Stiglitz said: Trade agreements now forbid most subsidies excepted for agricultural goods. This depresses incomes of those farmers in the developing countries who do not get subsidies. And since 70 per cent of those in the developing countries depend directly or indirectly on agriculture, this means that the incomes of the developing countries are depressed. But by whatever standard one uses, today's international trading regime is unfair to

developing countries. He also pointed out: The average European cow gets a subsidy of \$ 2 a day (the World Bank measure of poverty); more than half the people in the developing world live on less than that. It appears that it is better to be a cow in Europe than to be a poor person in a developing country.

### **Demoting Agriculture**

The Economic Survey reports released till 1991 contained the Chapters in the following order: (1) Introduction, (2) Agricultural Production, (3) Industrial Performance and Policies, (4) Infrastructure, (5) Human Resources, (6) Prices, Price Policy and Public Distribution System, (7) Fiscal Policy and Government Budget, (8) Monetary and Credit Developments, (9) The External Sector and (10) Problems and Prospects.

In the Economic Survey 1991-92, Finance Minister Manmohan Singh recast the Chapters in the following order: (1) Introduction, (2) Public Finance, (3) Money and Credit, (4) Prices and Distribution, (5) Balance of Payments, (6) Industry, (7) Agriculture, (8) Infrastructure and (9) Social Sectors.

### **Strategy of Globalization**

In the Report (2006) East Asian Renaissance, World Bank Advisor Dr Indermit Gill stated: Cities are at the core of a development strategy based on international integration, investment and innovation. East Asia is witnessing the largest rural-to-urban shift of population in history. Two million new urban dwellers are expected in East Asian cities every month for the next 20

years. This will mean planning for and building dynamic, connected cities that are linked both domestically and to the outside world so that economic growth continues and social cohesion is strengthened.

### **Growth of Unemployment Poverty**

The proportion of the unemployed to the total labor force has been increasing from 2.62 per cent (1993-94) to 2.78 per cent (1999-2000) and 3.06 per cent (2004-05). In absolute figures, the number of unemployed had been in those years 9.02 million, 10.51 million and 13.10 million respectively. (Economic Survey 2006-07, Table 10.4).

**About the impact of globalization, in particular on the development of India,** the ILO Report (2004) stated: In India, there had been winners and losers. The lives of the educated and the rich had been enriched by globalization. The information technology (IT) sector was a particular beneficiary. But the benefits had not yet reached the majority, and new risks had cropped up for the losers the socially deprived and the rural poor. Significant numbers of non-perennial poor, who had worked hard to escape poverty, were finding their gains reversed. Power was shifting from elected local institutions to unaccountable trans-national bodies. Western perceptions, which dominated the globe media, were not aligned with local perspectives; they encouraged consumerism in the midst of extreme poverty and posed a threat to cultural and linguistic diversity.

### **Social Services**

About the quality of education given to children, the Approach to the Eleventh Five Year Plan stated: A recent study has found that 38 per cent of the children who have completed four years of schooling cannot read a small paragraph with short sentences meant to be read by a student of Class II. About 55 per cent of such children cannot divide a three digit number by a one digit number. These are indicators of serious learning problems which must be addressed. The Approach paper added further: Universalisation of education will not suffice in the knowledge economy. A person with a mere eight years of schooling will be as disadvantaged in a knowledge economy by ICT as an illiterate person in modern industry and services.

### **Growth of Slum Capitals**

In his 2007-08 Budget Speech, Finance Minister Chidambaram put forth a proposal to promote Mumbai as a world class financial centre and to make financial services the next growth engine of India. Of its 13 million population, Mumbai city has 54 per cent in slums. It is estimated that 100 to 300 new families come to Mumbai every day and most land up in a slum colony. Prof R.N. Sharma of the Tata Institute of Social Science says that Mumbai is disintegrating into slums. From being known as the slum capital of India and the biggest slum of Asia, Mumbai is all set to become the slum capital of the world. The population of Delhi is about 14 million of which nearly 45 per cent

population lives in slums, unauthorized colonies, JJ clusters and undeveloped rural parts. During dry weather these slum dwellers use open areas around their units for defecation and the entire human waste generated from the slums along with the additional wastewater from their households is discharged untreated into the river Yamuna.

### **Victims of Globalization**

In his *Making Globalization Work*, Nobel Laureate Stiglitz wrote: Trade liberalization opening up markets to the free flow of goods and services was supposed to lead to growth. The evidence is at best mixed. Part of the reason that international trade agreements have been so unsuccessful in promoting growth in poor countries is that they were often unbalanced. The advanced industrial countries were allowed to levy tariffs on goods produced by developing countries that were, on average, four times higher than those on goods produced by other advanced industrial countries.

In his foreword to *The Dynamics and Impact of Globalization* by Dr. M.V. Louis Anthuvan, Justice V. R. Krishna Iyer pointed out pithily: The New World Order is the product of what is now familiarly described as globalization, liberalization and privatization. The weaker sectors like the Asian and African countries are victims, whose economic welfare is slavery, at the disposal of the White world. When World War II came to a close, commercial conquest and trade triumph became the major goal of the United

States and the other giant trade powers. Indeed, these mighty countries and companies even made world hunger as Big Business. The poorer countries with natural resources have been made banana republics and cucumber vassals.

### **To make Globalization Work**

Under the phenomenal growth of information technology which has shrunk space and time and reduced the cost of moving information, goods and capital across the globe, the globalization has brought unprecedented opportunities for human development for all, in developing as well as developed countries. Under the commercial marketing forces, globalization has been used more to promote economic growth to yield profits to some countries and to some groups within a country. Though at present India appears to be dominant in some fields of development as in IT-ITES, this prosperity may be challenged by other competing countries which are equipping themselves with better standards of higher education. As detailed earlier, our progress in education has been slow and superficial, without depth and quality, to compete the international standards.

## CHANGES IN ENVIRONMENT BY WAY OF ECO-TOURISM

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### Introduction

Tourism is the world's largest industry. It accounts for more than 10% of total employment, 11% of global GDP, and total tourist trips are predicted to increase to 1.6 billion by 2020. Effects can be negative as well as positive. Inappropriate tourism development and practice can degrade habitats and landscapes, deplete natural resources, and generate waste and pollution. In contrast, responsible tourism can help to generate awareness of and support for conservation and local culture, and create economic opportunities for countries and communities

Ecotourism is tourism based upon natural resource attractions or a combination of natural resource and cultural attractions and carried out in a manner consistent with the protection of these attractions. visitors are drawn to an area by the natural resource/cultural attractions and the tourism and associated activities are carried out in a manner so that the natural resource / cultural attractions are protected. Ecotourism is the fastest growing type of tourism in the world.

Bird watching has become a particularly important form of ecotourism and one that is particularly common for wetlands. Canoeing, kayaking, and fishing also takes place in wetlands.

Four sections that relate to different stages of community-based ecotourism initiatives. These are:

- A. Considering whether ecotourism is an appropriate option;
- B. Planning ecotourism with communities and other stakeholders;
- C. Developing viable community-based ecotourism projects;
- D. Strengthening benefits to the community and the environment.

### Ecotourists or ecotravellers

Ecotourists or ecotravelers include birders, hikers, nature enthusiasts, canoers, kyackers, students, teachers, and members of the public. Local ecotourists may be drawn from dozens of miles to a single, relatively small wetland for bird watching or other nature watching.

### THE NEEDS OF WETLAND ECOTOURISTS

To have a satisfactory ecotourism experience, ecotourists need:

- transportation to the area (private auto, trains, airlines, buses, car rental),
- access to the wetlands (roads, walking trails, water access for kayaks, canoes),
- to be able to see a wide variety of birds, animals, plants, and other attractions,



- wetland interpretation and guide services (in some instances), and
- food and accommodations.

### **Community-based ecotourism**

The International Ecotourism Society defines ecotourism as responsible travel to natural areas that conserves the environment and sustains the well-being of local people. This is a form of ecotourism where the local community has substantial control over, and involvement in, its development and management, and a major proportion of the benefits remain within the community. The processes involved in ecotourism include all aspects of planning, developing, marketing and managing resources and facilities for this form of tourism. Visitor provision includes access to natural areas and cultural heritage, guiding and interpretative services, accommodation, catering, sales of produce and handicrafts, and transport.

Appropriate recreational and special interest activities, such as trail walking, photography and participatory conservation programmes, may also be part of ecotourism. This kind of sustainable use relies on local knowledge, provides significant local income, and encourages communities to place a high value on wildlife, resulting in net conservation benefits.

A fundamental objective is the improved conservation of landscapes and biodiversity. Community-based ecotourism should be seen and evaluated as just one tool in achieving this. Its role may be to:

- ❖ provide a more sustainable form of livelihood for local communities;
- ❖ encourage communities themselves to be more directly involved in conservation; and
- ❖ generate more goodwill towards, and local benefit from, conservation measures such as protected areas.

There needs to be clear initial understanding of the relationship between local communities and the use of natural resources in the area concerned. Many local communities have a strong tradition of respect for wildlife and natural environments that needs to be fostered and not undermined by too much emphasis on economic value. It is important to get the balance right.

It is important to avoid spending time pursuing ecotourism and raising expectations in circumstances which are highly likely to lead to failure. An initial feasibility assessment should be made before instigating a community based strategy.

### **BASIC PRECONDITIONS FOR COMMUNITY - BASED ECOTOURISM**

- ❖ landscapes or flora/fauna which have inherent attractiveness or degree of interest to appeal either to specialists or more general visitors;
- ❖ ecosystems that are at least able to absorb a managed level of visitation without damage;
- ❖ a local community that is aware of the potential opportunities, risks and changes involved, and is interested in receiving visitors;

- ❖ existing or potential structures for effective community decision-making (see Guideline 4);
- ❖ no obvious threats to indigenous culture and traditions; and
- ❖ an initial market assessment suggesting a potential demand and an effective means of accessing it, and that the area is not over supplied with ecotourism offers

The small scale of most community-based ecotourism initiatives means that their impact, both on nature conservation and on income and employment for the community as a whole, is limited. They can be more influential and successful if they are integrated within other sustainable development initiatives at a regional and local level. Ecotourism can be integrated with other sectors of the rural economy, creating mutually supportive linkages and reducing financial leakage away from the area.

#### **Some common types of educational and interpretative materials include**

- ❖ Trail guides at strategic points along a trail or boardwalk,
- ❖ Wetland maps,
- ❖ Interpretative signs,
- ❖ Bird lists,
- ❖ Fact sheets and interpretative pamphlets,
- ❖ Recorded and live lectures, and
- ❖ Guided walks, boat tours.

#### **Components of the programme include**

- proposing and testing a training methodology for community-based ecotourism, based on eight pilot

projects which are diversified in terms of ecoregion and type of ecotourism;

- producing a training manual and preparing trainers to multiply the methodology in different regions of the country; and
- working towards the development of a certification system for eco tourism at a national level.

Community-based ecotourism requires an understanding, and where possible a strengthening, of the legal rights and responsibilities of the community over land, resources and development.

It is important to remember that ecotourism is a business. As well as community-led initiatives, private enterprise and investment should be encouraged where appropriate, within a structure which enables the community to benefit, and have decision-making power over the level and nature of tourism in its area.

All community-based ecotourism initiatives should be centred on a clear strategy agreed and understood by the local community and all other stake holders with an interest in tourism and conservation. The strategy should be community-led and community-focused.

#### **Inputs to the strategy should include**

- careful consultation within the community covering attitudes and awareness of tourism, possible opportunities and pitfalls, existing experience, concerns and level of interest;
- a comprehensive market assessment

- an assessment of the natural and cultural heritage, including opportunities presented for ecotourism and sensitivities and constraints.

These are concerned with: the inherent quality of the natural heritage; natural resource management; visitor management and the quality of the visitor experience; and the existence a responsible tourism development strategy.

A fundamental characteristic of community-based ecotourism is that the quality of the natural resources and cultural heritage of an area should not be damaged and, if possible, should be enhanced by tourism. It is very important that communities decide on the level of tourism they wish to see. Consultation during the process of drawing up an ecotourism strategy should reveal the kinds of changes that might be viewed positively or negatively by local people.

#### **Two important principles are**

- ❖ products developed should be based on the community's traditional knowledge, values and skills; and
- ❖ the community should decide which aspects of their cultural traditions they wish to share with visitors.

#### **Useful tools in the management of visitors include the following**

- Agreements with tour operators over the number and size of groups to bring.
- Codes of conducts for visitors
- Application of systematic environmental, social and cultural

impact assessment on all proposed development.

The main reason why many community-based ecotourism projects have failed is that they have not attracted a sufficient number of visitors. Often, assumptions made about the marketability of a particular location or experience have been unrealistic and not based on research.

A problem has been the lack of tourism knowledge not only among local communities themselves but also among advisors and supporting agencies.

#### **There are three key requirements**

1. Attention to detail, ensuring that what is offered, at whatever level, is well delivered.
2. Quality and accuracy of promotion and information, giving reassurance but also ensuring that expectations match reality. All visitors in this market are increasingly looking for a high level of information provision.
3. Authenticity and ambience.

Attention to detail in a number of aspects of both the development and operation of ecotourism projects can significantly improve their delivery. The design of all new buildings should be carefully considered. Traditional styles and locally available materials should be used.

Action should be taken, both at the development stage and in operating facilities, to reduce consumption of water and energy, reduce waste and avoid pollution. In order to minimize economic leakage, every effort should be made to use local produce and services,

and to favour the employment of local people. Local communities should be encouraged and helped to take account of these issues themselves without any effect on their living standards, through information, training and demonstration.

A number of national and international tourism certification schemes provide formal recognition of good practice in managing impacts on the environment and local communities.

- product development issues;
- handling visitors, customer care and hospitality skills;
- marketing and communication;
- environmental management;
- working and negotiating with commercial operators;
- management skills, legal issues and financial control;
- guide training, including content and delivery; and
- basic language training.

A useful way of generating ideas, giving confidence and putting across knowledge is through contacting, visiting or meeting other projects which are already experienced in community-based ecotourism. Most projects require some form of financial support. Soft loans and long-term credit, well targeted to local needs, may be most appropriate.

Significant additional benefits can be achieved through improving communication with visitors themselves and with the tour operators who bring them. In almost all cases, the experience of a community-based tourism programme will have an impact on how people think in future about the area and habitats they have visited. Careful attention

should be paid to the messages put out by tour operators to their clients and to the quality of guiding and interpretation on site.

A number of codes of conduct for visitors have been produced. Some are generic, others are area or site specific. These tend to cover questions such as prior reading and understanding, selection of operators and destinations, respect for local cultures, minimising environmental impact, purchasing decisions, activities to avoid, and conservation issues to support.

A recurring problem with many community-based ecotourism projects that have been established as part of externally funded and assisted initiatives, has been a tendency not to continue satisfactorily after the life of the aid programme. It is very important that:

- ❖ a reasonable time span is allotted to the project so that withdrawal of assistance does not occur too early;
- ❖ an 'exit strategy' is worked out at an early stage;
- ❖ all bodies providing assistance take care to impart know-how to local individuals and organisations throughout the course of the project;
- ❖ a strategy of long-term local ownership is maintained; and
- ❖ use is made of national or local authority and private sector support that may be ongoing.

The International Ecotourism Society (TIES) offers one of the most frequently cited definitions, describing ecotourism as "responsible travel to natural areas that conserves the

environment and improves the well-being of local people.”

By the beginning of the new millennium, travel and tourism had become the largest and fastest growing industry in the world.

The commercialization of air travel made tourism a mass market, and the industry has steadily expanded ever since. Tourism involves the movement of people from their homes to other destinations and accounts for about fifty percent of traffic movements; rapidly expanding air traffic contributes about two and a half percent of the production of CO<sub>2</sub>.

### **Standards & Certification**

Certification has a proven ability to move industries towards adopting process and performance standards. Certification schemes for safety, cleanliness, and quality in the tourism industry (including Michelin, AAA, and others) have been around for at least a century.

With broader acceptance of ecotourism standards and sustainable tourism certification, a move towards better execution of ecotourism projects at the site level, and increased information sharing—all resulting from strategic investments in the intervention points above ecotourism projects could prove to be less risky than commonly perceived.

### **EXAMPLE TAKEN - ECOTOURISM IN KERALA**

Ecotourism project at the Periyar Tiger Reserve (Thekkady), in Kerala,

India. In Kerala, the ‘Thekkady Tiger Trail’ project was launched a couple of years ago in the Periyar Wildlife Sanctuary. In the Periyar Tiger Trail project, the members involved are the former inhabitants of the forest, who use to make a living by illegal trading of forest goods. Besides the Tiger Trail, other ecotourism products of the Periyar Tiger Reserve are: Bamboo Rafting, Day Trekking Programme, Tribal Heritage, Bamboo Grove, Jungle Inn and Wild adventures.

Ecotourism is a new concept in tourism, which was originally sparked off by the idea of making harmonious co-existence with nature a reality once again. As defined by the Ecotourism Society, it is the responsible travel to natural areas, which conserves the environment and sustains the well being of local people. Today, ecotourism is one of the fastest-growing segments of the tourism industry. Its potential for growth is virtually unlimited. Any tourism program which is: nature - based, ecologically sustainable, where education and interpretation is a major concept and where local people are benefited can be called ecotourism. The International Ecotourism Society (TIES) defines ecotourism as: “responsible travel that conserves the environment and sustains the well - being of local people” such as ecotourism offered considerable potential for integrating conservation with development.

Proper ecotourism product development, its marketing, environmental impact assessment, monitoring etc. are to be done in a

systematic way. The Tourism Department of Government of Kerala has taken steps to give focused attention to ecotourism in the State. with the co-operation of departments such as Forest, Irrigation and Tourism. It is considered to be the first planned ecotourism destination in India. Thekkady is another ecotourism destination, which offers the visitor an unforgettable experience. Except Thekkady, all other sanctuaries in Kerala are practically unknown to tourists. What is needed is a more focused strategy which is supply-driven and small group - oriented. Ecotourism activities, in an ecologically sensitive area need close monitoring. Tourism in these natural areas should be ecologically sustainable. There should be provision for the visitor to be educated about the environment. The economic benefit of such an activity should accrue to the local population to ensure sustainability.

### **Ecotourism in Periyar Tiger Reserve**

In 1899, the core area of what today is the Periyar Sanctuary was declared a reserved forest in order to protect the catchment area of the Periyar River. The total area of the present Sanctuary unique destination on the tourism map are its climate, landscape and possibility of watching wildlife closely on the lakeshore while taking a boat cruise. The prime attraction of tourists visiting Thekkady is a boat cruise in the Periyar lake. This lake is artificially formed, due to the submergence of low-lying forest areas, following the construction of the

Mullapperiyar Dam in 1895. It offers a variety of opportunities to cater to the needs of various classes of tourists is 777 square kilometers and it is located in the southernmost part of Western Ghats. 70% of it includes tropical evergreen and semi-evergreen forests. What make Thekkady a unique destination on the tourism map are its climate, landscape and possibility of watching wildlife closely on the lakeshore while taking a boat cruise. The prime attraction of tourists visiting Thekkady is a boat cruise in the Periyar lake. This lake is artificially formed, due to the submergence of low-lying forest areas, following the construction of the Mullapperiyar Dam in 1895. It offers a variety of opportunities to cater to the needs of various classes of tourists.

An experiment in forest management called "India Eco-development Project" (a World Bank funded participatory biodiversity conservation programme) at Periyar Wildlife Sanctuary in Thekkady, developed an ecotourism component, the Thekkady Tiger Trail late in 1998. The concept and implementation of the "India Eco-development.

Project" made the managers of Periyar Tiger Reserve think seriously in order to identify sustainable tourism activities that ensure local participation in its fullest sense. The Project at Periyar has two basic objectives: to manage protected areas and to get local people involved in it. To implement the project initially, local communities living off the forest were organized into eco-development committees (EDCs).

Two basic objectives for the EDCs were to reduce the negative impact of local people on the Sanctuary and to involve encroachers in conservation, instead of exploitation. This was done by addressing the economic needs of those living in and around the park (about 250,000 people) by finding viable and innovative livelihood alternatives for them. The project has so far benefited about 40,000 people of 5,540 families. Ex-Vayana Bark collectors, who were involved in the illegal de-barking of Cinnamon trees (Vayana) as well as in Sandalwood smuggling and poaching formed an eco-development committee (EDC) in 1998. 23 smugglers came forward to begin life anew. They pledged to protect the very forests that they had plundered in the past and in return, the Forest Department withdrew all the cases against them. They initiated a Bamboo Rafting programme for tourists in November 2002 and major part of the earnings from this goes to a community development fund.

### **Periyar Tiger**

One national award for ecotourism was given to this project by The Ministry of Tourism for excellence in environmental concern in January 2000. A state award (Kerala) was also given recently for innovation in tourism.

### **Other Ecotourism products of Periyar Tiger Reserve**

- Bamboo Rafting
- Day Trekking Programme
- Jungle Inn
- Learning Program in Bamboo Grove

- Tribal Heritage
- Wild Adventures

This programme involves a close interaction with the nature in the midst of a typical evergreen forest in Gavi, about 40 Kms. from Thekkady. The package includes vehicle safari from Thekkady to Gavi and trekking in the forest. Animal sighting is common and abundant.

### **Review of Eco-development Project**

The Eco-development project in the Periyar Tiger Reserve can be reviewed on the basis of ecotourism principles like nature-based, ecological sustainability, scope of education and interpretation, benefits to local people etc.

### **Ecotourists and ecotourism also destroy wetlands and related resources**

Tourists can directly damage wetland wildlife and plants in some instances by driving off-the-road vehicles and motorized boats into wetlands, by hunting (in some instances), and by collecting plant and animal species. Tour guides may operate motorboats too close to nesting birds and other wildlife. In some instances, however, more serious threats to wetlands are posed by tourism related development and alterations on adjacent lands. This includes threats to wetland hydrology and water quality due to drainage or fill activities on adjacent lands for construction of roads, buildings, and parking lots.

For ecotourism to provide local economic incentives for conservation, tourists need to spend money locally. Locally owned and run hotels, motels, gas stations, restaurants, and other services can insure that the benefits of ecotourism are returned to the local economy.

## **CONCLUSION**

First, because ecotourism has been embraced and promoted by so many different groups with different objectives, the field lacks universally accepted standards. Ecotourism's track record has been marred by flawed implementation at the site level, resulting from divergent priorities and from planning without sufficient or appropriate planning and community participation.

The success of the Eco-development project in the Periyar Tiger Reserve reflects the concern for achieving a balance between conservation of the sanctuary and livelihood of people living in and around it.



## ENABLING E-COMMERCE IN INDIA

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### ABSTRACT

*Because of e-commerce, the world stands at the threshold of a new revolution. Currently, regulatory structures in many countries limit market access by infrastructure providers. But with the transformations coming around frequently, with the liberalization of the telecommunication sector world wide, the use of electronic commerce will increase rapidly. Electronic Commerce provides new opportunities for all overseas firms to access India's domestic market and vice versa. In fact, it has set the ball rolling in India. Every service and information about the product is available just on a mouse click on computers. The modern technology offers an opportunity to enterprises to upgrade themselves and enter the global market at the right time and at a low cost. This would work like a wonder drug for our entrepreneurs. In India, E-commerce is just a beginning but its advantages are going to be realized soon. Whether the net impact of these developments will bring the desired result will depend on the capacity of the whole nation to prepare a domestic environment which encourages full participation in the global information economy, the effectiveness in contributing to an international environment which makes necessary the use of Internet as a tool to enhance communications, conduct commerce, and increase the value offered to the customer and the eagerness, the willingness, and also the capacity of the whole nation to act and respond quickly and purposefully in developing policy approaches on electronic commerce.*

**Key words:** *E-commerce, Internet, Entrepreneurs, Electronic Trade, Global Information Economy*

### INTRODUCTION

Science & Technology has always influenced modes, practices and procedures of business and trade. Of late, a never before phenomenon has been witnessed in the arena of Science & Technology more particularly in electronics and internet. The fast changing information technology and convergence of various communication technologies has virtually taken the

business practices by storm. E-commerce is becoming the key to success. The use of internet has made the world small and through it business transactions are conducted globally at a faster pace. The age of connectivity has reduced distances and brought people closer. This can be directly attributed to the development of electronics and communication technology. Some economists' say that the newly emerged economy be can very

appropriately be called as the "transparent economy" because the Internet makes has made it more open and exposed. The implication of e-commerce encompasses various important issues like economic, legislative, technological and social. As under WTO obligations, member countries are providing tariff-free access to their markets resulting in greater competition. Transactions through e-commerce take less time and are economically viable too. This would help increase the growth and for this a strong and a stable legal system is required. It is a fact that in liberal and open markets, e-commerce would dominate. The other important essential features of electronic commerce are privacy and security.

Video conferencing, and multi-media communications, electronic data interchange (EDI), electronic mail (E-mail), facsimile (fax) and all forms of messaging between enterprises. It combines technologies (Internet, EDI, electronic forms, electronic cash, Barcodes), information technology standards (such as EDIACT, EAN/UPC), strategies (Just-in-time inventory management, efficient consumer response). India is on the threshold of emerging as a key player in global electronic commerce especially in terms of third largest reservoir of technical human resource. It is not that Internet is new to India but in fact it has existed here for the last 10 years in the form of ERNET. Internet-users have grown phenomenally in the past 3 years and there number is expected to touch the

figure of more than 5 lakh by the end of this year. The IT sector is growing at an annual rate of 30 per cent across the board. Between 1985 and 1995, growth rate of IT sector was almost 5 times faster than the world GDP growth. India has a large and well-diversified base of small and medium Enterprises. The global electronic-commerce provides our SMEs an opportunity to approach potential customers worldwide through a low cost alternative.

### **Analysing E-Commerce for Development**

What are some of the key questions that remain to be answered about e-commerce for development? They include the following:

- What is the likely impact of e-commerce on developing countries?
- What are the main beneficial opportunities for application of e-commerce for developing countries?
- Which enterprises and which sectors will be best placed to take advantage of e-commerce?
- What package of policy and enterprise pre-conditions must be in place for this beneficial application of e-commerce?
- How can this 'e-commerce package' best be put in place in developing countries?
- What are the main threats and negative effects relating to application of e-commerce in developing countries?
- How can these best be addressed or mitigated?

From these questions, two analysis strands can be drawn out.

i. Impact Strand: Impact Analysis of e-Commerce

As noted, e-commerce is generally presented in very positive terms but, along with the potential benefits, come potential problems for developing countries. Understanding the impact of e-commerce means viewing impacts from two perspectives:

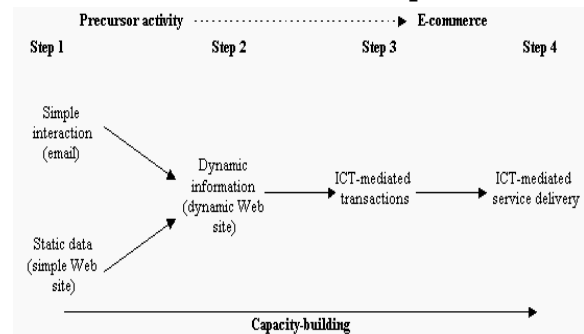
- Top-down from an economic analysis of global trade and the alterations to models of global trade that e-commerce is likely to bring through reductions in transaction and other costs.
- Bottom-up from the experiences of individual enterprises using SWOT analysis of e-commerce in relation to Southern enterprises, and business analysis of those enterprises pointing to relevant business models, strategies and trajectories

ii. Capacity Strand: Support for e-Commerce in Enterprises

If e-commerce is to be taken up by enterprises in developing countries, it will require a number of underlying capacities to be present. An understanding of these capacities is therefore required. It may be that enterprises themselves and the market can supply some of these capacities. In other cases, though, there may be a case for promotional interventions at a national or support agency level. Likely areas for support include: skills development, facilitation of market access, infrastructure deployment (e.g. telecentres), and promotion of e-procurement within the local NGO, government and business

community. It is important to recognise the 'stepping stones' to e-commerce that capacity-building must support. From this, one can see that, behind the limited picture of full e-commerce activity, there is a much broader picture of precursor e-commerce activity, as shown in Figure.

**Figure: Stepping Stones to eCommerce in Development**



**A SURVEY OF E-COMMERCE IN INDIA**

A survey of e-commerce was done by Indian Market Research Bureau under the direction of Confederation of Indian Industry. The study followed two research approaches: Case study based (in-depth discussions with the CEO and/or CIO of 9-10 pioneering Indian organizations in the core sector, automobiles, consumer products, banking & finance, trading and Internet retailing.) and Survey based (Business and Households) . In the Survey involving business, two key respondents were identified as relevant opinion makers in an organization: CEO and CIO. A self-filling structured questionnaire was sent to 400 CEOs from key vertical segments in top 6 cities of India. Of this only 36 replied. A comprehensive semi-structured questionnaire was conducted

on 318 CIOs from key vertical segments in top 6 cities of India. The organizations identified represent the top 4000-5000 organizations in India. The household survey was conducted amongst SEC A & B households in top 16 cities.

### Survey Results

*E-commerce is associated more with accessing new markets*

Businesses associate E-commerce more with accessing new markets, particularly international markets. It is closely associated with the Internet, new selling environment and a new method to acquire customers. More than 80% of the CIOs are of this opinion.

*E-commerce is crucial element in strategy*

40% of the CIOs say E-commerce is a crucial or substantial part of their business strategy, while 58% of CEOs rated E-commerce as a crucial part of their organization strategy.

*Improved customer service is the reason to adopt E-commerce*

Not shortened supply chain, but improved customer service, increased productivity / efficiency, access to international markets and cost reduction were the reasons stated by over half of the organizations to adopt E-commerce.

*Sales/Marketing is the focus area amongst business functions*

Over 50% of the CIOs and over 55% of CEOs say sales/marketing, operations, corporate and finance are the business functions likely to get impacted due to E-commerce. Across various industry segments like general manufacturing, consumer products,

media and IT companies, sales / marketing is the focused business function.

*E-commerce is happening*

About 15% of the organizations contacted in the CIOs survey and 34% of the organizations contacted in the CEO survey claim to be using E-commerce. According to CIOs, accounting and customer support/after sales are the key areas where E-commerce is being used. 51% of the organizations effect about 1000 to 99,999 E-commerce transactions in a year. 22% say the rupee value of E-commerce transaction is over Rs1,000,000.

*Not many are prepared*

Only 20% of the organizations covered under CIO segment are saying they are trying to use E-commerce at least to some extent. 80% of the industry is in the process of gearing up for the show. Banks want to wait and watch while sectors like IT and Courier / travel / transport are the forerunners. Currently, E-mail and Internet are the technologies used. Intranet, Extranet, EDI would be seen within two years time and ATM, EFT, Digital checks, Smart cards by next 5 years.

*Industry feels the medium is promising*

Industry is optimistic about E-commerce and sees a potential of around 10-12% of their yearly turnover coming from E-commerce by the next two years and over 17% by the next five years. But the service industry, which is running high on this note, can change the dynamics for better.

*Those using IT extensively will take up E-commerce*

Over 82% of MNCs believe themselves to be good/excellent users of IT as against (66%) of Indian private companies. Banking (67%) and IT companies (97%) believe themselves to be good/excellent users. Faster execution (78%) and Better customer service (71%) are the two most perceived benefits of IT usage. Finance, Corporate and Operations are amongst the heavy users of IT. Sales/marketing, servicing and distribution are amongst the medium users, whereas HRD/Administration, R&D and Production are amongst the light users. Over 50% of those either using or likely to use E-commerce are also amongst those who maintain IT spends have either paid much more than or are adequate to the investment made.

*ERP, EDI and Internet*

21% of the organizations surveyed have already implemented the technology and another 31% are planning to implement it in the next 1-2 years. They are mainly manufacturing companies. 23% of the organizations contacted have or are planning to deploy EDI. They are mainly Banks, IT, Courier, Travel and Shipping companies. Internet is currently used for communication purpose only. Email messaging (78%), FTP (44%), Web site monitoring (48%). Amongst those having a web site, 84% use it for advertising while 38% say they are selling products and services through web site. Over 55% do not have a security feature or fire walls on their web site.

*Lack of skill training impedes implementation of IT*

Lack of skill/training within company (28%) and lack of funds (24%) are the factors impeding the implementation of IT in companies. Most of them are from traditional businesses like manufacturing, travel, transport, education etc. Banks complain about the lack of vision of the top management.

*It's not the business/trading partners*

Lack of proper commercial and legal system for conducting business electronically (26%) is the main barrier for the adoption of E-commerce. Security, lack of proper and secure payment structure, legal issues: clear fix on contracts, liabilities in the digital economy and trust and assurance are the main concerns.

*Government should promote E-commerce*

Spreading awareness and benefits of E-commerce and its benefits, enacting cyber laws, developing a strong communication infrastructure are the key domestic roles for the government.

*Internet is fine but what does E-Commerce mean for households?*

A small proportion of PC Owners (26%) and Non owners (15%) are aware of E-commerce. Perception about Internet is rich with it being identified as a source of information, communication, learning and entertainment but relatively few amongst both the segments feel that it is a source of purchasing products and services.

### *Households are shaky about buying over the net*

A very high proportion amongst PC Owners (62%) and PC Non-owners (75%) said they would not like to buy through the net. The reasons are they are not sure of quality and delivery of products. They need to feel the products and bargain to buy them. Many do not understand this new method of buying and selling in a digital environment.

### *Computers are not bought for browsing Internet*

Browsing the Internet and purchasing products through Internet are amongst the least important perceived benefits of owning a computer. Business, learning (self) & education for children were the main reasons to purchase a computer.

### *Speculative estimate of E-commerce market*

Based on simplistic assumptions about the contribution of 5-10% companies turnover in 2 years as the B2B E-commerce market and contribution of Rs.500-1000/month for half or all the SEC A/B households, the E-commerce market size is as follows:

## **E-COMMERCE IN INDIA**

The most talked about and well-endorsed feature of e-commerce is its global flavour. Evidently, e-commerce has also started to show its true potential in India. While on one hand, India's e-commerce solutions are becoming a sought after commodity around the world, even e-commerce based businesses are leaving their distinct marks of

technology competitiveness, viable business model and entrepreneurship-business can indeed emerge as a major opportunity for India. This acquires twin connotations of e-commerce and e-business transactions from local businesses and a huge opportunity for software exports to other countries by quickly joining the e-business bandwagon. India's twin assets (the software industry and rapidly restructuring industry sector) sector has been taken into consideration.

**IT Companies:** Some of the preliminary findings on e-commerce/e-business software exports potential are as follows:

- In the year 1999-2000, Internet and e-commerce related software and services export from India brought in US\$ 500 million out of an estimated US\$ 4 billion software and services exports.
- Supply Chain Management optimization is one of the strongest drivers of the global e-commerce solutions market, as it spurs business-to-business transactions. More than 68 per cent of Indian software houses have informed of strong expertise in supply chain and distribution management solutions.
- Almost 32 per cent of IT company respondents have identified web based consumer business as a major opportunity area, with expected paybacks beginning in three to four years.
- Some of the emerging hot areas of e-commerce services are: legacy application integration; Internet

application integration; Customer Relationship Management (CRM), Customer Service Management (CSM), Enterprise Resource Planning (ERP) and Electronic Data Interchange (EDI) migration to web based models; new IT frameworks and integration with business strategy (strategic IT consulting); e-commerce training services, business web site development and maintenance. The user side, e-commerce means business. Some of the highlights of the domestic e-commerce scenario based on the findings of NASSCOM's survey include the following:

- Among user organizations, more than 90 per cent expressed keen awareness about the increasing adoption of e-commerce and its potential benefits.
- More than 55 per cent of corporate respondents said that e-commerce transitions were integral of their corporate plans. Of these nearly 85 per cent were industries which did not have direct or frequent contact with end consumption.
- About 23 per cent of top 500 companies in India already have started some form of e-commerce. These have been facilitated through the upgradation of existing IT systems or fresh installations configured or e-commerce transactions.

#### **GOVERNMENT INITIATIVES TO PUSH E-COMMERCE ACTIVITY**

The Government has been taking key initiatives over the past few years to create an environment that is conducive

to E-commerce activity. These include the following:

- Announcement of the Information Technology Act 2000 which put in place a cyber law regime in the country
- Announcement of the ISP policy for the entry of private Internet service providers in November 1998.
- Permission to private ISPs to set up international gateways. Permission of Internet access through cable TV infrastructure
- Initiation of the setting up of the National Internet Backbone
- Announcement of the national long distance service beyond the service area to the private operators.
- Complete non-monopolization of undersea fiber connectivity for ISPs on August 15, 2000.
- Free Right of Way facility, with no charge in cash or kind, to access providers to lay optical fiber networks along National Highways, State Highways and other roads.
- Permission for interconnectivity of Government and Closed User Group (CUG) networks.
- The establishment of Public TeleInfo Centers (PTIC) having multimedia capabilities has been permitted.
- 100 percent FDI has been allowed in B2B e-commerce.

#### **Initiatives for E-Commerce Capacity - Building of Small and Medium Enterprises**

There is a need to generate much greater awareness about e-commerce and its benefits. An appropriate

communication strategy needs to be formulated to spread e-commerce awareness among enterprises by underscoring the benefits and dispel any misconceptions. The apex industry bodies like the CII should coordinate with themselves and the Government to educate people in decision-making positions in Indian organizations. IT education would be a major driving force towards the development, adoption and growth of e-commerce in India. To keep pace with the changing software and hardware scenario it is necessary to emphasize on the current IT trends and develop quality programmes to impart training and education in contemporary topics. Newer, better and more effective methods of imparting education are evolving which will supplement traditional methods of teaching using books, classroom lectures and written exams on pen and paper.

## CONCLUSION

A developing country can become industrialized and modernized if it can extensively apply IT to enhance productivity and international competitiveness, develop e-commerce and e-governance applications. An information-based society or knowledge based society is composed of IT products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of e-commerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies. The Internet is boosting efficiency and enhancing market integration in

developing countries. The developed world has had a long lead over the developing countries in the telecom infrastructure. The world average of teledensity is 15 per cent compared to the developed world average of 55 to 60 per cent. Same is true of PCs, Internet connections, and the number of Internet hosts. All these traditional indicators for India as seen above are still small. But the total numbers of Internet connections are large in absolute numbers. Large enough to have a critical mass of 10 to 20 million users to be able to make an impact on e-commerce and e-governance. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. The number of e-transactions will be large enough to sustain the Internet economy.

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## MICRO-FINANCE AND ITS ROLE IN INDIA

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### ABSTRACT

*The paper looks at the growth and transformation of microfinance institution in India with different features in providing services. The structure of microfinance institutions has been discussed and in order to penetrate into the poverty and downtrodden segment for their alleviation. The growth with transformation of MFIs studied by SHG-bank linkage programmes. Though there was dependence on the financial institutions, the progress of MFIs was significant. However, it has been found that there is absence of regulatory control in India and interference of political sensitivity in the MFOs. Moreover, it was found that governance within the MFIs was weak. Having examined various options, we conclude that there is no ideal or easy path for MFIs to mainstream in India. This has implications for regulatory framework. There should be regulatory changes that allow smaller MFOs to get into more complex forms as they grow organically. The suggestion has been given that, NGO-MFIs should be allowed to invest in the equity and debt as these are larger enough to maintain adequate leverage ratio and able to raise capital as NBFCs.*

**Key Words:** *MFIs, leverage ratio, NBFCs, governance, regulatory control.*

### Introduction

In India, despite the economic growth at national level at 9.4% in 2006-07 it has declined to around 6% in 2008-09, poverty remains a serious problem for policy makers because the growth is mainly driven by growth in a few sectors in urban areas, such as industry and service sectors. Incidence of poverty in India is estimated by the quintessential large sample surveys on household consumer expenditure and according to the Uniform Recall Period(URP) consumption distribution data in 2004-05, rural areas yields a poverty ratio of 28.3 per cent, 25.7 per cent in urban areas and 27.5 per cent for the country

as a whole (Government of India,2009).Although the proportion of persons below the poverty line has declined from around 36 percent of the population in 1993-94 to 28 per cent in 2004-05, the poverty reduction still remains the country's major challenge in the 21st century. Until the early 1990s, the financial services were provided through a variety of state sponsored institutions, which resulted in impressive achievements in expanding access to credit particularly among the rural poor( Arun and Mosley, 2003). Although many of these commercial bank branches in rural areas wer unprofitable, they did play a positive

role in financial savings and reducing poverty which is evident in the fact during the period 1951-1991 the share of total financial institutions in rural house hold debt has increased from 8.8 percent to 53.3 percent and the role of money lenders has declined significantly during this period (Arun and Mosley, 2003; Basu and Srivastava 2005). However, despite the vast network of banking and cooperative finance institutions and strong micro components in various programmes, the performance of formal financial sector is still far behind in reaching out to reflect and respond the requirements of the poor.

The term micro finance refers to small- scale financial service both credit and savings—that are extended to the poor in rural, semi -urban and urban areas. The poor need micro-finance to undertake economic activity, smoothen consumption, mitigate vulnerability to income shocks (in times of illness and natural disasters), and increase savings and support self- empowerment. Micro credit is the most common product offering. Micro-finance in India is synonymous with micro credit; because savings, thrift and micro-insurance constitute a miniscule segment of the micro finance space. In India, most micro finance loans are in the range of Rs.5,000 to Rs.20,000( the Development and Regulation Bill, 2007, defines micro finance loans as loans with amounts not exceeding Rs.50,000 in aggregate per individual/ small enterprise). CRISIL estimates that around 120 million households in India continue to face financial exclusion. This translates into

a credit demand of around Rs.1.2trillion. MFIs are the main players in the microfinance space in India, their primary product is micro credit. Other players that extend micro finance services, in addition to their core business, include banks and insurance companies, agricultural and diary co-operatives, corporate organizations such as fertilizer companies and handloom houses and the postal network. Additionally there are specialized lenders, called apex MFIs that provide both loans and capacity building support to MFIs.

The differentiating factors of MFIs. MFIs differ from one another in terms of:-

1. Lending model
2. Loan repayment structure
3. Mode of interest rate calculation
4. Product Offerings
5. Legal structure

In terms of lending model, MFIs may be classified as lenders to groups or as lenders to individuals. In India, MFIs usually adopt the group-based lending models, which are of two types—the Self-Help Group (SHG) model and the Joint-Liability Group (JLG) / solidarity group model. Under the SHG model, an MFI lends to a group of 10 to 20 women. Under the SHG-bank linkage model, an NGO promotes a group and gets banks to extend loans to the group. Under the JLG model, loans are extended to and recovered from, each member of the group (unlike under the SHG model, where the loans is extended to the group as a whole). The most popular JLG models are the Grameen Bank model

(developed by Grameen Bank, Bangladesh) and the ASA model (developed by ASA, a leading Bangladesh –based NGO-MFI). Most of the large MFIs in India follow a hybrid of the group models.

The model of lending to individuals is similar to the retail loan financing model of banks. In India, MFIs adopting the group –lending models extend individual loans to more successful borrowers who have completed a few loans cycles as part of a group (who have relatively large credit requirements and good repayment bank record). Corporate and co-operatives typically diary firms and sugar mills are also known to undertake microfinance by extending credit to farmers, this helps the companies strengthen their procurement and distribution networks. MFIs are also differentiated on the basis of their loan repayment structures. Most MFIs following the JLG model adopt the weekly and fortnightly repayment structure. Those under the SHG model have a monthly repayment structure. MFIs lending to traders in market places also offer daily repayment, while MFIs extending agricultural loans have bullet and cash-flow based repayment structures depending on the crop patterns. MFIs following the JLG model charge flat interest rates of 12 to 18% on their loans, while MFIs following the SHG model charge 18 to 24% interest per annum based on the reducing balancing method. In addition to interest rates, some MFIs also charge a processing fee comprising a certain proportion of the loan amount

sanctioned at the time of disbursement. Most MFIs in India are solely engaged in extending micro credit, a few also extend saving, thrift, insurance, pension and remittance facilities. For providing insurance facilities, MFIs have tied up with insurance companies and mutual networks (funds created by community-owned organizations), some MFIs also do underwriting on their own. MFIs offer savings services in two ways—the savings are either collected by the MFIs on the SHG. In the later method, the MFIs or NGOs encourage the SHG to collect savings/thrift from each member of the group on a weekly/monthly basis and rotate the savings/thrift among members. An MFI collecting savings from borrowers may either make it compulsory for borrowers/members to have savings with it, or offer voluntary savings services to both members / non-members. Only MFIs registered as cooperatives or depositing NBFCs can collect savings/ deposits, a few MFIs registered as societies and trusts continue to accept saving/deposits, and thus face regulatory risks (for more details, refer section on absence of regulatory control)

By taking into account legal structures, MFIs may be classified as follows:-

#### **Not for profit MFIs**

- ❖ Societies (e.g such as Bandhan, Rashtria Seva Samithi and Gram Utthan.)
- ❖ Public trusts (such as Shri Khetra Dharmasthala Rural Development Project, and community development centre.)

- ❖ Non-profit companies (such as Indian Association for savings and credit, and cash per micro credit)

#### **Mutual benefit MFIs**

- ❖ Co-operatives registered under state or National Acts (such as Pustikar Lagh Vyaparik Pratisthan Bachat and sakh Sahkari Samiti Limited)
- ❖ Mutually-aided Co-operative societies (MACS, such as Sewa Mutually Aided Co-operative Thrift Societies Federation Ltd.)

#### **For Profit MFIs**

- ❖ Non-banking financial Companies (NBFCs, such as Bharatiya Samruddhi Finance Ltd, Share Micro fin Ltd, SKS Microfinance Ltd and Spandan Sphoorthy Finance Ltd.)
- ❖ Producer Companies (such as Sri Vijaya Visakha Milk Producers Co. Ltd.
- ❖ Local area banks (the only such MFI is Krishna Bhima Samruddhi Local Area Bank.)

Growth of MFIs in India. The microfinance market in India is expected to grow rapidly, supported by the Govt. of India's initiatives to achieve greater financial inclusion, and growth in the country's retail sector. MFIs have a grass root level reach and understanding of the economic needs of the poor. The growing retail market in India provides opportunities for MFIs to act as intermediaries in the retail supply chain. The banking sector will also help the microfinance sector grow. Banks are expected to use MFIs to meet their financial inclusion targets by

allowing MFIs to open bank accounts, and distribute financial services and other structured products.

The microfinance sector has passed its revolutionary phase, when the profit oriented working model of MFIs was perceived by the market as exceptionable. Also investors now have wider choice of MFIs with scalable process. NGO-MFIs have been acquiring dormant NBFC for regulatory financial and operational reasons. Many large players are now focused on urban microfinance and have begun extending loans to individuals. The Microfinance sector and MFIs in India are estimated to have outstanding total loans of Rs.160 to Rs.175 billion and Rs.110 to Rs.120 billion respectively, as on March, 31, 2001. The Microfinance sector in India is fragmented—there are more than 3000 MFIs, NGOs and NGO-MFIs, of which about 400 have active lending programmes. The top MFIs are estimated to account for around 74% of the total loans outstanding for MFIs, around 17 MFIs had outstanding loans of more than Rs.1 billion as on March 31, 2009 with the top three MFIs crossing Rs.10 billion in terms of outstanding loan portfolios on that date. The outstanding loans of MFIs have increased to Rs.114 billion as on March, 31, 2009 from Rs.60 billion a year ago. The growth in disbursements by MFIs was more than that of the SHG-bank linkage programme during 2007-08. MFIs disbursements have increased aggressively at a compound annual growth rate (CAGR) of 90%, over the past four years. CRISIL estimates the overall disbursements during 2008-

09 to be around R.287billion of which disbursements of Rs.185billion were made by MFIs (Refer Table-2). This is resultant ability to attract capital and resources during the past two years. A majority of MFIs, including the larger players, operated mainly in South India till 2005-06. Since, 2006-07, however the large MFIs have extended their presence to states such as Maharashtra, Chandigarh, Orissa, Jharkhand and West Bengal. Over the past two years, the growth of the microfinance sector in eastern India was driven primarily by capacity enhancement initiatives by the apex MFIs, and tapping of growth opportunities in the eastern market by South India based MFIs and banks. Many of the large MFIs, nevertheless continue to have a significant exposure to South India.

### **Improving earning profile**

Improvement in lending rates, in branch and employee productivity, and increasing efficiencies on account of growth in loan portfolios have helped MFIs of all categories enhance their operating self-sufficiency (OSS) ratios. CRISIL believes that MFIs OSS ratios will increase over the medium term; this is because MFIs (particularly the large ones) have increased their lending rates, with several players also charging upfront processing fees.

### **Heavy dependence on banks and financial Institutions (FIs)**

MFIs are dependant on borrowings from banks and FIs, and do not raise debt from the capital market. Thus,

large NBFC-MFIs face higher cost of borrowing than most large retail finance NBFCs in the country. Banks categorize their lending to MFIs as priority sector advance, which has helped MFIs raise timely resources. However, for many MFIs funding sources are restricted to private banks and apex MFIs. The public sector banks have not been aggressive lenders to MFIs. The large and Mid-sized MFIs and NBFC-MFIs primarily borrow from private and foreign banks, while the smaller MFIs borrow mainly from private banks and apex lenders.

The lending model plays a key role in determining a MFIs borrowing profile. Public sector banks (PSBs) with their wide spread branch networks; prefer lending directly through the SHG-bank linkage route. Moreover, PSBs prefer to lend to those MFIs that have adopted the SHG model. PSBs accounted for 36 percent of total borrowings of societies and trusts (refer table—Borrowing profile) as against only 10 percent of MFI following the JLG model, as on March'2008. Thus NGO-MFIs (societies and trust) have better access to funds from PSBs than MFIs that are companies. However, this scenario of PSBs lending predominantly to SHG model based MFIs seems poised for change, with the large NBFCs continuing to aggressively target PSBs to meet their credit demands.

Absence of regulatory control:- Microfinance activities are undertaken by organizations that are registered under sectoral legal forms. However, currently, only NBFCs are under the

regulatory and supervisory purview—the NBFCs are regulated by RBI. The absence of prudential norms and accounting guidelines for non-NBFC MFI leads to lack of uniformity in accounting practices and highly-leveraged balance sheets among MFIs. The financial statements of the microfinance programmes of most non-NBFC MFIs do not provide the true financial picture. There was a proposal by Government of India to bring in legislation in 2006 to regulate the entire microfinance sector in India, the regulation, however is yet to be materialized. Savings is an important component of microfinance. Currently however, savings and deposit services can be offered only by banks and cooperatives. NBFCs can raise deposits only after obtaining a license from RBI and meeting norms (such as having an investment grade credit rating). Trusts and societies (un incorporated bodies) cannot accept savings / deposits as per Section 455 of RBI Act, 1934.

A few NGO-MFIs and non-NGO-MFIs continue to offer in-house insurance facilities by underwriting on their own, although this is a clear violation of insurance regulations.

Political sensitivity of Interest rates:- In April, 1997, RBI issued a circular allowing MFIs to fix interest rates on the loans they extend. However, interest rates charged to the poor constitute a politically-sensitive issue, and therefore, a challenging proposition for MFIs. Although acts pertaining to money-lending and usurious loans in the states specify interest rate ceilings,

these are applicable largely to societies and trusts. Over the past years, MFIs especially in Andhra Pradesh, Tamil Nadu, and Karnataka, have often been targeted by local district administrations. Given MFIs operating & cost structures, most MFIs need to charge high interest rates to recover costs and remain in business. Sa-dhan, the industry association has suggested a voluntary mutually code of conduct under which MFIs provide information regarding interest rates and other charges to clients. Though many MFIs highlight only the flat interest rates and processing fees, a few MFIs did mention the effective interest rates in their borrowers' passbooks as on March 31, 2009. Pressure on process and controls due to aggressive growth plans: - MFIs risk management practices have weakened over the past couple of years, on account of a shift in focus towards business growth and network expansion. Some credit sanction and monitoring practices have been diluted. These include lending to clients with multiple loans from different MFIs, reduction in the average waiting period for loans, and doing away with staggered disbursements to JLGs and loan utilization checks post disbursement. Rapid expansions to new geographies have also put pressure on the internal control mechanisms and audit function, as these have not received adequate focus in the past two years. Nevertheless, there has been some improvement in MFIs ' operations , this includes installation of software for monitoring loans, upgrade in cash

management services, and availability of banking facilities to MFIs operating in rural and semi-urban areas. Many small and mid-sized MFIs have also benefited from the technical support, such as documentation of internal policies and process mapping, with capacity-building support, particularly from apex MFIs. Weak in Governance of MFIs:

The legal structure and the attendant regulatory requirements of an MFI have a strong bearing on governance practices because they influence management practices and levels of transparency. All legal structures other than the formal company structure, suffer for want of adequate regulations and disclosure standards. This also creates a virtuous/vicious cycle phenomenon like; MFIs that have the willingness and minimum capital funds to embrace a corporate structure as an NBFC attract outside investors more easily, which in turn fosters better governance and disclosure standards. In contrast, MFIs that are either unable (for lack of adequate sponsor funding) or unwilling to convert to a corporate structures tend to remain "Closed" to transparency and improved governance standards, and therefore, continue to be unable to attract capital. Moreover, some MFIs particularly, NGO-MFIs, continue to face challenges in striking a balance between their social and business goals, two seemingly conflicting objectives. This often results in poor internal control systems, lack of accountability, and suboptimal performance. The

relatively new seen that Microfinance has acquired in India as an economically viable (even moderately, profitable, scalable and sustainable) lending activity, applies only to a few MFIs that are typically structured as NBFCs with notable participation from international private equity funds. Many MFIs are new and have begun operations on a relatively clean state, focusing on establishing a strong board, and internal control systems. With donor and grant funds drying up and related voluntary services dwindling, microfinance has become a key activity for several NGO-MFIs in India.

However, their managements have not adapted and equipped themselves adequately to manage this evolution, with the result that governance, disclosure and accountability have suffered in many cases. Unless NGO-MFIs restructure their boards and management to drive a reasonable commercial orientation into their operating philosophy and mission, the attendant benefits of good internal control systems and transparency are unlikely to materialize. This will ultimately hinder the sustainability of their operations. Conclusion:- Funding (both equity and debt) will not be a constraint for the large players in India's microfinance sector. The leverage ratio is expected to remain adequate for the larger NBFCs-MFIs( which are regulated ) as most of these entities are able to raise capital. Most mid-sized MFIs are in a process of changing their legal structure. The overall asset quality of MFIs is healthy



however; this is expected to decline marginally. The key factors that can drive success for MFIs are robust systems, and processes and efficiency and productivity levels, maintaining asset quality, prevention of credit losses and capital erosion and remaining adequately capitalized to fund growth plans.

## IMPACT OF TRAINING ON BANK EMPLOYEE PERFORMANCE: A COMPARATIVE STUDY OF PUBLIC SECTOR BANK AND PRIVATE SECTOR BANK IN INDIA

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### ABSTRACT

*Employee training is becoming a necessity to every organization now-a day. Employees are entrusted different roles and responsibilities in the banks. Training enables them to carryout these roles and responsibilities efficiently and also learn new things, which will prepare them to take up higher responsibilities in the future. In this study the researcher studies the existing practices of the various aspects of training program and its effectiveness in selected public and private sector banks in Tiruchirappalli District, South India. This is mainly to assess the present status of the employee effectiveness in discharging the roles and responsibilities in tune with the objectives of the bank. The aim is to assess the effectiveness of the various facets of training i.e. employee's attitude towards training inputs; quality of training programmes; training inputs and application of training inputs to the actual job. Keywords: Training program, Employee attitude, Training input, Banks, Growth & Result, Training effectiveness, Quality*

**Key Words:** Training, Training Methods, Trainer, E-learning, Intranet, Profit per employee

### I. INTRODUCTION

The journey towards a knowledge economy demands the new additional type of competencies like team spirit, co-operation, etc. To reach the destination of knowledge economy in high productivity places like banks, the lifelong learning concept should be applied to its workforce. During the last ten years, "lifelong learning" has become one of the most frequently heard terms in training circles. This is perhaps an apt response to the increasingly rapid changes under-way in modern societies. As a sequel, every business entity worth its salt is placing utmost importance on

the development of Human Capital - the knowledge, skills and motivation embodied in people. The growing share of economic output in the services sector, including that of banking is turning to be knowledge and information-intensive. This in itself is placing a high premium on the continued upgrading of skills and competencies of the workforce. The growth of the knowledge economy that has, of course, partly been stimulated by demand for the new types of goods and services, increasing globalization of economic activities and technological changes, have only multiplied the need and urgency for new or additional type

of competencies, such as team work, problem solving communication skills and capacity to see workplace development in a broader context, among the employees. With the kind of reforms and the resulting changes that are currently overawing the Indian banks, the urgency to inculcate such competencies among the workforce is getting intensified in the banking sector.

Success of the banking operations depend upon the people, the employee and the effectiveness of the employee is very much depending on the training input given to the employees. The effectiveness of training is not static, it has to be periodically reviewed, updated and upgraded in tune with demanding situation of the economy, government policy, advancements in Information Technology and expectations of customers. All the above-mentioned aspects impressed the researcher to study the existing Training Methods and their effectiveness in selected public and private sector banks and come out with recommendations for future

To cope up changing policies of RBI, loan and Fraud, Forex, CBS- IT etc training is very necessary in banking industry. Training is process of enhancing knowledge, skills and ability of employee for doing a particular job. Training process moulds the thinking of employees and leads to quality performance of employees. Training is directly proportional to revenue. If employee gets better training then definitely productivity increases and revenue also increases. According to RBI India has 26 public sector bank, 20

private sector bank, 43 Foreign Banks (excluding regional rural bank ) Public sector bank is divide into two parts SBI and its Associates and nationalized bank and private sector bank is divided into two groups old private sector bank and new private sector bank. This is a comparative study of training and its impact on employee performance of public sector bank and private sector bank. Researchers; selects one public sector bank (Syndicate Bank) and one private sector bank (Axis Bank) for this study. Researchers; studies profit per employee of public sector bank as well as public sector bank to show that if training is of best quality then definitely profit of banks increases.

## II. REVIEW OF LITERATURE

**Ramakrishna G; Kameswari; Kumar Giridhar M; Krishnu Ch 2012-** studies effectiveness of Training and Development Programmes of Canara Bank Employees in Kurnool District, Andhra Pradesh. They used both primary and secondary data. The secondary data and information have been collected from various sources like business newspapers, journals, magazines, RBI Reports and publications, IBA publications, NIBM publications etc. Primary data has been collected through structured questionnaire from the employees of Andhra Bank (public sector bank). Questionnaires are filled from 85 employees covering all Canara bank branches in Kurnool District. After analysis of questionnaire they come to conclusion that majority of 87.06% of the employees given overall rating for

training and development programmes as good, 10.59% of the employees given overall rating for training and development programmes as excellent and 2.35% of the employees given overall rating for training and development programmes as Fair.

#### **Gonchkar K. Pramod 2012**

done empirical (Survey) study covers only the public sector banks (PSB's) operating in Bangalore, India and their officers regarding the impact of training and development of officers on their performance. Training in public sector banks is traditional in approach and normally concentrates on the improvement of operative skills, interpersonal skills, decision-making skills, or a combination of these yes, wonder of wonders, any mention of customer or customer service is absent. The staff here is assured of a permanent job with benefits, and there is no incentive for customer care or high performance. The survey method has been used for this study. Data required for the research was collected from both primary and secondary sources. Secondary data was collected from the web sites of the ministry of finance of the government of India, the Reserve Bank of India and the respondent PSBs themselves. In addition, inputs were gathered from the financial press. The random sampling technique has been applied since every PSB stands an equal and independent chance of being selected. Duly completed Schedules received from the first four PSB respondents and the first 400 PSB officer respondents were selected for the

study. The collected primary data was processed manually. Statistical tools like averages were used to analyse and interpret the data, duly supplemented by graphical and tabular representation. Appropriate interpretations were added to the tabulated and charted data. Chi-squared tests were conducted to test hypotheses. A majority of the officer respondents believe that the quality of the T&D programmes arranged by the banking terms of improving the productivity of the officers has been average It is time the banks realized that it does not pay to be penny-wise and pound-foolish. Even if they are not able to design quality T&D programmes, they can get such programmes designed by reputed professionals for a fee.

#### **III. OBJECTIVE OF STUDY**

1. Comparative study of impact of Training on Employee Performance in public sector and private sector bank.
2. To examine training method adopted by the organization.
3. To study about trainer knowledge who is giving training to employee.
4. To study what are the new methods of training and effectiveness of new methods

#### **IV. RESEARCH METHODOLOGY**

This research is depend upon primary data as well as secondary data - annual reports of Syndicate Bank and Axis Bank of year 2008 to 2013 and from RBI publication- profile of banks 2012-2013. Total 100 questionnaire are filled, 50 questionnaire are filled from various

branches of Syndicate Bank and 50 questionnaire from various branches Axis bank of Trichy. Questionnaire is in 5 degree likert scale ranging from Strongly Agree -- Agree –Neutral – Disagree – Strongly Disagree. For analysis of questionnaire researcher combine Strongly Agree and Agree, Disagree and Strongly Disagree and then analyzed through percentage and chi square test.

**V. HYPOTHESIS OF THE STUDY**

Hypothesis1: There is no significant difference between training methods in public sector bank and private sector bank.

Hypothesis 2: There is no significant difference between trainers of public sector bank and private sector bank.

Hypothesis 3: There is no significant difference between effectiveness of new method of public sector bank and private sector bank

**VI. ANALYSIS**

**TABLE I A: TRAINING METHOD**

Training methods (Percentage)	Agree	Neutral	Disagree	Total
Public Sector Bank (Syndicate Bank)	61.2	5.3	33.5	100
Private Sector Bank (Axis Bank)	86.625	4.65	8.725	100
Total	147.825	9.95	42.225	200

Fig 1: Training Methods of Public Sector Bank (Syndicate Bank) Vs Private Sector Bank (Axis Bank)

Hypothesis1: ***There is no significant difference between training methods in public sector bank and private sector bank.***

**Chi square Test**

$$\chi^2 = \sum \frac{(\text{Observed Value} - \text{Expected Value})^2}{(\text{Expected Value})}$$

**TABLE IB - SHOWING CALCULATED VALUE OF CHI- SQUARE FOR HYPOTHESIS 1**

		Observed frequency Oij	Expected frequency Eij	Oij-Eij	(Oij-Eij) <sup>2</sup> /Eij
Public Sector Bank (Syndicate Bank)	Agree	61.2	73.925	-12.7	2.181
	Neutral	5.3	4.975	0.325	0.021
	Disagree	33.5	21.1125	12.387	7.282
Private Sector Bank (Axis Bank)	Agree	86.625	73.925	12.7	2.181
	Neutral	4.65	4.975	-0.325	0.021
	Disagree	8.725	21.1125	-12.387	7.282
Total					<b>18.968</b>

$X^2 = 18.968$

The Table value of Chi square for two degrees of freedom at 5% level of significance is 5.991.

The calculated value of Chi square is higher than this table value. Hence the hypothesis is not correct so we reject hypothesis that – “There is no significant difference between training methods in public sector bank and private sector bank. Means there is difference between training methods of public sector bank and private sector bank. Private sector training methods are better than public sector.

**TABLE II A: TRAINERS PUBLIC SECTOR BANK - SYNDICATE BANK**

Trainers (Percentage)	Agree	Neutral	Disagree	Total
Public Sector Bank (Syndicate Bank)	60.56	15.5	23.94	100
Private Sector Bank (Axis Bank)	81.9	3.7	14.4	100
Total	142.46	19.2	38.34	200

Hypothesis 2: *There is no significant difference between Trainers of public sector bank and private sector bank.*

**TABLE II B- SHOWING CALCULATED VALUE OF CHI- SQUARE FOR HYPOTHESIS 2**

		Observed frequency $o_{ij}$	Expected frequency $E_{ij}$	$O_{ij}-E_{ij}$	$(O_{ij}-E_{ij})^2/E_{ij}$
Public Sector Bank (Syndicate Bank)	Agree	60.56	71.23	-10.67	1.59
	Neutral	15.5	9.6	5.9	3.62
	Disagree	23.94	19.17	4.77	1.186
Private Sector Bank (Axis Bank)	Agree	81.9	71.23	10.67	1.59
	Neutral	3.7	9.6	-5.9	3.62
	Disagree	14.4	19.17	-4.77	1.186
Total					<b>12.792</b>

$X^2 = 12.792$

The Table value of Chi square for two degrees of freedom at 5% level of significance is 5.991

The calculated value of Chi square is higher than this table value. Hence the hypothesis is not correct so we reject hypothesis that – “There is no significant difference between trainers in public sector bank and private sector bank. Means there is difference between trainer of public sector bank and private sector bank.

**TABLE III A: NEW METHODS PUBLIC SECTOR BANK- SYNDICATE BANK**

New Methods (Percentage)	Agree	Neutral	Disagree	Total
Public Sector Bank (Syndicate Bank)	89	4	7	100
Private Sector Bank (Axis Bank)	97	1	2	100
Total	186	5	9	200

Hypothesis 3: There is no significant difference between effectiveness of new method of public sector bank and private sector bank

**TABLE III B- SHOWING CALCULATED VALUE OF CHI- SQUARE FOR HYPOTHESIS 3**

		<b>Observed frequency oij</b>	<b>Expected frequency Eij</b>	<b>Oij-Eij</b>	<b>(Oij-Eij)<sup>2</sup> / Eij</b>
Public Sector Bank (Syndicate Bank)	Agree	89	93	-4	0.17
	Neutral	4	2.5	1.5	0.9
	Disagree	7	4.5	2.5	1.47
Private Sector Bank (Axis Bank)	Agree	97	93	4	0.17
	Neutral	1	2.5	-1.5	0.9
	Disagree	2	4.5	-2.5	1.47
Total					<b>5.08</b>

$X^2 = 5.08$

The Table value of Chi square for two degrees of freedom at 5% level of significance is 5.991

The calculated value of Chi square is lower than this table value. Hence the hypothesis is correct so we accept hypothesis that –: There is no significant difference between effectiveness of new method of public sector bank and private sector bank

#### **VII. RELATIONSHIP BETWEEN TRAINEE AND REVENUE**

According to Rohan Singh and Madhumita Mohanty “Impact of Training Practices on Employee Productivity: A Comparative Study”- their is a direct relationship between training and revenue , If employee get good quality of training then definitely skills, knowledge, attitude develop in employees then performance of employee increases from this they work in a better way and revenue increases. Suppose new employees enter in an organization he doesn't know any thing about organization and work, if he gets

induction training then he knows all about organization and can perform better and definitely profit of organization increases.

From the analysis of questionnaire we came to know that private sector bank (Axis Bank) employees are more satisfied with training than public sector bank (Syndicate Bank) that is why performance of private sector bank employees are better than public sector bank .The profit per employee of Axis bank of last 5 years are more than profit per employee Syndicate bank. In Syndicate Bank profit per employee Rs.3.64 lacs in year 2008 increases to Rs.8.11lacs in year 2013. In Axis Bank profit per employee Rs.10.02 lacs increase in year 2008 to Rs.14.58lacs in year 2013.

#### **VIII. FINDINGS**

100 questionnaire are filled from bank employee 50 questionnaire are filled from public sector bank (Syndicate Bank) and 50 questionnaire are filled from (Axis Bank) under three headings the findings are

### Training Methods

Public Sector Bank (Syndicate Bank) 20.1 %employees are strongly agreed and 41.1 % employees are agree. It means total 61.2% employees said that quality of training method are relevant and good , study material and words used in the training sessions was easy to understand only 33.5% employees are not agreed the quality of training method are relevant and good and 5.3% employees are neutral.

Private Sector Bank (Axis Bank) 42.625 % of employees are strongly agreed and 44% employees are agreed. Total 86.625% employees said that that quality of training method are relevant and good , study material and words used in the training sessions was easy to understand only 8.725% are employees not agreed the quality of training method are relevant and good and 4.65% employees are neutral.

### Trainers

**In Public Sector bank (Syndicate Bank)** 15.06%employees are strongly Agree, 45.5% employees are Agree .It means total 60.56% employee agree that knowledge of trainer are sufficient, communication skill of trainers are good, trainers are fair to all, trainers teaches enthusiastically only 23.94% employees are disagree and 15.5 % are neutral.

**In Private Sector Bank (Axis bank)** 39% employees are strongly agree, 42.09% employees are agree. It means total 81.9% agree that knowledge of trainer are sufficient, communication skill of trainers are good, trainers are

fair to all, Trainers teaches enthusiastically only 14.4% employees are disagree and 3.7 % are neutral.

### New Methods

**In Public Sector bank (Syndicate Bank)** 40% employees are strongly agree and 49% employees are agree .It means total 89% of employees are agree that new training method E-learning and Intranet are effective, only 7% employees are disagree and 4% are neutral.

**In Private Sector Bank (Axis bank)** 47% employees are strongly agree 50% employees are agree. .It means total 97% of employees are agree that new training method Intranet and Knowledge @axis are effective only 2% employees are disagree and 4% are neutral.

If we combine all three Training Methods, Trainers, and New methods and then take the mean we come to result that in public sector bank (Syndicate Bank) 70.25% employees are satisfied with training and in private sector bank (Axis bank) 88.50% are satisfied with training.

In this study out of three hypothesis, two hypothesis are rejected.

**Hypothesis1:** There is no significant difference between training methods in public sector bank and private sector bank.

**Hypothesis 2:** There is no significant difference between Trainers of public sector bank and private sector bank. Only one hypothesis is accepted



**Hypothesis 3:** There no significant difference between effectiveness of new method of public sector bank and private sector bank.

Employees of private sector bank are more satisfied with training, knowledge of private sector bank increases from training as a result performance of employees are better than public sector bank . Profit per employee of private sector bank is higher than public sector bank.

## IX. CONCLUSION

From the above analysis researchers come to conclusion that training of private sector banks is better than public sector banks. Public Sector Banks have to do effective measure to improve their training. Public sector banks have to hire trainers externally who have good experience of teaching like from IIBF and NIBM. They have to change their training strategy like more and more training session are provided, training should not be too lengthy and fast ,it should be short and slow so that every employee can understand easily. Revision should be done after every training session. Words used in training should be in easy and understanding, group discussion should be done after every training session, power point presentation should provided for further reference, study material should not be in difficult language.

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## **ANALYSIS OF WORK LIFE BALANCE OF FEMALE NURSES WITH REFERENCE TO MULTISPECIALITY HOSPITALS, THAJAVUR DISTRICT**

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### **ABSTRACT**

*Nursing profession is high demand career, nurses usually are exposed to situations that affect their work life balance, the aim was to measure the quality of working life among nurses. Health Care Sector has become one of India's largest and important sectors in terms of revenue and employment. Health Care Industry is growing at a very high pace because of its best service and increasing expenditure by both public and private players. Now a day's people in general are health conscious and this has created awareness in providing best service to the customers. In this regard nurses play a pivotal role in health care industry. So, it is essential to take care of their needs and create a healthy atmosphere, so that they can be stress free to some extent and work with happiness and content. Through this article an attempt has been made to bring out the issues connected to work life balance of female nurses working in multi-specialty hospitals in Thajavur District.*

**Key Words:** *Work Life Balance, Stress, Female Nurses*

### **INTRODUCTION**

Nursing is very demanding career. In nursing work nurses work not only have tons of things to get done, but also forced to make some decisions. Most of nurses have a lot of things they are responsible for, and to make quick decisions about patient care and well-being. In order to improve quality of care of patients it's important to improve quality of working life of the staff especially nurses. Quality of working life affecting different faces of nurses such as their productivity, patient satisfaction, commitment, and quality of their life. There are many predictors for nursing quality of working

life such as; shift working, managerial support, interpersonal relationships, workload and job tension. Many authors and researchers have proposed models for quality of working life among healthcare especially nurses, which include a wide range of factors that affecting the quality of working life.

Work Life Balance refers to the effective management of multiple roles both at work and family. Greenhaus, Collins & Shaw (2003) has defined Work Life Balance as the extent to which an individual is equally-self engaged and equally satisfied with-his or her work role and family role. This means one has to strike balance between work and

family life by prioritizing both at professional and at personal level. Demand for nurses is ever increasing because of their attitude in taking care of the patients which cannot be seen so much in other professions. Because they bring back smiles on the faces of patients with their unselfish and dedicated service. They work as operation theatre assistants, health advisors, counselors, supervisors etc., Hence, keeping them happy and content is also utmost important. Health care sector is an area where one has to work 24/7, always vigilant and on toes. This creates stress among nurses when they are working overtime and constantly under pressure. Striking balance between work and family is essential to have physical and mental health. Proper working conditions, working schedules and support from family members will help in attaining good physical and mental health.

## REVIEW OF LITERATURE

**Nadeem and Abbas (2009)** conducted a study to explore the relationship between work life conflict and job satisfaction in Pakistan. A sample size of 157 managers was used for the final analysis. Descriptive analysis, correlation analysis and regression analysis tools were used for analysing the data. The study revealed that job satisfaction was significantly correlated to with work to family interference and family to work interference. Job satisfaction was also found to be negatively correlated with stress. Further, job autonomy and work

load were found to be positively associated with job satisfaction.

**Ezzedeen and Ritchey (2009)** conducted a study to explore coping strategies devised by executive women in family relationships to maintain career/family balance. Several categories of career advancement and career/family balance strategies emerged from the analysis which included values and beliefs relating to career and family in place of one's life, personal social support, professional social support and life course strategies.

**Abraham (2002)** observed that working women had to perform variety of roles acting as super moms and striking a balance between their modernity and tradition. Flexible work arrangements helped the working women to comply with their household requirements without compromising their career (Tolhurst et al, 2004).

**Morgan and Milliken (1992)** also suggested that provision of career's arrangement, alternative work arrangements and offsite working arrangements would help the employees in balancing their personal and official lives. Similarly three categories of work-life policies like parental leave, alternative work arrangements and employer supported child care were also identified (Glass and Finley, 2002).

**Carlson and Perrewe's (1999)** approach was utilised for developing work-family conflict model so that the relationship between the organisation's support and work life issues could be tested.

**Kossek et al. (2010)** examined perspectives on employer work-life policies and practice as potential organisational change phenomena. Work-life policies help in enhancing organisational structural and cultural support for work, family and personal life. Structural support is in the form of redesigning of job, reducing workloads, occupational safety, and formal policies on absenteeism, vacations and sick time whereas cultural support includes informal workplace social and relational support from supervisors and co-workers.

#### STATEMENT OF PROBLEM

Quality work environment factors are critical issues when examining the work life of nurses. Some of the key issues that will be examined in this study are nursing workforce shortage, working conditions, professional issues, stressful work life, demanding patient needs, working knowledge development, team work and performance, nursing leadership and managerial issues, organisational climate and culture and gender based issues.

#### OBJECTIVES OF THE STUDY

- To find out the job characteristics of nurses in hospitals
- To find out the significant work environment of hospitals which impact nursing tasks
- To identify the stress experienced by female nurses.
- To examine the influencing factors for work life balance of nurses.

- To analyze various ways to attain work life balance.

#### RESEARCH METHODOLOGY

Research design adopted for this study is Descriptive. Primary data was collected through survey method by using questionnaires. Sample of 150 female nurses who are working in multi-speciality hospitals in different departments such as medical, surgery, ICU, CCU were collected. The study was narrowed down to working mothers and hence purposive sampling method was adopted. Secondary data was collected from journals and Research articles.

#### LIMITATION OF THE STUDY

This study was limited only to female nurses who are working in multi-speciality hospitals in Thajavur District. Research was confined to working mothers who has at least one dependent child and as sample size of 150 female nurses was collected from different departments, comparative study could not be made.

#### DATA ANALYSIS AND INTERPRETATION

The following are the analysis and interpretation of the present study conducted by the investigator.

**Table 1: Age Group of Respondents**

S. No.	Age Group	Frequency	Percentage
1	22-27	28	18.6
2	28-32	35	23.3
3	33-37	37	24.6
4	38-42	29	19.3
5	Above 42	21	14.2
<b>Total</b>		<b>150</b>	<b>100</b>

The above table shows that 18.6% of respondents belong to the age group of 22-27. 23.3% belong to the age group of 28-32. 24.6% belong to the age group of 33-37. 19.3% belong to the age group of 38-42 and 14.2% belong to the age 42 and above.

**Table 2: Spending quality time with family**

S. No.	Level	Respondents	Percentage
1	Always	2	2
2	Often	5	3
3	Sometimes	83	55
4	Rarely	27	18
5	Never	33	22
<b>Total</b>		<b>150</b>	<b>100</b>

Table 2 shows that 2% of the respondents feel that they are spending quality time with their family always and 3% of them feel that they often spend quality time with family members. 55% of the respondents opined that they spend quality time with their family members only sometimes, 18% of them rarely and 22% of them never able to spend quality time with their family.

**Table 3: Overtime and working for long hours**

S. No.	Level	Respondents	Percentage
1	Always	33	22
2	Often	45	30
3	Sometimes	38	25
4	Rarely	22	15
5	Never	12	8
<b>Total</b>			<b>100</b>

The above table shows that 22% always do overtime and work for long hours, whereas 30% of the respondents says that they often has to work for long

duration. 25% of nurses are of opinion that they are made to work for long hours and do overtime sometimes and 15% rarely and only 8% says that they never have to work overtime and for long hours.

**Table 4: Stress related problems**

S. No.	Level	Respondents	Percentage
1	Frequent headaches	50	33
2	Acidity	38	26
3	Mood swings	15	10
4	Hypertension	17	12
5	Diabetes	15	10
6	Any other	15	9
<b>Total</b>		<b>150</b>	<b>100</b>

Table 4 shows that 33% of the respondents have frequent headaches, 26% of them have acidity, 10% have mood swings, 12% of them suffer from hypertension, 10% of the respondents have diabetes and 9% suffer from other stress related problems.

**Table 5: Fatigue level**

S. No.	Fatigue level	Respondents	Percentage
1	Always	63	42
2	Often	25	17
3	Sometimes	33	22
4	Rarely	29	19
<b>Total</b>		<b>150</b>	<b>100</b>

The above table depicts that 42% of the respondents feel they are always exhausted, 17% opine often, 22% of them say they are sometimes exhausted and 19% of the respondents feel they are rarely fatigued.

**Table 6: Importance of family support on work life balance**

S. No.	Level	Respondents	Percentage
1	Agree	4	3
2	Disagree	52	35
3	Neutral	3	2
4	Strongly agree	4	3
5	Strongly disagree	87	57
<b>Total</b>		<b>150</b>	<b>100</b>

Table 6 shows the importance of family support in striking balance between work and family. 3% of the respondents feel that family support does not matter, 2% are neutral and 3% strongly feel that they do not require family support in balancing work life aspect. But 57% of the respondents strongly feel that family support is very essential in work life balance and 35% of

nurses opine family support does matter for them in striking balance between work and family life.

**Table 6: Positive effect of support from hospital authorities**

S. No.	Level	Respondents	Percentage
1	Agree	66	44
2	Strongly agree	76	51
3	Disagree	8	5
<b>Total</b>		<b>150</b>	<b>100</b>

This table shows that support from hospital authorities has positive effect on Employees performance. 44% of the respondents agree that support from hospital authorities has positive impact in balancing work life aspect, 51% of the respondents feel they strongly agree in this regard and only 5% of the respondents disagree to this analysis.

**Chi – Square Test  
Work Life Balance – Female Nurses  
Age and stress related problems**

Age	Stress Related Problems					Total
	Frequent Headaches	Acidity	Hyper Tension	Diabetes	Any other	
-						
22 - 27	8	5	8	11	-	32
28 - 32	6	8	9	7	4	34
33 - 37	4	4	15	9	2	34
38 - 42	4	9	10	7	-	30
Above 42	-	4	7	9	-	20
<b>Total</b>	22	30	49	43	6	150

**Hypothesis**

**Null Hypothesis (Ho)**

There is no significance difference between Age and Stress related problems.

**Alternative Hypothesis (H1):**

There is significant difference between age and stress related problems.

$$\begin{aligned}
 \text{Degree of freedom} &= (R-1) \times (C-1) \\
 &= (5-1) \times (5-1) \\
 &= 4 \times 4 \\
 &= 16
 \end{aligned}$$

$$\text{Level of significance} = 5\%$$

$$\text{Calculated Value } \chi^2_{0.05} - (16) = 26.3$$

### Interpretation

The tabulated value is less than the calculated value. So we reject null hypothesis. From the Chi-square test it is proven that there is significant difference between age and stress related problems.

### Findings

- ❖ 23.3% of the respondents are belongs to the age group of 28-32.
- ❖ 55% of the respondents opined that they spend quality time with their family members only sometimes.
- ❖ 33% of the respondents have frequent headaches for stress related problems.
- ❖ 42% of the respondents feel they are always exhausted of fatigue levels.
- ❖ 35% of nurses opine family support does matter for them in striking balance between work and family life.

### CONCLUSION AND SUGGESTIONS

The study reveals that majority of the respondents has real problem in striking balance between work and family and though many of them enjoy their work in serving people they are facing stress related health issues. Most of the respondents feel if proper work scheduling and timely support provided by both family and hospitals they will be

stress free to some extent and will be able to strike balance between work and family.

Moreover the organization should also make efforts for making the environment family-friendly. It is very important to understand that married working women with children will be able to show best performance only if they have full organizational support. So, in order to best utilize the potential of nurses, it is essential for every clinic and hospital to frame their human resource policies with utmost care. They should work on its work life balance policies which will help in reducing work-life conflict and enable its nurses to become more effective in all roles especially the professional role. Hence, our study could also act as a guide for HR practitioners in redesigning their policies in relation to work-life balance thereby ensuring the well being of all nurses.

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## A STUDY ON LOGISTICS MANAGEMENT IN INDUSTRY

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### ABSTRACT

Logistics refers to the overall management of the way resources are obtained, stored and moved to the locations where they are required. It is difficult to accomplish any marketing or manufacturing without logistical support. It involves the integration of information, transportation, inventory, warehousing, material handling, and packaging. This paper examines the subject of Logistics Management. Topics covered include working definitions of the terms logistics management and an outline of the various activities involved in the logistics management process.

**Key Words:** *logistics management, warehousing*

### INTRODUCTION

Logistics as a scientific birth is the result of the development of social productive forces. In the long process of social development, many scholars have long been the theory of brewing, gradually recognized in the production activities, the past people as the production process, the production process of the composition of the field, a detailed analysis of an activity is not directly Participate in the actual manufacturing process, but with the process but there are other characteristics, that is, logistics. Production activities if the professional breakdown, but also can be divided into two components, part of the production process activities, part of the logistics activities. Through the concept of the origin and development of logistics to explore, we can recognize the development process of logistics.

### LOGISTICS AND PHYSICAL DISTRIBUTION

Logistics and Physical Distribution is different, Logistics has broken through the scope of the flow of goods, logistics activities to expand to the production area. Logistics has not only started from the factory, but from the raw material procurement, processing and production to product sales, after-sales service, until the waste of goods and other physical recycling process. This is because with the development of production, social division of labour more and more fine, large manufacturers tend to finished parts of the production tasks, package to other professional manufacturers, they only put these parts assembled, and these professional Manufacturers may be located in the world where labour is relatively cheap. In this case, the logistics not only with the circulation system to maintain a close relationship, but also with the

production system also had a close relationship.

It can be seen that the current logistics features are:

- It's extension is greater than the narrow logistics (i.e. sales logistics), because it is the starting point to expand the production area;
- It's extension is less than the generalized logistics (Business Logistics), because It does not include raw material logistics;
- It's extension and supply chain extension is consistent, so it was called supply chain logistics .

The emergence of the term is the inevitable result of the development of the world economy and science and technology. The current logistics industry is to globalization, information technology, integration development. A country's market opening and development will require the opening and development of logistics. With the formation of the world commodity market, from the various markets to the final market of the increasingly global logistics; information technology, so that information systems can run through the different enterprises, the logistics function has undergone a qualitative change, greatly improving the logistics efficiency, But also for the integration of logistics to create the conditions; integration means that demand, distribution and inventory management integration. All of which have become the international logistics industry development direction.

## **LOGISTICS DIVISION**

There is no uniform view on the classification criteria, and many scholars have adopted the following method of division:

- (1) macro logistics and micro-logistics
- (2) social logistics and corporate logistics
- (3) international logistics and regional logistics
- (4) general logistics and special logistics

### **• MACRO LOGISTICS**

Macro logistics refers to the overall logistics activities of social reproduction, from the perspective of the overall social reproduction and understanding of the logistics activities. This logistics activities of the participants is to constitute the overall social industry, large groups, macro logistics is the study of social reproduction of the overall logistics, research industry or group logistics activities and logistics behaviour. Macro logistics also refers to the logistics of all, from the overall logistics rather than from a logistics component of the logistics point of view.

Therefore, we often put forward the logistics activities, the following a number of logistics should belong to the macro logistics, namely: social logistics, national economic logistics, international logistics. The main characteristics of macro-logistics research are comprehensive and overall. The main contents of macro logistics are the composition of logistics, the relationship between logistics and society in society, the relationship between logistics and economic development, the establishment and

operation of social logistics system and international logistics system.

- **MICRO-LOGISTICS**

Consumers, producers of enterprises engaged in the actual, specific logistics activities are micro-logistics. In the entire logistics activities, one of the local, a link to the specific logistics activities are also micro-logistics. In a small area of space the specific logistics activities also belong to the micro-logistics. Logistics activities for a particular product are also micro-logistics.

We are often involved in the following logistics activities are micro-logistics, namely: corporate logistics, production logistics, supply logistics, sales logistics, recycling logistics, waste logistics, life logistics, micro-logistics research is characterized by specific and local. Thus, micro-logistics is more close to the specific business logistics; its research is very broad.

- **SOCIAL LOGISTICS**

Social logistics refers to the transcendence of one household to a society for the purpose of community-oriented logistics. This kind of socially strong logistics is often borne by specialized logistics undertakers. The category of social logistics is a large area of social economy. Social logistics research in the process of reproduction of the logistics activities, the study of logistics activities in the national economy, to study how to form a service to the community, social and social environment in the operation of the logistics, the study of social logistics

system structure and operation, so with Looking and extensive.

- **ENTERPRISE LOGISTICS**

Enterprise logistics refers to the flow of goods within the enterprise entities. It is from the enterprise point of view related to the logistics activities, is a specific, micro-logistics activities of the typical areas.

- **INTERNATIONAL LOGISTICS**

International logistics is a modern logistics system developed rapidly, a large area of logistics, international logistics is accompanying and Support the international economic exchanges, trade activities and other international exchanges occurred in the logistics activities. Due to the rapid expansion of international trade in recent ten years, the deepening division of international division of labour, the end of the Cold War between East and West, and the acceleration of the integration of Europe and other places, international logistics has become a hot issue in modern logistics research.

- **REGIONAL LOGISTICS**

Relative to the international logistics, a country-wide logistics, a city logistics, an economic region of the logistics are in the same laws, regulations, under the system, are subject to the same cultural and social factors are in the same basic technology Level and equipment level, therefore, have their own unique characteristics, have their regional characteristics.

- **GENERAL LOGISTICS**

General logistics refers to the common ground of logistics activities and general, an important feature of logistics activities, is related to the whole society, the enterprises, therefore, the establishment of logistics systems, logistics activities must be universal applicability. Logistics system is also the basis of this point, otherwise, logistics activities will have great limitations, very small adaptability, logistics activities on the national economy and the role of society will be greatly limited. The general logistics research focuses on the general law of logistics, establishes the generalized logistics standardization system, studies the common function elements of logistics, studies the combination of logistics and other systems, connects, studies logistics information system and management system.

- **SPECIAL LOGISTICS**

Special areas, specialized areas, special industries, in accordance with the general rules of logistics on the basis of special constraints, Special application areas, special management methods, special labour objects, special machinery and equipment characteristics of the logistics, all belong to the special logistics range. The production of special logistics activities is the product of deepening social division of labour, rationalization and refinement of logistics activities. Under the premise of maintaining general and general logistics activities, the logistics that can be characterized and can form scale and

produce economies of scale will form itself Unique logistics activities and logistics. Special logistics research to promote the development of modern logistics is enormous.

## **FUNCTION OF LOGISTICS**

The basic function of logistics is generally engaged in the movement of commodity entities, and is related to the use of goods movement. Therefore, the establishment and improvement of the necessary storage, transportation infrastructure, is to play a prerequisite for logistics functions. On this basis, the overall function of the logistics can be transported through goods, storage, handling, packaging, distribution, circulation processing and this is closely related to the logistics information function to play out.

### **1. TRANSPORT FUNCTION**

Due to the origin of goods and the sale of space between the existence of space. Some goods are a production, domestic consumption; some goods are urban production, rural consumption; some commodities are rural production, urban consumption. So to make consumers or users to buy the necessary goods, goods must be from the origin to reach the pin, this function can only be carried out through the transport of goods. Therefore, the transport functions of logistics to create the space of the logistics utility. It is the core of logistics. Many people say that logistics is the transport of goods, it is from the perspective of the core of transport to analyse the problem.

## 2. CUSTODY FUNCTION

There is a time imbalance between commodity production and commodity consumption. Most of the agricultural and side line products are seasonal production, perennial consumption; daily industrial products are mostly concentrated production, decentralized consumption, which makes the continuous circulation of goods, there is a contradiction in time. To overcome this contradiction, we must rely on commercial storage to play a role. Through commercial storage, in order to ensure the smooth flow of goods in a smooth and smooth manner in order to make the goods available to the market in a row. Therefore, the custody function to create the logistics of the time utility, is the pillar of logistics, although the commodity stored in the process of commodity circulation in a long or short relative stagnation, but the stagnation of the product by the way of production and marketing Production and marketing time to decide, it is the material circulation of goods guarantee, is necessary for the circulation of goods.

## 3. THE PACKAGING FUNCTION

To be able to make the goods entities in the logistics through the transport, storage links, successfully reach the hands of consumers, must ensure that the use of goods worth intact. Therefore, the commodity packaging function is necessary. The right goods packaging, can maintain the inherent quality of goods and the appearance of quality, so that goods under certain conditions not to External factors

affected by the destruction or loss, to ensure the smooth progress of logistics activities. The packaging function is the condition for the transportation and storage functions.

## 4. CIRCULATION PROCESSING FUNCTION

Due to the different ways of production and sales of goods, productive consumption generally requires large packaging, single colour, bulk goods, single size, bulk pieces, and personal life consumption is the need for small packaging, multi-colour, sub-specifications, assembly, etc. In the circulation of the necessary circulation processing, in order to meet the needs of commodity sales.

Circulation processing is in the process of commodity movement from the producer to the consumer, in order to promote sales and maintenance of product quality and logistics efficiency, and the re-processing of goods. Circulation processing, including packaging, packaging, packaging, picking, quantity inspection, selection, "mixed, brush mark, cut, assembly and re-processing restructuring, etc. circulation processing functions play, help to shorten the production of goods Time to meet the diverse needs of consumers, to overcome the contradiction between the unity of production and demand, improve the marketability of goods.

## 5. THE DISTRIBUTION FUNCTION

Delivery refers to the user's order requirements, in the logistics centre for goods, picking work, and with a good

delivery of goods to the consignee . Distribution in the entire logistics process, its importance should be with the transport, storage, circulation and other side by side, and the formation of one of the basic functions of logistics. The difference between it and the transport function is that the transfer of goods from the place of production to the distribution centre is referred to as "transport" during the process in which the goods are sent to the user through the regional distribution centre, and from the distribution centre to the user The transfer of goods between the space is called "distribution." And it is different from the general circulation processing functions, to take distribution, by increasing the order of economic volume to achieve the economy to purchase, but also by the user needs a variety of goods Equipped with a large number of users together with the small batch of goods together to carry out a delivery, etc., in particular, to adapt to the current emergence of new business forms of business - the rise of chain stores , improve the logistics Economic benefits.

## 6. INFORMATION FUNCTIONS

If the logistics activities of a company as a system, then the system includes two subsystems: one is the operating subsystem, including the transport, storage, packaging, circulation processing, distribution and other specific job functions; another It is the information subsystem. The information subsystem is the nervous system of the operating subsystem. The status of

enterprise logistics activities should be collected in a timely manner.

### The essence of logistics and its role

Logistics is the physical material, including the physical movement of raw materials, from the supplier to the user's transportation, packaging, storage, handling, circulation processing, distribution and information transmission process, which means that the logistics itself does not generally create products Value, only to create added value. Generally speaking, the essence and role of logistics mainly in the following seven aspects.

#### One, hedge

Logistics has a hedging effect. In other words, any product from the production to the final consumption , must go through a period of time, a distance, during this time and distance process, have to go through the transport, storage, packaging, handling and other links, many times the number of logistics activity. In this process, the product may rain damp, flooding, rust, damage, loss and so on.

The mission of logistics is to prevent the occurrence of the above phenomenon, to ensure that the product from the producer to the consumer in the process of moving the quality and quantity, play a hedge against the product, that is, the value of the protection of the product, so that the product to reach consumers when the use of value constant.

**Second, Save**

Do a good job of logistics, can save natural resources, human resources and energy , but also can save costs.

**Third, Shorten the Distance**

Logistics can overcome the time interval, distance interval and the distance between people, which is naturally the essence of logistics.

Fourth, enhance the competitiveness of enterprises, improve service levels

In the new economic era, the competition between enterprises is becoming more and more intense. In the same economic environment, manufacturing enterprises, such as home appliance manufacturers, the competition between the main performance in the price, quality, function, style, after-sales service competition, can speak, like color TV, air conditioning, refrigerators and other appliances Products in the industrial technology so much progress today, quality, function, style and after-sales service, the current level of the enterprise has not much difference, the only comparable place is often the price.

**Fifth, speed up the flow of goods, promote economic development**

The use of computer networks, supermarkets, distribution centres and suppliers, manufacturing enterprises to connect to the distribution centre as a hub to form a commercial, logistics and production enterprises an effective combination. With the rapid and timely information transmission and analysis of the computer, through the distribution centre of high efficiency operations,

timely distribution, and information feedback to suppliers and production enterprises, can form a high efficiency, high energy commodity circulation network for enterprise management Decision-making to provide an important basis, but also can greatly speed up the flow of goods, reduce the retail price of goods, improve consumer desire to buy , so as to promote the development of the national economy.

**Sixth, to protect the environment**

Environmental issues are the theme of today's era, protecting the environment, managing pollution and pollution is the common goal of the world.

**Seven, to create social benefits and added value**

To achieve loading and unloading operations mechanisation, automation, not only can improve labour productivity, but also the liberation of productivity. The worker from the heavy manual labour freed, which in itself is respect for people, is to create social benefits.

**CONCLUSION**

Logistics management is a supply chain management component that is used to meet customer demands through the planning, control and implementation of the effective movement and storage of related information, goods and services from origin to destination. Logistics management helps companies reduce expenses and enhance customer service. Logistics



creates social benefits. With the development of logistics, urban residents living environment, people's quality of life can be improved; human dignity will be more reflected. On the logistics to create additional value, mainly in the circulation processing,

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## IMPACT OF COGNITIVE AND EMOTIONAL INTELLIGENCE ON QUALITY EDUCATION

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### ABSTRACT

*The concept of emotional intelligence is much recognized in the current highly competitive era, where sustainability has become a big challenge. Just like business organizations, educational institutions are also feeling the heat as a result of this transition in global forces specially in developing economies like India. Lots of changes are taking place in the educational sector in India to pace up with the competency requirements of global developments and challenges. Hence educationists in India are also recognizing the importance of 'Emotional intelligence'. An attempt is made in this paper to analyze the concept of emotional intelligence and teachers' effectiveness in and outside the class-rooms of schools and universities. A total of 200 faculty members from 10 PG, UG and PUC colleges of Thanjavur District, participated in the study. Emotional intelligence scale (EIS, 2007), Teacher Effectiveness Scale (TES, 2010) and Teacher Rating Scale (TRS, 2003) were administered to measure the emotional intelligence, self-reported teacher effectiveness and student rated teacher effectiveness of the faculty members respectively. All materials used in this study are constructed and standardized on Indian population. The study revealed a positive correlation between EI and teacher effectiveness, both self-reported and students rated. Among the components of EI studied here, emotional stability, self-motivation, managing relations, self-awareness and integrity emerged as the best predictors of teacher effectiveness. Implications of this research from the perspective of training and developing faculty members and improving the work systems in educational sector have been discussed.*

**Key Words:** *Emotions, Emotional intelligence, Educationists, self-control, Social emotional learning, teaching effectiveness.*

### I. INTRODUCTION

#### **Emotional Intelligence and teaching**

Efficient teaching and good learning are the two most important factors for achieving quality in the field of education. Educationists in the higher education sector have a very responsible

task of moulding the youth to become successful and socially responsible citizens. Conventionally, in higher education, a teacher brings two things to the classroom that are of value to the learners. One is subject expertise and the other is knowledge of teaching

methods i.e. a teacher's pedagogy, which determines the efficiency of learning. But emotional intelligence is the unrecognized third component of what a teacher has to offer to the learners (Mortiboys, 2005) because learning process definitely involves a lot of psychological anxiety, struggle, frustration, thrill or excitement (Claxton, 1999). An effective educationist whether at school or universities needs an understanding of individual and group motivation and behavior to create a learning environment that encourages positive social interaction, active engagement and the motivation to learn Bandura's Social learning theory is an apt theory to be applied in and outside the classrooms that improves learning effectiveness and also influences holistic personality development through a process of social emotional development. Thus educationists have recognized the importance of .Emotional Intelligence. in the classrooms that becomes a crucial constituent of the teaching-learning process resulting in the holistic learning and development of the students. It is not only necessary for the teachers to possess a good Emotional Quotient (EQ), but also to facilitate the students to imbibe the social emotional skills and enhance their EQ.

Teachers play the innermost role in refining character by inculcating self discipline and empathy. A teacher should aim at developing special abilities in order to tackle the challenges of the increasing workload, multifarious roles at home and work, increasing their conceptual knowledge and remain

competitive in disseminating quality education. These abilities that sum up emotional intelligence according to Mayer and Salovey (1989) are:

- ❖ Perceiving emotions
- ❖ Using emotions
- ❖ Understanding emotions
- ❖ Managing emotions

The optimum development of these personal abilities is a key to successful performance as a teacher. Emotional intelligence deals with five variables namely- self awareness, self management, social awareness, empathy and relationship management according to the model proposed by Daniel Goleman (1998). Within different constructs of EI, there are a set of emotional competencies like emotional self-awareness, accurate self-assessment, self-confidence, trustworthiness, conscientiousness, adaptability, achievement drive, initiative, empathy, service orientation, organizational awareness, developing others, influence, communication, conflict management, leadership, change catalyst, building bonds, teamwork and collaboration. The overall relationship between these variables is very crucial in determining teaching efficiency as they directly impact an individual's emotional set up at work, in the classroom and enables a teacher to understand and manipulate the emotional set up of his students to their own advantage, resulting in holistic learning and development. The challenges of a teacher inside and outside a classroom are numerous and these keep on becoming complex,

generation after generation as modern trends and issues creep in into the Gen Y students. With this modernization, classroom management has become major concern for the teaching fraternity. Emotional intelligence acts as an important attribute in improving the self-efficiency of the teachers. Teacher effectiveness uses a variety of concepts in terms of its definition (Ornstein, 1991). It has been explained by some researchers as teacher characteristics (Anderson, 1991; Strong, Tucker, & Ward, 2003) whereas, other researchers are more concerned with the teaching processes or the teaching outcomes (Flander & Simon, 1969). In the present study, teacher effectiveness has been defined as possessing and practicing good academic and professional knowledge with a clear concept of the subject matter, good preparation, clear objectives, organized and systematic presentation of the concepts with proper learning materials, ability to communicate and be comprehended by the students successfully, classroom management, positive attitude towards students and colleagues, result feedback accountability and ability to understand and motivate students. This concept is now an important component of teacher's training in the United States. An organization called CASEL headquartered in Chicago (USA), provides leadership for researchers and educators to advance the science of social and emotional learning right from school based programs to university education.

## II. LITERATURE REVIEW

Emotions are important mechanisms of carrying information about motivational systems as they have immense power to alter perception, memory and thought processes of an individual to achieve specific goals (Goleman, 1996). Different emotions produce different types of responses and have different outcomes, for example, anger generates a pulse of energy strong enough for vigorous action, love generates a general state of calm and contentment facilitating cooperation, happiness inhibits negative feelings and fosters an increase in available energy whereas sadness brings a drop in energy and enthusiasm (Levenson, Ekman, & Friesen, 1990). This shows that emotions can either be helpful or detrimental therefore they need to be recognized and regulated in order to result in favourable interpersonal transactions. According to Cooper and Sawaf (1997), the ability of an individual to sense, understand and effectively apply the power and acumen of emotions as a source of human energy, information, connection and influence is called emotional intelligence (EI). Hall and West (2011) in their study demonstrated the important connection between understanding emotions, communication knowledge, dispositions and performances. Knowledge of neuroscience claims that the neural connection between the thinking and emotional centers of the brain can either enhance or inhibit a persons ability to learn (Davidson, 2000; Adolphs, 2003; Cacioppo & Berntson, 2009). Researches

have also shown that emotions can activate and stimulate the brain for better recall and retention (Cahill, Prins, Weber & McGaugh, 1994; Dalgleish, 2004), and are crucial to sensory development because they facilitate the storage and recall of information (Rosenfield, 1988). Stress and threat cause the brain to downshift; this reduces the chances for neuron growth and causes learning to be inhibited (Ornstein & Sobel, 1987). Therefore teachers must understand the emotions of the students and act accordingly. This helps in creating a positive learning environment and motivating students for better performance because how a person learns has a long lasting impact on what he/she learns. According to social neuroscience, when two people interact, their emotional centers impact each other, in a favorable or unfavorable manner (Wolpert & Frith, 2004; Cacioppo & Berntson, 2005; Goleman, 2006; Cacioppo, Berntson, & Decety, 2010). This means that teachers are able to help students get in better brain states for learning by acknowledging learners' expectations, hopes, worries and so on, which has a positive effect on how they feel towards learning. When Smith (1997) asked students, what qualities should the ideal teacher in higher education have, and found that interpersonal characteristics such as empathic, approachable and relates to students as equals were woven in with attributes relating to the lecturer's skills and knowledge, it became quite evident that social and emotional skills and

relationship management were important precursors to learning. Spergel (2008) in her study on "The Impact of Teacher's Behaviours, Personality Characteristics and Skills on Students. Motivation to Learn" found that participants clearly opined the necessity for a combination of positive behaviours, personality characteristics as well as skills on the teacher's part. Another study conducted by Penrose, Perry, and Ball (2007) had revealed that Emotional Intelligence was positively associated with teacher self-efficacy. It was hence contended that enhancing teacher's EI may increase efficacy and subsequently lead to improved student achievement. Therefore, the purpose of the current study was also to explore the relationship between various components of EI and teacher effectiveness along with their significance as predictors of teacher effectiveness. A teacher needs awareness of his/her feelings, values and teaching-oriented attitudes, awareness of his/her behaviour and how others see them (Palmer, 1998). Consistent and constructive feedback from students, colleagues and institutional authorities facilitates a teacher in better self-evaluation of his/her abilities. Those with good EI have no hesitation in taking feedback from others and then working upon it to continuously improve their performances. Educators with high EI competencies are optimistic, adaptable, collaborative, confident, authoritative, open, approachable and enthusiastic (Mortiboys, 2005). They have better communication skills, better abilities for conflict resolution (Ming,

2003) and problem solving, better impulse and self-control and higher self-esteem. With higher level of motivation they are more assertive and more responsible and cope better with stress (Salami, 2010). Emotional Intelligence provides a foundation for emotional competencies which are strong predictors of job performance as different jobs require different competencies. Haskett (2003) found a significant link between specific EI competencies, and behaviors of effective teaching in higher education. Hence, the purpose of the current study is to explore the relationship between various components of EI and teacher effectiveness along with their significance as predictors of teacher effectiveness.

### III. RESEARCH METHODOLOGY

The research methodology is explorative in nature. It explores the significant relationship between various aspects of the four attributes of emotional intelligence ie-self awareness, self management, social awareness and relationship management in a sample of 200 teaching faculty from various colleges in Thanjavur District. Thanjavur town is considered to be a significant sample of the overall teachers population in India as it is considered to be one of the most admired destinations of higher education in the country. The scope of study is the personal and emotional attributes and their levels in the teaching faculty of colleges in India. The sample has been collected through convenient sampling technique. Primary data has been collected through a well

structured questionnaire based on the objectives of study. The scale consists of a total of 30 items with the response categories V strongly agree, agree, undecided, disagree and strongly disagree. The areas of teaching measured by the test items are V academic and professional knowledge, preparation and presentation of lesson, class management, attitude towards students, parents, colleagues and head of the institution, use of motivation, rewards and punishment, result, feedback accountability and personal qualities. Teacher Rating Scale (TRS), developed by Dr. R. C. Deva (2003), was used for the rating of teacher effectiveness of faculty members by the students. The scale consists of 17 dimensions, grouped under 3 categories: personal qualities, professional competence and classroom performance of the teachers. The inter-rater reliability coefficient of the scale is 0.91 and its content validity is 0.85. An example of an item is: The teacher encourages students to come up with their own views. Interpretations and suggestions are based on the data analysis using SPSS soft ware, 16.0 version Pearson correlation, ranking method and chi-square analysis were used to determine the relationship, predictive value and difference in the variables under study.

### IV. OBJECTIVES OF THE STUDY

- ❖ To study the level of emotional intelligence and teachers effectiveness in teacher fraternity

- ❖ To study the level of Self Awareness in teacher fraternity.
- ❖ To study the level of Self management in teacher fraternity
- ❖ To study the significance level of age with respect to Social Awareness in teacher fraternity.
- ❖ To study the level of Relationship management in teacher fraternity

## V. FINDINGS

### Data analysis

The objective of the study is to measure the emotional intelligence and teachers. Effectiveness level in teaching fraternity and highlight the relationship existing between the four components of EI and teaching effectiveness. To facilitate the study over 200 respondents were issued a pair of questionnaires that included various factors which helped to interrogate the problem statement in detail. The survey had been done through convenient sampling and primary data collected for data analysis. The respondents were spread over the faculty working in various UG and PG management colleges in Thanjavur District. Besides, the respondents have filled up a teachers effectiveness form and students filled up the teachers rating form to know the personal qualities, professional competence and subject expertise of educators according to students. opinion and where does EI stand. To have a clear analysis the demographical attributes under study includes Age and experience. Age has been marked as a main unit since it has been used as a benchmark for evaluation of the respondent.

## VI. DISCUSSION

It is very clear that in the current era, Emotional intelligence plays an important role in determining the teaching efficiency of teaching fraternity. Every individual performance with respect to both EQ and IQ is an asset to the educational sector. High Intellectual standard and subject expertise are important competency requirement for increased teaching effectiveness, but there are other qualities as well, that predict relative competency of educators that emphasize on personal traits related to emotions (Zumwalt & Craig, 2005). The results of the study indicate that the EI of faculty members has a significant positive relationship with their teaching efficiency both self-reported as well as student rated. Thus, the higher the EI, the better the teacher effectiveness is and hence relative competitiveness of the educators in this highly dynamic and competitive higher education sector greatly depends upon emotional intelligence of its faculty and the same been developed in the students. This is supported in the current study as self-motivation was found to be a significant predictor of teacher effectiveness. A significant positive relationship was found between the EI of faculty members and their teacher effectiveness as rated by students as well. This shows that learner's perceptions may be influenced when the teacher uses EI. If learners perceive the teacher as showing care and respect towards them, they are likely to interpret the strictness of the teacher in a positive manner and try to

follow the instruction given by him or her.

Most of us know that there is a world of difference between knowledge and behavior, or applying that knowledge to make changes in our lives. There are many things we may know and want to do, but don't or can't when we are under pressure. This is especially true when it comes to emotional intelligence. Emotional intelligence is not learnt in the standard intellectual way; it must be learnt and understood on an affectionate level. We can't simply master it through memorization. In order to learn about emotional intelligence in a way that produces change, we need to engage the affectionate dimensions of our brain in ways that connect us to others. This kind of learning is based on what we see, hear, and feel. Intellectual understanding is an important first step, but the development of emotional intelligence depends on sensory, nonverbal learning and real-life practice.

### **Developing emotional intelligence of Teacher through five key skills**

Emotional intelligence consists of five key skills, each building on the predecessor. They are the ability to quickly reduce the stress, ability to recognize and manage one's emotions, ability to connect with others using non verbal communication, ability to use humor and role plays to reduce stress and ability to resolve conflicts positively with confidence. The five skills of emotional intelligence can be learned by anyone, at anytime. Based on the significant relationship developed

between the various attributes of emotional intelligence ie-self-awareness, self- management, social awareness and relationship management on the self- efficacy and performance of the teachers, it is recommended that all teachers take initiatives to enhance their emotional quotient in order to be effective teachers, guides and philosophers of their students. It is also important for the teachers of the present generation to facilitate their students to enhance their EQ in order to prepare them to achieve success in the challenging and competitive world.

The following guidelines have been recommended for teachers to develop on their emotional intelligence. These guidelines were initially developed by Daniel Goleman and Cary Cherniss, with the assistance of Kim Cowan, Rob Emmerling, and Mitchel Adler for the Consortium. These include most management and executive development efforts as well as training in supervisory skills, diversity, teamwork, leadership, conflict management, stress management, sales, customer relations, etc. They have been refined to suit the teaching fraternity and positively influence their teaching efficiency on the basis of our research. These guidelines can be adopted by the educators for their own development or development of others. (students or colleagues) and even by the management for developing measures to facilitate development of emotional intelligence among their staff. They have been analyzed and refined in this study based upon the present



requirements of educators and students in India.

The educators. EI training interventions are as follows:

- [1] **Assess the institutional needs:** Determine the need of the educational institution, their mission, vision, culture and philosophy and the type of students. On the basis of assessment of all these aspects, educators should chalk out a blueprint of his teaching schedule and performance. Developing on ones emotional intelligence, involves performance planning in the form of goal-setting exercises for ones. own self, proper lesson and work planning.
- [2] **Assess the individual:** This assessment should be based on the key competencies needed for a particular job, and the data should come from multiple sources using multiple methods to maximize credibility and validity.
- [3] **Deliver assessments with care:** Educator should act as a facilitator in enabling the students understand their strengths and weaknesses and provide them constructive feedback in safe and supportive environment in order to minimize resistance and defensiveness.
- [4] **Maximize learner choice:** Educator must facilitate the learners to decide whether or not they will participate in the development process, and have them set the changed goals themselves. The educator must act as a motivator

and in order to enact this role they need to enhance their EI.

- [5] **Encourage people to participate:** Learners will be more likely participate in development efforts if they perceive them to be worthwhile and effective.
- [6] **Link learning goals to personal values:** People are most motivated to pursue change that fits with their values and hopes. If a change matters little to people, they won't pursue it. Help people understand whether a given change fits with what matters most to them.
- [7] **Adjust expectations:** Build positive expectations by showing learners that social and emotional competence can be improved and that such improvement will lead to valued outcomes. Also, make sure that the learners have a realistic expectation of what the training process will involve.
- [8] **Gauge readiness:** Assess whether the individual is ready for training. If the person is not ready because of insufficient motivation or other reasons, make readiness the focus of intervention efforts.
- [9] **Foster a positive relationship between the trainers and learners:** Trainers who are warm, genuine, and empathic are best able to engage the learners in the change process. Select trainers who have these qualities, and make sure that they use them when working with the learners.
- [10] **Make change self-directed:** Learning is more effective when people direct

their own learning program, tailoring it to their unique needs and circumstances. In addition to allowing learners to set their own learning goals, let them continue to be in charge of their learning throughout the program, and tailor the training approach to the individual's learning style.

**[11] Rely on experiential methods:**

Active, concrete, experiential methods tend to work best for learning social and emotional competencies. Development activities that engage all the senses and that are dramatic and powerful can be especially effective.

**[12] Build in support:**

Change is facilitated through ongoing support of others who are going through similar changes (such as a support group). Programs should encourage the formation of groups where people give each other support throughout the change effort. Coaches and mentors also can be valuable in helping support the desired change.

**[13] Using models:**

Educators should use live or videotaped models that clearly show how the competency can be used in realistic situations. Encourage learners to study, analyze, and emulate the models.

**[14] Enhance insight:**

Self-awareness is the cornerstone of emotional and social competence. Educators should help learners acquire greater understanding about how their thoughts, feelings, and behavior affect themselves and others.

## VII. CONCLUSION

Various researches have re-iterated the importance of emotional intelligence in the professional wellbeing of individuals. Present research has highlighted this relationship in the less explored area of teaching. A high emotional quotient is highly desirable in the teaching and learning efficiency. In the increasingly challenging teaching field, high level of emotional quotient enables the teaching fraternity to maintain considerable emotional maturity inside and outside the classroom, which allows them to use their intelligence, knowledge and presence of mind in not only disseminating quality education, but also acting as an ideal role model for students to learn and teach them to improve on their emotional intelligence in order to be successful.

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## A STUDY ON QUALITY CIRCLE AND ITS IMPACT ON PRODUCTIVITY IN ORGANIZATION

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### ABSTRACT

*This paper mainly focuses on concept of quality circle and its impact on productivity. Quality circle is an effective technique for increase productivity and participative problem solving interaction among the various types of employees in any organization. The concept motivates employee participation as well as promotes teamwork and encourages people to contribute towards organizational effectiveness through group processes. The main aim of quality circle to determine the relationship between membership of circle and organizational group.*

**Keyword:** *participative environment, teamwork, organizational group, quality circle*

### I. INTRODUCTION

The human resources play a major role in the organization. If the people are properly motivated, the management will be able to complete desired goals. The success of any organization in the long run depends very much on the quality of its human resources. So, human resources should be managed with utmost care to stimulate, encourage and activate them to contribute their maximum for the achievements of organizational goals.

### QUALITY CIRCLE

Discussion and application of the most extensive, formal form of employee participation may be the quality circle. The concept of mass circles is often seen as a technique for Japanese companies to produce high-quality products at low cost. The mass circle was first used in the United States, and in the 1950s it came to Japan, and in the 1980s, it was popular in North America and Europe.

An employees do not necessarily have the ability to analyses and solve quality problems. As a result, some of the quality circle ideas include techniques for teaching group communication skills, various quality strategies, and measuring and analyzing problems to participating employees. The quality circle can improve employee productivity and satisfaction. Some evidence suggests that quality circles are more likely to have a positive impact on productivity. The quality circle has little impact on employee satisfaction, and although many studies have come to the conclusion that quality circles have a positive impact on productivity, these effects do not necessarily exist. Many mass circle programs have failed to deliver the desired results, leading to a large number of programs being discontinued. the quality circle is 80 years of management fashion, but it has become "a failure." made two possible explanations for this frustrating result. First, the staff involved in actually

only a little time. Second, the quality circle implementation of the simplicity often weakens its effect. The mass circle is seen as a simple method, and its implementation is almost without any aspect of the program. In many cases, the only significant involvement of the management is to provide funding. So the quality circle has become a simple way for management to implement employee participation. Unfortunately, the lack of planning and the enthusiasm of senior management often leads to failure of the quality circle.

These are related especially to the quality of output or services in order to improve the performance of the organization / department and motivate and enrich the work of employees. This group carries on continuously as a part of organization-wide control activities, self and mutual developments and control and improvement within the workplace utilizing quality control techniques with all the members participating. Generally, six to twelve volunteers from the same work area make up a circle.

## **II. CONCEPT OF QUALITY CIRCLE**

It is a working group of 8-10 employees and regulators who share the responsibility. They meet regularly - often once a week - discuss quality issues, explore the causes of the problem, propose solutions and implement corrective actions. They are responsible for solving the quality problem, feedback on the work and evaluate the feedback, but the management generally reserves the final decision on the implementation of the proposed program.

Quality circle concept have three major attributes:

- Quality circle is a form of participative management.
- Quality circle is a human resource development technique.
- Quality circle is a problem solving technique.

The members receive training in problem solving, statistical quality control and comprehensive. Furthermore, it is not a taskforce because it can be made a permanent feature of the organization or a department.

## **III. DEFINITION OF QUALITY CIRCLE**

“Quality Circle is a small group of employees in the same work-area or doing a similar type of work who voluntarily meet regularly for about an hour every week to identify, analyses and resolve work-related problems, leading to improvement in their total performance, and enrichment of their work life” (Udupa 1986)

“A Quality Circle is volunteer group composed of members who meet to talk about workplace and service improvements and make presentations to their management with their ideas.” (Prasad, L.M, 1998)

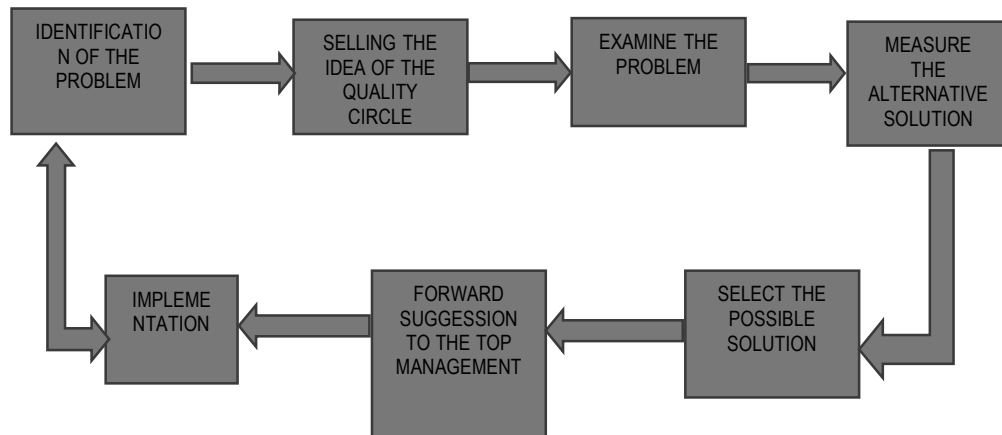
## **IV. OBJECTIVE**

- To improve the quality of product and service.
- To utilise human knowledge, skills and talents relating to a work area.
- To develop cordial industrial relationship.
- To upgrade the quality of working life of employees group processes.

## V. PROCESS IN INITIATING QUALITY CIRCLE

Quality Circle generally recommends solutions for quality and services which may be implemented by the management. Thus Quality Circle is

not merely a suggestion system or a quality control group but extends beyond that because its activities are more. Exhibits the operation of quality circles.



### 1. IDENTIFICATION OF A PROBLEM:

The group members of the organization Circle are supposed to identify the problems that are to be solved.

2. SELLING THE IDEA OF THE QUALITY CIRCLE: The members have to discuss about the problem And sharing their ideas with team members.

3. EXAMINE THE PROBLEM: The selected problem has to be classified and analyzed by basic problems after that solving techniques will be followed.

4. MEASURE THE ALTERNATIVE SOLUTIONS: Identifying various solutions help to develop various alternative solutions. Its help to select the best solution.

### 5. SELECT THE POSSIBLE SOLUTION:

The correct and suitable solution is selected after analysing various solutions related to cost, possibility of implementation etc.

6. FORWARD SUGGESTION TO TOP MANAGEMENT: The best solution and the plan of action must be put forward before implement. The management should approve the plan.

7. IMPLEMENTATION: The top management evaluate the solution and examines the solution before implementation.

## VI. STRUCTURE OF A QUALITY CIRCLE

Organizational structure of Quality Circle. The organizational structure of quality circle different from

industry to industry, they consist of the following elements.

1. STEERING COMMITTEE
2. CO-ORDINATORS
3. FACILITATOR
4. CIRCLE – LEADER
5. CIRCLE MEMBERS

1. A STEERING COMMITTEE: In steering committee include general manager or senior executive. These structures come top of the level its set objectives of organization/ department, examine work, take feedback, provide direction and make policy plan.

**Function:**

- i. Official announcement of start movement of quality circle and highlight its significance and utility.
- ii. Establish policy and plan.
- iii. Provide resources
- iv. Give suggestion for future improvement of quality circle.
- v. Regular check progress.

2. CO ORDINATORS: He/she may be personnel officers who co –ordinates the internal functions during problem solving stages.

**Functions:**

- i. To maintain attendances records of group members.
- ii. To maintain relation with top level management
- iii. Provide way for management presentation

2. FACILITATOR: The facilitator may be called a foreman. He/she arrange all facilities like training, express his

ideas, conduct meeting and implementation. Facilitator keeps all activities on corrective way.

3. Functions:

- i. Arrange for training of quality circle member.
- ii. Provide feedback and resources
- iii. Maintain budget and records

4. CIRCLE LEADER: Circle leader come lowest categories in an organization he conduct all circle activity and involves in asking questions. Functions:

- i. Help in collection of data related problem.
- ii. Provide suggestion
- iii. Maintain records.

5. CIRCLE MEMBERS: Circle members are the biggest part of structure without circle members organization cannot achieve desired output. He focuses on organization goals. Functions:

- i. Be focused on organizational problems.
- ii. Provide opinion and suggestions
- iii. Mutual respect.
- iv. Give views, opinion, ideas, during the problem solving stages.
- v. Attend all meeting and training seriously.

TOP MANAGEMENT
STEERING COMMITTEE
FACILITATOR
LEADER+DY.LEADER
MEMBERS
NON MEMBERS

## VII. SIGNIFICATION OF QUALITY CIRCLE

- Develop human relations and work environment.
- Implement participative culture and make job interest.
- Improve problem solving capability.
- Develop communication and interaction among group members.
- Increase the quality of personal and leadership development.
- Leads to satisfied quality of work life.
- Reduces absenteeism and disputes.
- Result in team spirit and coordination.
- Improvement of productivity.

## VIII. CONCLUSION

Quality Circles are not only for manufacturing firms but for variety of organizations where there is a value for group based solution of work related problems. conclusions will not only be amazing but it will also help us to make our own better system This portion throws a light on the concept of quality circles, significance, structures process. Quality circle is rapidly spread in variety of organization. It is use for group based solution of work related problem. It applicable in any type of organization like banks, hospital, factories, any manufacturing industry, etc. After introducing quality circle technique in organization scenario is totally changed. Now technology is improved and enhanced. There is also need to generate awareness about the quality circle so that more and more employees use it for their advantages. They are a mechanism for

creating the type of people and the type of organization oriented philosophy.

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## A STUDY ON SUPPLY CHAIN MANAGEMENT FOLLOWED BY MANUFACTURING INDUSTRIES

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### ABSTRACT

Modern business environment to the enterprise has brought tremendous pressure, not just selling products, but also for customers and consumers to provide satisfactory services, thereby enhancing customer satisfaction, let it have a sense of happiness. "Customers, who are God, without them, cannot survive." All programs must be around to retain customers and meet customers. "To win customers in both domestic and international markets will inevitably require supply chain companies to be quick and agile, Flexible and collaborative response to customer needs. Facing the changing supply chain environment, building a happy supply chain has become the development trend of modern enterprise.

**Keywords:** customer satisfaction, supply chain, agile, flexible

### I. INTRODUCTION

The main objective of any supply chain is to meet customer needs and generate profits for the company. Supply chain activities begin with a sales order and end when the satisfied customer pays for the purchase. This is often referred to as the "perfect processing of the order", from the estimate to the payment. Everything that happens between these various stages must be motivated by the unique objective of adding value to the inputs and reconciliation as much as possible of the product that the customer needs. Not all supply chains add value. Companies that invest in Supply Chain Management (SCM) tools to identify such activities strive to reduce and eliminate these value-added activities, becoming what are known as Economic enterprises ". These companies are able to market their products and

services faster, cheaper and with better quality, thus far outperforming less efficient competitors.

### II. DEFINITION OF SUPPLY CHAIN

The definition of "supply chain" encompasses the following three functions:

- i. The supply of products to a manufacturer;
- ii. The manufacturing process;
- iii. The distribution of finished products to the consumer through a network of distributors and retailers. Companies involved in the various stages of this process are linked to one another through a supply chain.

### III. SUPPLY CHAIN MANAGEMENT

Supply chain management includes the planning and management of all procurement, sourcing and conversion

activities, as well as all logistics management activities. It also includes, importantly, coordination and collaboration with partners. These may include suppliers, third-party service providers, intermediaries and customers. Basically, supply chain management integrates supply and demand management into and between, companies.

Supply chain management is an integral function with a primary responsibility for linking core business functions to business processes within and between firms in a consistent, high-performance business model. This includes all of the logistics management activities mentioned above, manufacturing operations and the coordination of processes and activities in, and between, marketing, sales, product design, financing and technology information.

- Increase market agility and improve operational efficiency
- In an increasingly globalized business environment, shaken by disruptive technological innovations and growing consumer expectations, organizations in the retail and consumer services sector face new challenges
- We help organizations in the retail and consumer services sectors transform their supply chain to increase flexibility, responsiveness and speed to market.

Supply chain management, including planning, procurement, manufacturing, distribution, return five basic content.

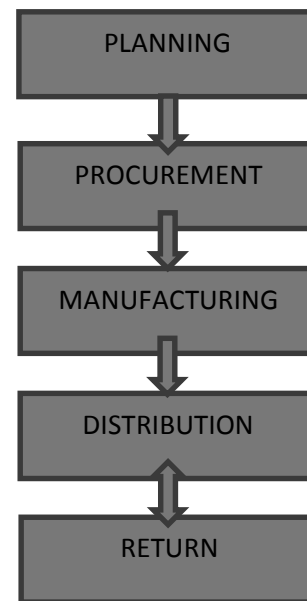


Fig.3.1 Supply chain management five basic content.

**PLAN:** This is the strategic part of SCM. You need to have a strategy to manage all the resources to meet your customers' needs for your product. A good plan is to build a series of ways to monitor the supply chain so that it can deliver high quality and high value products or services to customers efficiently and cost effectively.

**PURCHASING:** Choose suppliers and suppliers to provide goods and services for your products and services, establish a set of pricing, distribution and payment processes and create methodologies to monitor and improve management and manage the goods and services provided to suppliers Process, including picking up, checking bills of lading, transferring goods to your manufacturing department and approving payments to suppliers.

**MANUFACTURING:** The activities required to produce, test, package and prepare for delivery are the most measured parts of the supply chain, including quality levels, product yield and worker productivity.

**DISTRIBUTION:** A lot of "insiders" called "logistics" is to adjust the user's order receipt, the establishment of the warehouse network, send delivery and delivery of goods to the hands of customers, the establishment of goods pricing system to receive payment.

**RETURN:** This is part of the problem in the supply chain. Establish a network to receive customer's defective and excess products and provide support when the customer applies the product to a problem.

#### IV. SUPPLY CHAIN MANAGEMENT METHOD

Supply chain management theory is far behind the specific technology and methods. Supply chain management is the first time in some specific ways to appear.

Common supply chain management methods are,

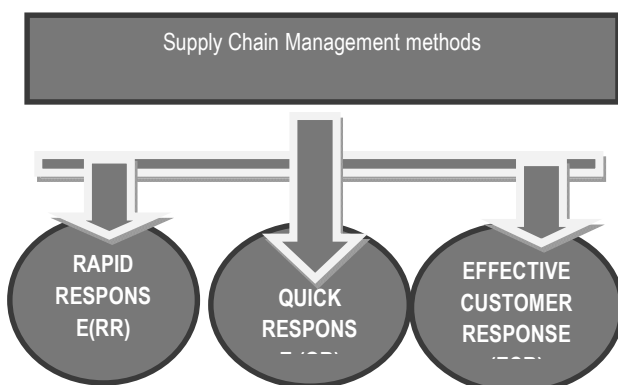


Fig 4.1 Common supply chain management methods

**RAPID RESPONSE (RR)** is a supply chain management software solution that's helping companies around the world revolutionary planning. With Rapid Response, the supply chain planning and analytics capabilities of business needs to manage multiple, interconnected supply chain management and sales and operations planning (S&OP) processes.

**QUICK RESPONSE (QR)** refers to the logistics enterprises to face more varieties, small quantities of the buyer's market, not the reserves of "products", but prepared a variety of "elements", the user made the request, to the fastest speed Extract "elements", and "install" in a timely manner to provide the required services or products.

**EFFECTIVE CUSTOMER RESPONSE (ECR)**

Effective customer response is a supply chain management strategy that optimizes the provision of goods or services processes in a manner that satisfies customer requirements and minimizes the cost of logistics processes.

Textile and garment industry products are mostly innovative products, each product life is relatively short, so the order quantity too much caused by the relatively large losses.

#### 1. FOCUS ON DIFFERENT

QR focuses on shortening lead times and responding quickly to customer needs; ECR focuses on reducing and eliminating supply chain waste and improving the effectiveness of supply chain operations.

## 2. DIFFERENCES IN MANAGEMENT METHODS

QR mainly through information technology to achieve rapid replacement, through the joint product development to shorten the time to market; ECR in addition to the rapid introduction of new products, but also the implementation of effective commodity management, effective rolling

## 3. APPLICABLE INDUSTRIES ARE DIFFERENT

QR is suitable for industries with high unit value, strong seasonal, poor substitutability and low purchase frequency. ECR is suitable for industries with low unit value, high inventory turnover, low gross margin, strong substitutability and high purchase frequency.

## 4. THE FOCUS OF THE REFORM IS DIFFERENT

QR reform focuses on the speed of replenishment and order, the purpose is to maximize the elimination of out of stock, and only when the demand for goods to purchase. ECR reform focuses on efficiency and cost

Performance beyond the boundaries between enterprises, through the pursuit of logistics efficiency. Specific performance in the following three areas:

1. Sharing of business information between trading partners
2. Commodity suppliers are further involved in retailing and provide high quality logistics services

3. All orders and shipments are carried out through EDI, and the delivery of order data or shipping data is achieved.

## V. KEY ISSUES IN SUPPLY CHAIN MANAGEMENT

In fact, supply chain management is a complex system that involves a wide range of different enterprises, involving all aspects of the enterprise, so the implementation of supply chain management must ensure that the idea, to distinguish between primary and secondary, to seize the key issues.

Specifically, in the implementation of supply chain management need to pay attention to the key issues are as follows:

### 1. THE DISTRIBUTION NETWORK REFACTORING

Distribution network reorganization refers to the use of one or several manufacturing plant products to serve a group or several groups of geographical distribution of the channel, when the original demand pattern changes or external conditions caused by changes in the Need to adjust the distribution network. This may be due to the termination of several existing warehouse leasing contracts or the number of channels to increase or decrease caused by the reasons.

### 2. DISTRIBUTION STRATEGY

Distribution strategy in supply chain management is also critical. The so-called direct transit strategy means that in this strategy the terminal channel is supplied by the central warehouse, the

central warehouse acts as the regulator of the supply process and the transfer station from the order of the external supplier, which itself does not retain the inventory.

### **3. SUPPLY CHAIN INTEGRATION AND STRATEGIC PARTNERS**

The dynamics of the supply chain itself and the conflicting goals of the different nodes, it is quite difficult to integrate the supply chain. But the practice shows that the integration of supply chain is not only possible, but it can be on the node business sales and market share have a significant impact.

### **4. INVENTORY CONTROL ISSUES**

The goal of the terminal channel is to decide where to order a batch of products, and how many products should be set in order to minimize inventory ordering and storage costs.

### **5. PRODUCT DESIGN**

The effective product design plays a key role in supply chain management. When it is worthwhile to design the product to reduce the cost of logistics or shorten the cycle of the supply chain, product design can make up for the uncertainty of customer needs, in order to take advantage of new product design, the supply chain should do what kind of changes and other issues Very important.

### **6. INFORMATION TECHNOLOGY AND DECISION SUPPORT SYSTEM**

Information technology is a key factor contributing to effective supply chain management.

### **7. THE VALUE OF THE CUSTOMER**

Customer value is a measure of the size of an enterprise's contribution to its customers, which is measured by all the goods, services, and intangible effects provided by the firm. In recent years this indicator has replaced the quality and customer satisfaction and other indicators.

## **VI. DEVELOPMENT TREND OF SUPPLY CHAIN MANAGEMENT**

Supply chain management is by far the most advanced form of enterprise logistics development. While supply chain management is complex, dynamic, and changeable, many companies have gained a wealth of experience and achieved significant results in supply chain management practices. The current development of supply chain management is showing some obvious trends:

### **1. TIME AND SPEED**

More and more companies recognize that time and speed are one of the key factors influencing market competitiveness.

### **2. QUALITY AND ASSET PRODUCTIVITY**

Supply chain management involves many links, need to ring around, and to ensure the quality of each link. Any one part, such as the quality of transport services, will directly affect the number of suppliers stocking, the number of distributors warehousing, and ultimately affect the user's product quality, timeliness and price evaluation.

### 3. THE ORGANIZATION STREAMLINED

The type and quantity of supply chain members are the direct cause of the complexity of supply chain management. In the current supply chain development trend, more and more enterprises began to consider reducing the number of logistics providers, and this trend is very clear and rapid.

### 4. CUSTOMER SERVICE

More and more supply chain members are beginning to really focus on customer service and customer satisfaction. The traditional measure is based on the "order delivery cycle", "percentage of complete orders" and so on, and now pay more attention to customer service level of service, the level of service measurement is also the standard.

### VII.CONCLUSION

Nowadays, more and more enterprises believe in logistics quality innovation is evolving into a powerful force to improve supply chain performance. On the other hand, manufacturers are increasingly concerned about its asset productivity. Improving asset productivity is not just focusing on reducing inventory within the enterprise, but more importantly reducing inventory in the supply chain. The trend in supply chain management requires companies to collaborate and share data to reduce inventory in the entire supply chain channel. The result of the focus of customer service transfer is to attach importance to the relationship with the

logistics company, and the logistics company as a high level of service to provide partners.

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## A STUDY ON INVESTIGATING THE RELATIONSHIP BETWEEN REWARD AND MOTIVATION AMONG EMPLOYEE

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### ABSTRACT

*In day today increasingly, organisations are realising that they have to establish an equitable balance between the employee's contribution to the organization and the organization's contribution to the employee. Establishing this balance is one of the main reasons to reward and recognize employees. The most common problem in organizations today is that they miss the important component of recognition, which is the low-cost, high-return ingredient to a well-balanced reward system. The role of human resource management has become increasingly popular in motivation and employees engagement.*

**Key Words:** Motivation, Employee engagement, reward.

### I. INTRODUCTION

Human resource management plays a vital role in the success and failure of any organization strategic business planning. It is the force of motivation that enables employees to work hard, to devote more time and the same force encourage organizations to engage their employees in work to attain a common organizational and employee goal. However, many researchers consider motivation a complex process, because it crosses many disciplinary boundaries, including economics, psychology, organizational development, human resource management, and sociology Organizations are formulating a combination of short and long-term strategies for successful employee motivation It is apparent from the above discussion that motivation and employee

engagement are the important aspects of organizational success.

### II. LITERATURE REVIEW

Hossein Khanzade (2010) conducted a study aimed to define reward and punishment system and its impacts on motivation of employees. The results showed that some factors as encouraging creative works, clear criteria in reward and punishment, meritocracy, not acting based on taste and creating job security had important effects on motivation of employees. In addition, according to many studied people, reward and punishment system of employees had no efficiency and emphasized on revision in evaluation and encouragement and punishment system and designing a new system (Hosseinkhanzade, 2010).

Pratheepkanth (2011) in a study “Reward System and Its Impact on Employee Motivation” showed that there was a direct and significant association between reward system and motivation (Pratheepkanth, 2011).

Asili et al., (2008) in a study “evaluation of comprehensive system of reward and payment in knowledge-based organizations” based on the results of all components of compressive system of reward had positive and significant impact on four indices of research centers performance of oil industry (Asili et al., 2008).

### III. OBJECTIVES OF THE STUDY

The objectives of the study are:

- 1) To determine if there is a relationship between rewards and employee motivation and satisfaction.
- 2) To determine which factors contribute to work motivation and satisfaction.
- 3) To determine the financial and non-financial motivation and rewards of employee.

### IV. Employee Motivation:

The term motivation is derived from the Latin word “movere” which means to be moved to do something (Ryan & Deci, 2000, p.54; Steer et al., 2004, p.378). The word „motivation was first time used by P.T. Youngs in his book “Motivation and Behavior” (Heckhausen & Heckhausen, 2008, p.10). Individuals have not only

different amounts, but also different kinds of motivation with respect to environment and culture. Employee motivation has always been a central problem for leaders and managers. Unmotivated employees are likely to spend little or no effort in their jobs, avoid the workplace as much as possible, exit the organization if given the opportunity and produce low quality work

### V. EMPLOYEE MOTIVATION SO IMPORTANT FOR PERFORMANCE:

Managers need to find creative ways in which to consistently keep their employees motivated as much as possible. Motivation is highly important for every company due to the benefits that it’s able to bring. Such benefits include:

#### 1. Human Capital Management:

A company can achieve its full potential only by making use of all the financial, physical, and human resources that it has. It is through these resources that the employees get motivated to accomplish their duties. This way, the enterprise begins to glisten as everyone is doing their best to fulfill their tasks.

#### 2. Meet Personal Goals and Help an Employee Stay Motivated:

Motivation can facilitate a worker reaching his/her personal goals, and can facilitate the self-development of an individual. Once that worker meets some initial goals, they realize the clear link between effort and



results, which will further motivate them to continue at a high level.

### 1. Greater Employee Satisfaction:

Worker satisfaction is important for every company, as this one factor can lead towards progress or regress. In the absence of an incentive plan, employees will not fill ready to fulfill their objectives. Thus, managers should seek to empower them through promotion opportunities, monetary and non-monetary rewards, or disincentives in case of inefficient employees.

### 2. Raising Employee Efficiency:

An employee's efficiency level is not strictly related to his abilities and qualifications. In order to get the very best results, an employee needs to have a perfect balance between ability and willingness. Such balance can lead to an increase of productivity, lower operational costs, and an overall improvement in efficiency, and can be achieved only through motivation

### 3. A Higher Chance of Meeting the Company's Goals:

Any enterprise has its goals, which can be achieved only when the following factors are met:

- There is a proper resource management
- The work environment is a cooperative one
- All employees are directed by their objectives

- Goals can be reached if cooperation and coordination are fulfilled at once through motivation

### 4. Better Team Harmony:

A proper work environment focused on cooperative relationships is highly important for an organization's success. Not only that it can bring stability and profits, but employees will also adapt more easily to changes, fact which is ultimately in the company's benefit.

### 5. Workforce Stability:

Stability of the personnel is highly important from a business point of view. The staff will stay loyal to the enterprise only they meet a sense of participation within the management side. The abilities and potency of staff can be used in their own advantage, but also in the benefit of the company. This may cause an honest public image within the market which can attract competent and qualified individuals into the business.

## VI. Motivators and challenges of employee engagement:

If we consider employee engagement beyond employees' commitment, many organizations are interested in providing such condition for their employees. As studies indicate, individuals' beliefs and life experience in life have a direct impact on their

employee engagement Involving employees in decision-making

- Creating a condition to hear employee's idea and to recognize their participation by the management
- Providing the employees with opportunities to develop their job
- Increasing organization's concern for its employees' health

Motivation in Practice – Non-Financial Rewards

The chance to earn more money may not be an effective motivator. Financial incentive schemes are difficult to operate. Individual rewards may be not be effective as work is done in groups. Other factors that employer does not know about

#### Team work:

- Higher productivity due to pooling of talent
- People can specialize
- Shared responsibility
- Flexible working

#### Job Enrichment:

- "vertical extension" of an employers job responsibilities
- Planning a task
- Quality control
- Work supervision
- Ordering
- Maintenance
- Gives employees a challenge; develop "unused" skills

## VII. REWARD MANAGEMENT:

If organisations are more upfront about what they are demanding, then they should also be explicit about how they can reward individuals who go the extra mile (Baron, 1983).

Beer et al. (1984, p. 117) succinctly argue that: "Organisations must reward employees because, in return, they are looking for certain kinds of behaviour: they need competent individuals who agree to work with a high level of performance and loyalty. Employees will judge the adequacy of their exchange with the organisation by assessing both sets of rewards.

Deeprouse (1994, p. 26) defines reward management as "the process of developing and implementing strategies, policies and systems which help the organisation to achieve its objectives by obtaining and keeping the people it needs, and by increasing their motivation and commitment." It also relates to intrinsic as well as extrinsic motivation, the non-financial as well as the financial rewards (Armstrong & Murlis, 1991)

## IX. Rewarding performance:

It's as important to reward good performance as it is to motivate and monitor performance. Reward strategies determine the level and mix of financial and non-financial rewards required to attract, retain and encourage individuals with the skills, abilities and competence necessary to make your business successful. Reward and recognition strategies affect employee attitudes and behavior. Other rewards

Other rewards shouldn't be seen as a substitute for a good pay scheme. They can, however, motivate employees and encourage them to stay with your organisation.

**X. Other types of rewards include:**

- Extra leave
- Christmas and birthday gifts
- work-life balance benefits such as flexible working hours
- subsidised staff canteens and free tea/coffee
- cinema tickets, subsidised gym or sporting facilities membership
- training addressing personal development rather than simply the skills needed for the job
- gifts for work well done
- subsidised goods or services in relation to suppliers or business networks.

**These benefits are valued by employees because they:**

- enhance the quality of working life
- reward their efforts and make them feel valued
- add value to the employment contract.

**WAGES:**

- Reward for a regular amount of time a worker spends at work – for example weekly wages
- Wages are not linked to the level of productivity
- Wages guarantee the income for the worker but do not offer a financial incentive to work harder.

- Extra hours worked can be paid as overtime

**TIME RATES:**

- Reward for the amount of time a worker spends at work – eg. an hourly rate
- Time rates are not linked to the level of productivity. Used where it is difficult to measure the output of a worker
- Time rates guarantee the income for the worker but do not offer a financial incentive to work harder.

**COMMISSION:**

- Workers are paid a percentage of the value of the goods or service provided. Some workers on commission also receive a guaranteed base salary. The commission then becomes an incentive to earn more money.
- Eg. Real estate salesperson

**PROFIT-SHARING:**

- In addition to a basic salary, workers receive a share of the annual profits of the company

**BONUS:**

- A lump sum paid to workers if they have done a good job

**FEES:**

- Fees are a payment made to person for a specific task – the amount of the fee may depend on

the time taken or the level of difficulty

- Fees are usually paid to “service” providers.
- Eg. Solicitors

## **XI. PERFORMANCE RELATED PAY**

This is an incentive scheme that links the annual salary of an employee to their performance in the job.

The “best” employees receive the highest financial reward – salary, bonus, profit-share

## **XII. Conclusion:**

This study, it is concluded that the organisation employees of more importance for non-monetary and monetary of motivation and rewards. They are working with reasonably good level of motivation because some of ‘happiness in serving the poor and needy’ and some of the extrinsic needs like ‘reasonable salary and other benefits’, ‘job security’, ‘work life balance due to sizeable leave, weekends and holidays’ provided to them apart from ‘conducive work environment.

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## A STUDY ON EMPLOYEE WELFARE MEASURES IN SODECIA INDIA PVT. LTD., CHENNAI

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### INTRODUCTION

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare help in keeping the morale and motivation of the employees high so as retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind/forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial and insurance against disease, accident and unemployment for the workers and their families. Labour welfare entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries. Organization provide welfare facilities to their employees to keep their motivation levels high. The employee welfare scheme can be classified into two categories viz. statutory and non-statutory welfare schemes. The statutory schemes are those schemes that are compulsory to provide by an organization as compliance to the laws governing employee health and safety. These include provisions provided in

industrial acts like Factories Act 1948, Dock workers safety, healthy and welfare) 1986, Mines Act 1962.

### OBJECTIVES

- ❖ The study aims at finding the importance of employee welfare in Sodecia India Pvt, Ltd Chennai.
- ❖ To study the statutory and non-statutory benefits extended by the company to its employees.
- ❖ To evaluate the views of the employees about the prevailing working condition and welfare measures extended to them.
- ❖ To offer suitable suggestions on the basis of findings.

### SCOPE OF THE STUDY

The Study has been conducted to analyse the factors, which influence the employee preference towards the welfare measures followed in verdant associates. This study analyses certain parameters like cleanliness around the work places, removal of dust and wastages adequate lighting, quality drinking water and foods, good rest adequate security instruments like mask, shoes, helmet etc., This will be helpful to know about the various levels

of welfare schemes and the organization benefits extended to the employee

### LIMITATIONS OF THE STUDY

- The finding is based on the information provided by the respondents.
- The study deals with labour welfare measures and management relations provided by the company and its employees.
- Literacy of workers was a barrier to the study.

### RESEARCH METHODOLOGY

Research is defined as human activity based on intellectual application in the investigation of matter. A research design is type of blueprint prepared on various types blueprints available of the collection, measurement and analysis of data. Research design calls for developing the most efficient plan of gathering the needed information. The design of a research study is based on the purpose of the study. Descriptive research has been carried out for the purpose of analysing the performance appraisal system in the company. Simple random sampling method has been selected in which each sample will have the probability of being selected. Both primary and secondary data has been used for the conduction of the study. A structured questionnaire has been prepared to get the relevant information from the respondents. The various types of statistical tools used in this survey are Percentage Analysis and Chi-square method in order to test the

significance between variables.

### DATA ANALYSIS AND INTERPRETATION

**TABLE 1**

**OPINION REGARDING FIRST AID FACILITY**

Opinion	No. of Respondents	Percentage of Respondents
Highly satisfied	77	64.2
Satisfied	32	26.7
Neutral	11	9.1
Dissatisfied	0	0
Highly dissatisfied	0	0
<b>Total</b>	<b>120</b>	<b>1</b>

### INFERENCE:

From the above table, it inferred that 64.2% of the respondents are highly satisfied and 26.7% of the respondents are satisfied and 9.1% of respondents opinion are neutral about the first aid facility.

**TABLE 2**

**OPINION REGARDING MEDICAL BENEFIT TO INDIVIDUAL AND FAMILY**

Opinion	No. of Respondents	Percentage of Respondents
Highly Satisfied	65	54.2
Satisfied	44	36.7
Neutral	10	9.1
Dissatisfied	0	0
Highly Satisfied	0	0
<b>Total</b>	<b>120</b>	<b>100</b>

Source: Primary Data

**INTERPRETATION:**

From the above table, it inferred that 54.2% of the respondents are highly satisfied and 36.7% of the respondents are satisfied and 9.1% of respondents opinion are neutral about the medical benefit for individual and family.

**TABLE 3**

**OPINION REGARDING MATERNITY BENEFIT FOR WOMEN EMPLOYEE**

Opinion	No. of Respondents	Percentage of Respondents
Highly Satisfied	16	13.4
Satisfied	26	21.6
Neutral	78	65
Dissatisfied	0	0
Highly Satisfied	0	0
Total	120	100

Source: Primary Data

**INFERENCE:**

From the above table, it inferred that 13.4% of the respondents are highly satisfied and 21.6% of the respondents are satisfied and 65% of respondents opinion are neutral about the maternity benefit for women employee.

**TABLE 4**

**TABLE SHOWING COMPANY PROVISION REGARDING NECESSARY EQUIPMENTS**

Opinion	No of Respondents	Percentage of Respondents
Yes	94	78.33
No	0	0
Sometimes	26	21.67
Total	120	100

Source: Primary Data

**INFERENCE:**

From the above table inferred that 78.33% of respondents yes and

21.67% of the respondents no in the company provide the necessary equipments needed to perform the task assigned.

**CHI-SQUARE ANALYSIS**

To find out the significance between age factor and the medical benefits provided by the company.

Medical benefits	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
25-30	12	7	3	0	4	26
31-40	21	15	7	3	0	45
41-50	19	12	6	0	0	37
Above 50	4	5	0	2	0	12
Total	56	39	16	5	4	120

**EXPECTED FREQUENCY TABLE**

Medical benefits	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
25-30	12.13	8.45	3.47	1.08	0.8
31-40	21	14.63	6	1.88	1.5
41-50	17.27	12.02	4.93	1.54	1.23
Above 50	5.6	3.9	1.6	0.5	0.4

**CHI-SQUARE TABLE**

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
12	12.13333	-0.13333	0.017778	0.0014652
7	8.45	-1.45	2.1025	0.24881657
3	3.466667	-0.46667	0.217778	0.06282051
0	1.083333	-1.08333	1.173611	1.08333333
4	0.866667	3.133333	9.817778	11.3282051
21	21	0	0	0
15	14.625	0.375	0.140625	0.00961538
7	6	1	1	0.16666667
3	1.875	1.125	1.265625	0.675
0	1.5	-1.5	2.25	1.5
19	17.26667	1.733333	3.004444	0.17400257
12	12.025	-0.025	0.000625	5.1975E-05
6	4.933333	1.066667	1.137778	0.23063063
0	1.541667	-1.54167	2.376736	1.54166667
0	1.233333	-1.23333	1.521111	1.23333333
4	5.6	-1.6	2.56	0.45714286
5	3.9	1.1	1.21	0.31025641
0	1.6	-1.6	2.56	1.6
2	0.5	1.5	2.25	4.5
0	0.4	-0.4	0.16	0.4
Total				25.5230072

$$\begin{aligned}
 \text{Degree of Freedom} &= (r-1) (c-1) \\
 &= (5-1) (4-1) \\
 &= 4*3 \\
 &= 12
 \end{aligned}$$

Table value at 5% level = 21.03

Calculated value = 13.47953

### INTERPRETATION:

Table value of X for degree of freedom=12 and at 5% level of significance = 21.03. Comparing the table value of X [21.03], with the computed value of  $X^2=25.5230072$ , since, the table value is lesser than the calculated value null hypothesis is rejected

### CONCLUSION:

Therefore it is inferred that there is significant association between the age and medical benefits given by the company.

### FINDINGS

- 30.8% of the respondents age group of between 41-50
- 77.5% of employees are highly satisfied with the quality of drinking water provided by the company.
- 64.2% of the employees are highly satisfied with regarding first aid facilities.
- 54.2% of employees are highly satisfied with regarding medical benefit to individual and family.

- 65.4% of employees are neutral with maternity benefit for women employees.
- Table value of X for degree of freedom=12 and at 5% level of significance = 21.03. Comparing the table value of X [21.03], with the computed value of  $X^2=25.5230072$ , since, the table value is lesser than the calculated value null hypothesis is rejected

### SUGGESTIONS

- It is recommended that the company can organize certain recreational activities like conducting games, picnics, tours etc for a day or two.
- These activities will help the employees to relax and refresh their minds.
- The company has to done case of the cost that is associated with food; employees are not in the positive opinion regarding the cost of food in canteen. So the management has to tone necessary step on this regard.
- The company can think of providing schemes for temporary workers to help them build their career in the organization.

### CONCLUSION

The research study conducted, explains the level of welfare facilities which satisfies the needs of employees towards the various research questionnaires provided and analysed. The outcome of



the study reveals that most of the employees are of the positive opinion regarding the facilities provided by the management of Sodecia India Private Limited Chennai. But that was not the end, it is the duty of the company to find out the various ways and means by which employee welfare can be safeguarded.

Satisfying the employees will lead to better productivity which benefits the company to a great extent.

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## WORK STRESS AMONG ENGINEERING COLLEGE TEACHERS IN THANJAVUR DISTRICT, TAMILNADU: AN EXPLORATIVE STUDY

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### ABSTRACT

*Teaching profession was earlier viewed as a low stressful occupation because of regular job, light workloads, flexibility, fixed job responsibilities and other attractions such as foreign trips for conferences and study leaves for higher study and research. However, some recent studies reported that university faculty is among the most stressed occupational group. Research evidences have shown that there is high stress prevailing among teachers of higher educational institutions. Contemporary management practices, globalization and privatization, increasing use of new technology and knowledge base economy are emerging issues that force universities and higher educational institutes to become internationally competitive. The situation of attaining, maintaining and retaining the competitive advantages leads many challenges to faculty members. These challenges have increased work stress among teaching staff of higher education and forced them to work beyond their schedules.*

### Introduction

Stress is a term commonly used to describe feelings of tensions or exhaustion usually associated with work overload or overly demanding work. Stress is natural phenomenon in an individual's daily life. . Stress refers to the strain from the conflict between our external environment and us, leading to emotional and physical pressure. In our fast paced world, it is impossible to live without stress, whether you are a student or a working adult. There is both positive and negative stress, depending on each individual's unique perception of the tension between the two forces. Stress bears deliberating effects on both the employees and the employer. In the workplace, it can serve

to enhance an individual's motivation, performance, satisfaction and personal achievement. In other words, stress is considered to be any pressure which exceeds the individual's capacity to maintain physiological, psychological and/or emotional stability. Some people have high levels of tolerance for stress and thrive very well in the fact of several stressors in the environment. On the other hand some individuals are not able to perform well except when subject to a level of stress that activates and energizes them to put forth their best efforts (Sekaran, 2004). This shows that individual differences may cause some to interpret these stressors as positive stress or Eustress (which stimulate them), while other experience negative stress or distress (which detracts from

their efforts). These effects may be short term and diminish quickly or they may last long time (Newstrom, 2007). This interest has reflected itself in an ever increasing research orientation into occupational stress, the impact of life events, stress with a burgeoning and desperate range of investigations being undertaken into the sources and manifestation of stress, it was felt that we should 'step back' and reflect on what should or needs to be done, that is to focus on priorities or issues or problem areas of importance.

Life is not one dimensional but multidimensional. The quality of one's life depends on how an individual infuses quality in all aspects of life. Present-day life has become too complex and complicated. There is a scramble for more and more. A confused sense of affairs and lopsided values, that's leading to a lot of tension and distress. A positive personality possess free of negative elements like anxiety, stress, greed, envy and jealousy. In various negative elements, stress can affect the human in various ways. Perfect health- and not disease – is the natural state of the human being. Most of us are born with perfect health. Disease is something that we acquire –without realizing how-at various times throughout life. Stress appears to be the number one killer. Families are breaking down under stress and most accidents are caused by stress. Anxiety attacks, phobias and depression are all stress related. Heart disease, diabetes, chronic fatigue, allergies, blood pressure and headaches are just a few of the

commonly listed complaints that originate from stress. Stress is like a fire alarm within our body. Stress is the inability to cope with a real or imagines threat to one's mental, physical, emotional, and spiritual well-being which results in a series of physiological responses and adaptations. It can be caused by both good and bad experiences. The level of stress is different for each one. It is an essential, rather a vital, ingredient for the normal functioning of the body and, hence, inescapable. It helps us in our survival on a sustained basis. Stress cannot be avoided but, yes, it can be managed in a way that it does not become a source of trouble. The term 'Stress' means many things to many a different people. Stress in terms of pressure, tension, unpleasant external forces or an emotional response. Stress is a subject which is hard to avoid. The concept of stress is something that involves biochemical, physiological behavioural and psychological changes. Stress mean hardship, strain, adversity, or affliction. Stress can be a reaction to a short-lived situation, such as being stuck in traffic. Or it can last a long time if the person is dealing with relationship problems, a spouse's death or other serious situations. Stress becomes dangerous when it interferes with his ability to live a normal life over an extended period. The person may feel tired, unable to concentrate or irritable. Stress can also damage the person physical health. Stress can precipitate or aggravate the experience of symptoms. People who are under stress may believe that they are more

vulnerable to illness and so attend more closely to their bodies. Financial strain, disruptions in personal relationships, and other stressors lead people to believe that they are ill. Stress has been examined in terms of psycho physiological changes. It increases in physical factors such as heart rate, blood pressure and muscle potential, changes in psychological factors, such as increases in fear, anxiety, anger and decreases in cognitive ability and sensitivity to others. Stress is not always necessarily harmful. Hans Selye said in 1956, "stress is not necessarily something bad, it all depends on how you take it. The stress of exhilarating, creative successful work is beneficial, while that of failure, humiliation or infection is detrimental." Stress can be therefore negative, positive or neutral. Passing in an examination can be just stressful as failing.

Work-related stress is a growing problem around the world that affects not only the health and well-being of employees, but also the productivity of organisations. Work-related stress arises where work demands of various types and combinations exceed the person's capacity and capability to cope. Work-related stress is the second most common compensated illness / injury in Australia, after musculoskeletal disorders.

Factors leading to work stress:

The following factors, amongst others, can lead to work stress:

- Heavy workload
- Having little control or influence in decisions

- Tension or conflict with other employees
- Poor supervision or management
- Lack of belief in the objectives of the organisation
- Job insecurity or lack of opportunity to develop
- Lack of interest or fulfillment in the nature of the work
- Unpleasant or dangerous work environments

### Review of Literature

**Peters, J (2013)** made an exploratory study in the work load of Waldorf teachers using an open design. It was found that teachers coped positively with the stresses and strains of teaching when school supported them at all levels of school's activities. An empirical study was done by Kayastha.

**D.P & Kayastha, R. (2012)** on the relationship between teachers stress and job satisfaction facets with a particular reference to corporate, higher secondary school teachers from Kathmandu and latitpur districts of Nepal. The result showed the significant relationship between Job stressors, Job stress and Job satisfaction.

**Similarly Wang, L (2012)** focused on three hundred primary and junior high school teachers to know the level of work stress and job satisfaction. Result revealed that work stress and job satisfaction of teachers were found average in such schools.

**Necsoi,V.D (2011)** identified the relationship between stress and job satisfaction among 70 University teachers of Romanian academics. Burns

Anxiety Inventory, Burns Depression Inventory and Warr Job satisfaction scale by Travers and Cooper were used and the result indicated that there was a negative correlation between stress and job satisfaction. High level of anxiety & depression were observed among female teachers. A low level of job satisfaction was found among female teachers, where male counterparts were found significantly opposite on these scales. Academic tenure showed substantially greater job satisfaction among them.

**Parsa et.al., (2013)** examined the relationship between job stress and job satisfaction and responsiveness among 259 teachers in high schools of Urmia city. Parametric and non parametric test was used for the analysis. The result revealed that there was a significant and positive relationship between responsiveness and job satisfaction and significant and positive relationship between job satisfaction and job stress. A linear relationship was found between responsiveness of teachers, job satisfaction, age and job background. There was no relationship found between responsiveness and job stress.

**Joseph Sharit** has undertaken a study Occupational Stress. He focus on the measurement, sources, and management of stress, as well as the relationship between stress and coronary heart disease. Concepts related to stress (mental load, fatigue, and arousal) are defined and differentiated.

**Bhatti et.al. (2011)** investigated the relationship between job stress and

job satisfaction among 400 university teachers in Pakistan. Management role, relationship with others, workload pressure, homework interface, role ambiguity and performance pressure was examined as determinants of job stress and the result revealed that there was a significant relationship between four of the constructs tested and there is significant negative relationship between job stress and job satisfaction. Result revealed that job stress had negative impact on their health.

**Kaur, S (2011)** also made an attempt to examine the job satisfaction and occupational stress of the school teachers with a sample of 500 secondary school teachers. It was found that male teachers were more satisfied with their jobs and occupationally less stressed than the female teachers. It was also observed that rural school teachers were less satisfied and had relatively higher level of occupational stress as compared to urban school teachers.

**Klassen et.al., (2010)** studied on teachers collective efficacy (TCE), job stress, cultural dimension (Collectivism) and job satisfaction on 500 teachers from Canada, Korea and the United states. Multi group path analysis revealed that TCE predicted job satisfaction across settings. Job stress was negatively related to job satisfaction for North American teachers. The cultural dimension of collectivism was not related to job satisfaction in Korean and North American teachers.

**Gardner, Sallie** has undergone a study Stress among Prospective Teachers on Student-teacher distress

has the potential to impact on the individuals who are to become teachers, the profession and the education system. This review examines what is known of psychological distress among university students, teachers and student-teachers, the demands associated with their practical experiences and the known impact of psychological distress. A brief overview of contemporary stress management approaches is also presented. The reviewer contends that the potential problem for prospective teachers requires a holistic approach, beginning through understanding contemporary strategies available to individual university students, and preventative stress management programs provided within tertiary education, which may be made available to future student-teachers.

#### **Objective of the study:**

- To find opinion about teaching and handling students
- To find out the stress creators
- To analysis of sharing stress problems
- To find out techniques applied by the College teachers for managing stress.

#### **Research Methodology**

For the purpose of measuring the objectives following methodology is adopted. Sources of Data: **Primary data-** Through structured questionnaire designed on the basis of objectives of the study. The data was collected from 150 respondents.

**Secondary data-** Collected through various publications in management journals and internet which is restricted to the conceptual framework of the paper only. Sample method: Simple random sampling method was used.

**Concept of Stress:** Stress according to Physicists: A force, stress or pressure implying exposure to excessive demands or environmental conditions that cause emotional upset and tension.

**Psychologists:** Anything that alters the psychological homeostatic process. Anthropologists: Is adversity; coercion between people, or between the environment and humans, or b between history and humankind. Endocrinologists: Is the non-specific response of the body to any demand made on it.

**Stress Creator:** Stress happen from two sources- external stress and internal stress External stress is caused by external factors. The external stress factors are- polluted air that affects your body, association with toxic or negative people, people who are always thinking negatively, energy filed. Internal stress is caused by internal factors such as thoughts, beliefs and values,

**Stress Management Techniques:** Stress Management can create success and cannot create failure.

#### **I. Relaxation training**

It reduce heart rate, skin conductance, muscle tension, blood pressure, energy utilization, self-reports of anxiety, and tension.

#### **II. Ancillary skills**

It helps to set specific work goals for each day, establish priorities, avoid timewasters, and learn what to ignore

altogether. It concentrates time management and planning.

**III. Assertiveness training**

It helps to improve the creativity, boldness, self control and confident.

**IV. ABCD Technique**

- A- Attitude
- B- -Belief
- C- Commitment
- D- Devotion.

**ANALYSIS AND INTERPRETATION**

**Table No.:1 Opinion about teaching and handling students**

S. No	Opinion	No. of respondents	Percentage
1	Strongly satisfied	51	34
2	satisfied	57	38
3	Neutral	18	12
4	Dissatisfied	18	12
5	Strongly unsatisfied	6	4
	<b>Total</b>	<b>150</b>	<b>100</b>

The above table shows that opinion about the teaching and handling students. 38% of the College teachers were satisfied their work. 34% of College teachers were strongly satisfied. 12% of College teachers were neutral and dissatisfied about their works. Only 4% of College teachers were strongly dissatisfied about their works.

**Table No.:2 Analysis of Stress Creator**

S. No	Opinion	No. of respondents	Percentage
1	Poor student behaviour and results	78	52
2	Management politics	18	12
3	Interference work with personal life	42	28
4	Colleagues	12	8
	<b>Total</b>	<b>150</b>	<b>100</b>

The table no. 2 reveals that analysis of stress creator. 52% of College teachers were stressed through the poor student behavior and results. 12% of College teachers were stressed through the management politics. 28% were stressed in the interference of work with personal life. Only 8% of College teachers were stressed through their colleagues.

**Table No.:3 Analysis of marital status**

S. No	Opinion	No. of respondents	Percentage
1	Unmarried	75	50
2	Married	66	44
3	Widowed	6	4
4	Married and divorced/separated	3	2
	<b>Total</b>	<b>150</b>	<b>100</b>

Table No.3 shows marital status of the researchers. 50% of the College teachers were unmarried. 44% of the College teachers were married, 4% of the College teachers were widowed, and 2% of the College teachers were married and divorced/separated.

**Table No.:4 Analysis of sharing stress problems**

S. No	Opinion	No. of respondents	Percentage
1	Family	15	10
2	Friends	84	56
3	Colleagues	45	30
4	None	6	4
	<b>Total</b>	<b>150</b>	<b>100</b>

The table no. 4 reveals that opinion about the sharing stress problems. 56% of the College teachers were sharing stress problems with friends, 30% of the College teachers were sharing stress problems with

colleagues, 10% of the College teachers were sharing stress problems with their family and only 4% of the College teachers were not shared the stress problems.

**Table No.:5 Analysis of managing stress**

S. No	Opinion	No. of respondents	Percentage
1	Rest	15	10
2	Coffee	30	20
3	Reading books	45	30
4	Listening music's	27	18
5	Yoga and meditation	27	18
6	Exercise	6	4
	<b>Total</b>	<b>150</b>	<b>100</b>

The table no.5 indicates that managing stress techniques. 30% of the College teachers were reading books, 20% of the college teachers were taken coffee, 18% of the college teachers were listen musics, 18% of the college teachers were undertake yoga and meditation, 10% of the college teachers were taken rest, and only 4% of the college teachers were exercised for managing stress.

### Chi – Square Test

**Work stress among College Teachers Marital Status and Sharing Stress problems**

#### Hypothesis:

#### Null Hypothesis (Ho):

There is no significance difference between Marital Status and Stress related problems.

#### Alternative Hypothesis (H1):

There is significant difference between Marital Status and stress related problems.

Marital Status	Sharing Stress Problems				Total
	Family	Friends	colleagues	None	
-					
Unmarried	15	20	14	1	50
Married	19	17	14	12	62
Widowed	-	15	-	17	32
Married & Divorced / Separated	-	-	6	-	6
-	-	-	-	-	-
<b>Total</b>	<b>34</b>	<b>52</b>	<b>34</b>	<b>30</b>	<b>150</b>

$$\begin{aligned} \text{Degree of freedom} &= (R-1) \times (C-1) \\ &= (4-1) \times (4-1) \\ &= 3 \times 3 \\ &= 9 \end{aligned}$$

$$\text{Level of significance} = 5\%$$

$$\text{Calculated Value} = 9.17\%$$

$$\text{Tabulated Value } \chi^2_{0.05} - (9) = 16.9$$

#### Interpretation:

The tabulated value is greater than the calculated value. So we accept the null hypothesis. From the Chi-square test it is proven that there is no significant difference between Marital Status and stress problems.

#### Findings:

External factors create lot of stress among the college teachers.

- 38% of the College teachers were satisfied their work.
- 52% of College teachers were stressed through the poor student behavior and results.
- 50% of the College teachers were unmarried.
- 56% of the College teachers were sharing stress problems with friends.



- 30% of the College teachers were reading books for managing stress.

### Conclusion

The college teachers having lot of work stress due to their work, and students performance. Majority of the teachers share their problems with friends. The stress cannot be avoided, so it should be managed with the proper usage of management techniques. Mainly in rural area the college teachers should use lot of techniques for managing stress like yoga, meditation, listening music, reading books and rest. Stress Management is the important techniques it is used depends upon their work schedule.

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