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A STUDY OF PERFORMANCE EVALUATION OF MUTUAL FUND AND RELIANCE MUTUAL FUND

Alka Solanki
Research Scholar, Saurashtra University, Rajkot, India
Email: alka.1951993@gmail.com

ABSTRACT

In this paper the researcher tried to evaluate the performance of Reliance open-ended equity schemes with growth option. The period of the study spans from 1st April 2007 to 31st March 2016.To evaluate the performance of the selected mutual fund schemes, monthly returns are compared with Benchmark BSE National 100 and SENSEX returns.

Keywords: Equity Schemes; Performance Evaluation

INTRODUCTION

Many of the financial instruments mutual fund is one of the most attractive financial investment instrument that plays a vital role in the economy of a country. Mutual fund schemes provides new opportunities for investors. Mutual fund Industry was introduced in India 1963 with the formation of Unit Trust of India. During the last few years many extraordinary and rapid changes have been seen in the Mutual fund industry. Therefore, due to the changed environment it becomes important to investigate the mutual fund performance. The need for evaluating the performance of mutual fund schemes in India is to see whether the mutual fund schemes are outperforming or underperforming than the benchmark and to see the competency of schemes to make out a strong case for investment. The present paper investigates the performance of open-ended, growth-oriented equity schemes. Open-ended mutual fund schemes are those which don't have a fixed maturity, not listed in the stock exchange and these schemes offer new unit for sale and ready to buy any time. The success of any scheme depends upon the competence of the management and its soundness.

REVIEW OF LITEARTURE

Despite the existing of a mutual fund industry for over four and half decades in India, there have been only a few studies, which examined the performance of Indian mutual fund using standard methodology a brief review of this studies is now presented below:

Mishra [2001] evaluated performance over a period, April 1992 to December 1996. The sample size was 24 public sector sponsored mutual funds. The performance was evaluated in terms of rate of return, Treynor, Sharpe and Jenson's measures of performance. The study also addressed beta's instability issues. The study concluded dismal performance of PSU mutual funds in India, in general, during the period, 1992-1996.

G. Sethu [2001] used weekly NAV data for 18 open-ended growth schemes in India for the period April 1995-July 1999. His study used three alternatives indices for equity market viz. NSE Nifty, BSE Sensitive Index and S&P CNX 500. The 91-day treasury auction rate was used as the risk free rate. He concluded that the fund portfolios are not adequately diversified; the excess returns after adjusting for systematic risk is zero and the portfolios do not show any market timing.

Singh and Singh have highlighted the fact that mutual funds have not attained equal status as their counterparts in USA, UK and other developed countries. It has emphasized on the gradual but slow growth of mutual funds in India giving a exclusive attention to the UTI as it was through to be the pioneers in this field. The private, money market funds, offshore mutual funds has been critically analyzed.

Gupta, study was conducted with the primary objective to evaluate the performance of selected mutual funds schemes and to apply test for analyzing timing abilities of the mutual funds managers during the period April 1, 1994 to march 31, 1999 it also examines the growth and development of the mutual fund industry in India during the period 1987 to September 1999. However, No conclusive evidence was available which could warrant the study to accept its performance as superior.

Kumar Vikas [2010] evaluated the performance of 20 mutual funds schemes managed by five mutual funds using monthly NAV for period between 1st Jan 2000 to 31st Dec 2009 for 10 year i.e. 120 months. The rate of return was compared with the BSE National 100 index over the period. The performance was evaluated in the term of rate of return, Total risk (i.e. S.D.), systematic risk (i.e. Beta), coefficient of determination and risk adjusted performance suggested by Sharpe (1966), Treynor (1965) and Jensen (1968). The outcome shows that out of 20 schemes selected equity schemes shows better return as compared to debt and balanced schemes.

SIGNIFICANCE OF THE STUDY

The need for evaluating the performance of mutual fund schemes in India is to see whether the mutual fund schemes are outperforming or underperforming than the benchmark and to see the competency of schemes to make out a strong case for investment. The present paper investigates the performance of open-ended, growth-oriented equity schemes. Open-ended mutual fund schemes are those which don’t have a fixed maturity, not listed in the stock exchange and these schemes offer new unit for sale and ready to buy any time. The success of any scheme depends upon the competence of the management and its soundness. Evaluating historical performance of mutual funds is important both for investors as well as portfolio managers. It enables an investor to access as to how much return has been generated by the portfolio manager and what risk level has been assumed in generating such returns. The various constituents of the society have been deprived of the detailed knowledge about the mutual fund’s operations, management, regulations, growth, performance, relations with capital market and risk and return involved. This study is expected to fill this gap. The present research work is supposed to be useful especially to present and potential investors, managers of mutual funds, agents of mutual funds, academicians, present and future research scholars and also government and regulated bodies. This study will guide the investors in planning and effecting their investments in mutual funds. It will also act as a guide for beginning investors.

OBJECTIVES OF THE STUDY

1. To Evaluate the Performance of sample schemes.
2. To compare schemes return and risk with benchmark i.e. BSE 100. To compare schemes return and risk with benchmark i.e. SENSEX.

RESEARCH MATHEDOLOGY

Benchmark Index- For this study, broad-100 shared base BSE National Index and SENSEX has been used as a proxy for market index. Hence it would cover the majority percentage of different scheme portfolios and therefore is expected to provide better performance benchmark.

Risk Free Rate- Risk free rate of return refers to that minimum return on investment that has no risk of losing the investment over which it is earned. For the present study, it has been taken as Public Provident Fund (PPF) on the average rate from 2006 to 2015 marked as 8.0111% per annum or 0.006676 per month.

Period Of Study- The growth oriented schemes, which have been floated by the Reliance Mutual Funds during the period 1st April. 2007 to 31st March 2016 have been considered for the purpose of the study. Monthly Net Asset Value (NAV) as declared by the relevant mutual funds from the 1st April. 2007 to 31st March 2016 has been used for the purpose.

Data- Study examines six open-ended equity schemes with growth option being launched by Reliance Mutual Funds. These schemes have been selected on the basis of regular data availability during the period of 1st April 2007 to 31st March 2016. Monthly Net Asset Value (NAV) data has been used and the period.

ANALYSIS AND INTERPRETATION

Table 1. List of Mutual Funds Schemes Studied

Name of the Equity Scheme Selected
Reliance Banking Fund
Reliance Diversified Power Sector Fund
Reliance Equity Opportunities Fund
Reliance focused Large Cap Fund
Reliance Growth Fund
Reliance Media And Entertainment Fund
Reliance NRI Equity Fund
Reliance Pharma Fund
Reliance Regular Savings Fund
Reliance Vision Fund

Different scheme launch in different dates therefore, for the purpose performance evaluation the period covers 1st April, 2007 to 31st March, 2016.

Table 2 shows the average return earned by the various schemes. For calculation of average return earned by the schemes Growth in the value for each month over the previous month has been divided by the value of the previous month. Then the average of the full series has been taken. In schemes all the sample schemes had shown the highest return earners as against BSE 100 return (0.011384) except one i.e. Reliance Focused Large Cap Fund which has shown the worst performance as against BSE 100 return and Sensex, also all the schemes shows better return as against Sensex (0.01091) except Reliance Focused Large Cap Fund. Reliance Pharma Fund (0.020369) has shown the best return followed by Reliance Banking Fund (0.020055) and Reliance Regular Savings Fund (0.016969).

Table 2. Average Monthly Return Earned By the Schemes

SCHEMES	RETURN
Reliance Pharma Fund	0.020369
Reliance Banking Fund	0.020055
Reliance Regular Savings Fund	0.016969
Reliance Equity Opportunities Fund	0.015703
Reliance NRI Equity Fund	0.014465
Reliance Growth Fund	0.014353
Reliance Media and Entertainment Fund	0.012664
Reliance Vision Fund	0.012521
Reliance Diversified Power Sector Fund	0.012184
Reliance Focused Large Cap Fund	0.009889

Table 3. Standard Deviation

SCHEMES	SD
Reliance Focused Large Cap Fund	0.063929
Reliance Pharma Fund	0.072496
Reliance NRI Equity Fund	0.072758
Reliance Equity Opportunities Fund	0.074776
Reliance Vision Fund	0.075706
Reliance Growth Fund	0.076667
Reliance Regular Savings Fund	0.083384
Reliance Media and Entertainment Fund	0.083707
Reliance Diversified Power Sector Fund	0.089196
Reliance Banking Fund	0.092936

Table 3 shows the standard deviation of selected schemes. it is the most common expression to measure risk of the fund return. Higher the value of standard deviation of the fund returns, greater will be the total risk carried by the fund. It is observed that the maximum deviation of funds return is shown by Reliance Banking Fund (0.092936) whereas Reliance Focused Large Cap Fund was least risky scheme with lowest standard deviation (0.063929) on the other hand Standard Deviation of benchmark BSE 100 National Index is (0.075408) and Sensex (0.070924). It could be seen here that four out of selected schemes selected for study shows less standard deviation then BSE 100 Index and one out of the sample shows less risky than Sensex.

Risk - Return Classification of Sample Schemes

In order to undertake further analysis, sample schemes have been classified into the following four categories on the basis of their return and risk characteristics:

1. **Low Return and Low Risk:** This category consists of schemes whose average returns are less than the average market return and their standard deviations are also lower than that of the market.
2. **High Return and Low Risk:** This category comprises those schemes whose returns are more that the market but their standard deviations are lower than that of the market.
3. **High Return and High Risk:** This category includes all those schemes whose returns as well as standard deviations are higher than that of the market.
4. **Low return and High Risk:** The final category includes all those schemes whose returns have been found to be lower than that of the market but their standards deviations are higher than that of the market.

Categorizations of Schemes: Table 4 presents the risk return grid of Mutual Funds schemes from BSE100. After classification of the sample schemes in to risk return category 1 scheme fall in category 1^{st} i.e. Low Return Low Risk. Further 3 schemes fall in 2^{nd} category i.e. High return and low risk. These 5 schemes fulfil one basic objective of Mutual Fund i.e. High Return and Low Risk compared to the capital market. Only 6 schemes fall in 3^{rd} category i.e. High Return and High Risk and no schemes falls in 4^{th} category i.e. Low Return and High Risk.

After classification of the sample schemes in to risk return category 1 scheme fall in category 1^{st} i.e. Low Return Low Risk. Further no schemes fall in 2^{nd} category i.e. High return and low risk. Rest all schemes fall in 3^{rd} category i.e. High Return and High Risk and no schemes falls in 4^{th} category i.e. Low Return and High Risk.

Table 4. Average Ranking Of Selected Mutual Funds Schemes According To Different Measures

SCHEMES	AVERAGE RANK
Reliance Pharma Fund	1
Reliance Banking Fund	2
Reliance Regular Savings Fund	3
Reliance Equity Opportunities Fund	4
Reliance NRI Equity Fund	5
Reliance Growth Fund	6
Reliance Media and Entertainment Fund	7
Reliance Vision Fund	8
Reliance Diversified Power Sector Fund	9
Reliance Focused Large Cap Fund	10

CONCLUSION

Out of the total schemes studied, all schemes showed an average return higher than in comparison to the market return i.e. BSE 100 and SENSEX except one i.e. Reliance Focused Large Cap Fund. Mutual funds are supposed to protect small investors against vagaries of stock market and the fund managers of these schemes have done well to protect them, based on both benchmarks Reliance Pharma Fund, Reliance NRI Equity Fund, Reliance Focused Large Cap Fund and Reliance Equity Opportunities Fund in BSE 100 and Reliance Focused Large Cap Fund in Sensex has performed better than the other schemes in comparison of risk and return which Indicates that investors who invested in these schemes to form well diversified portfolio did receive adequate return per unit of total risk & systematic risk undertaking.

LIMITATIONS OF THE STUDY

For the purpose of performance evaluation, those schemes have been selected which are in operation since last 9 years i.e. 1st April 2007 to 31st March 2016. Only open ended equity schemes have been considered for this purpose. The schemes having only growth options are being taken into consideration. The series schemes and the plan schemes were not taken as a part of sample as it lacks uniformity. Performance evaluation of all schemes was not possible due to unavailability of data.

SCOPE FOR FURTHER RESEARCH

As evaluating the performance of Mutual Fund is an ongoing process and a never ending task. This study has taken only open-ended schemes for its consideration and thus, a similar study can be done on Close-ended schemes. As in the present study an attempt has been made to compare the selected schemes with two benchmarks i.e. BSE 100 and Sensex, so same can be made with various other benchmarks and different Risk free return which is taken as Public Provident Fund in the present study. The number of sample schemes too can be increased, which might provide some more variations in the result. Also many private sector mutual fund exist in the industry, in the present study only Reliance Mutual Fund was taken, many are yet to be evaluated. A study can be made also for the evaluation of Bank Sponsored Mutual Fund or Institution along with the comparative study.

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KNOCKING ON THE 'GLASS CEILING': A PERSPECTIVE SUPPORTING SKILL-BASED REPRESENTATION OF WOMEN IN THE HIGHER ECHELON OF MANAGEMENT

Jaideep Yadav[1]
Independent Researcher, Steel Authority of India Ltd.,
Nagpur, India
Email: jaideep.y12@gmail.com

Ajeeta Srivastava[2]
Ph.D. Research Scholar, Jamia Millia Islamia, New Delhi, India
Email: ajs11235@gmail.com

ABSTRACT

'If the number of female workers were to increase to the same level as the number of men, GDP in the United States would expand by 5 per cent, by 9 per cent in Japan, and by 27 per cent in India, the International Monetary Fund (IMF) has estimated.' (Mehra, P., Sept.7th, 2015, The Hindu). The reason that despite an available resource pool, there are very few women at the top, and when challenges like organisational gender dynamics are in place, whether legislation is the way out, and whether the idea of the 'glass ceiling' as understood and accepted is applicable to the Indian scenario, and what are the core issues, are some of the issues highlighted in this paper.

Keywords: Women Managers; Gender Mainstreaming; Glass Ceiling; Discrimination; Dynamics; Inequality

INTRODUCTION

Management as a concept can be said to compose of several hues, with layers of factors constantly interacting with each other in a dynamic fashion. 'Managing within the private sector reflects the corporate interest in finance gain, but management can also be based on social principles.' (Maddock S., 1999, pg.33) It is here that the gender aspect of this arena comes into play when the processes being carried on within any company are assessed on the grounds of gender neutrality. Not just in determining the form of organisation and success rate of the business, management of any company has a significant role to play in its transformation which undoubtedly has its effects on the people associated with it and the society at large. The participation of women thus becomes crucial as we are talking here not just about the people in managerial positions but management at large.

LITERATURE REVIEW

"Women in Business and Management: Gaining Momentum" , the global report for International Labour Organisation (ILO) prepared by Wirth-Dominice, emphasises on the fact that "promoting gender equality at the work place is not only the right thing to do, but also the smart thing to do.(Wirth-Dominice,2015.pp.iii) " this report focusses on the aspect concerning the optimum utilisation of human resource available in the form of women managers, which is often remains unexploited due to a plethora of reasons. Interesting statistics and information from this report, which is also reliable coming from ILO, goes a long way in helping one understand why the advancement of women in business and upper echelons of management is important and how it is often not achieved.

The contribution of women in growth of an economy can be estimated at a number of different levels, national level and at the enterprise level, being the two most important ones. The report shows how the “glass ceiling” which prohibits women from reaching the top is a common phenomena across the world in business circles. Elusive gender partialities are not a thing of the past and is very much prevalent in today’s developed world as well. Labour markets separated on the basis of gender is one of the most important restrains in overall economic development.

‘Challenging Women: Gender, Culture and Organisation,’ by Maddock is an interesting piece of work offering a fundamental re-examination of managerial powers for modification and obstacles come across by the `challenging women' - senior women managers who are given the duty of changing their organisations for the better. This book acknowledges the fact that there exist a number of opinions about inequitable service practices. This is an important work which throws light on the connections between gender, innovation and organizational transformation, with a universal appeal taking into its ambit all types of organisations wherein women managers are involved.

“Corporate Governance in Listed Entities- Amendments to Clauses 35B and 49 of the Equity Listing Agreement.’ Securities and Exchange Board of India Circular”, the original Government of India document came in use to understand the bare laws laid down by SEBI in context of incorporating women managers in the top rung of business organisations, making a base on which an understanding could be developed regarding the need for a compulsory legislative measure to bring about equality.

‘Glass Ceilings or Gendered Institutions? Mapping the Gender Regimes of Public Sector Worksites,’ by Raewyn Connell is an essay which highlights how the current methods employed to bring about gender equality have their flaws. The author bats for a ‘multi-dimensional approach’ for gender mainstreaming in higher management. To develop an understanding for the same and comprehend ‘organisational gender arrangements’ the essay takes some Australian public sector organisations. The results show the existence of gender based labour division unfavourable to women, the causes and effects of such observations are explored. The idea of the “depolarised work space” is investigated keeping cultural trends in mind. With gender neutrality at the workplace as the objective, the essay gives valuable inputs as to how public institutes can evaluate and improve their gender systems.

“Mainstreaming Gender in Global Public Policy,” by True is a work dedicated to studying the factors that promoting mainstreaming of gender, not just at national levels, but at international organisations as well. The author acknowledges how any type of public policy which is globally acceptable needs and is assisted by feminist research and gender specific policies. The author also highlights the questions that emerge in this context, like the extent to which equality between the genders in the workspace impacts the process of policy making and the transformation of policy results. A current feminist perspective in relation to the pros and cons of this type of mainstreaming is also explored.

‘State Feminism and Political Representation,’ by Lovendusky is a diversion from the management arena as this piece of work deals with power dynamics and women in a situation to have powerful political influences. Although this book does not specifically focus on management, it makes one have a clear understanding of the idea of ‘participation’ of women in the whole concept of gender mainstreaming, and what the associated limitations are.

“Integrating Gender: Women, Law and Politics in the European Union,’’ Hoskyns is a study of women’s rights and the associated policies in the European Union, the base of which lies in feminist theories. Original interviews as a source of information form a striking primary source in this work.

OBJECTIVES

Objectives of the study:

1. To highlight how gender disparity affects top circles in management of a firm across nations.
2. To examine the reasons for absence of women managers at the top.
3. To find possible methods to address issues of gender mainstreaming in the concerned area.

Women as Managers

With the prevalent ideas of women being better at communication, multi-tasking, handling people and situations, women managers with the essential technical skills and their inherent characteristics not only prove more efficient, but more enterprising too. 'Women managers, on average, were judged more effective and satisfying to work for as well as more likely to generate extra effort from their people. Women were also rated higher than men on three of the four components comprising transformational leadership. Such female leaders were rated as having more idealised influence or charisma, being inspirational and individually considerate than their male counterparts.' (Bass and Avolio 1993:10; Maddock 1999, pg.33) However, the ILO Report on 'Women in Business and Management' has a different story to tell in terms of the data that they have on senior and middle – level managers who are women with no country in the survey except the Dominican Republic crossing the 50% mark. (Wirth-Dominice, 2015.pg. 21. 2012 Data.) The report highlights how gender balance in business is considered good for it, and yet there are very few women at top. Several studies conducted have found out the negative repercussions of an all-men decision making board. Women being concentrated in certain managerial functions rather than given a broader role are an alarming trend, where age-old gender stereotypes have a prominent role to play too. 'There is plenty of evidence of the benefits to business of tapping into the talent pool that women represent – including being in tune with a consumer market increasingly driven by women, benefiting from the innovation and creativity that gender diversity can bring, improving corporate governance and, as a result, enhancing company outcomes.' (Wirth-Dominice, 2015. pg.17).this alarming trend, as is evident from the ILO report is not just limited to a few exceptional countries, but to most of the countries that were studied. With women constantly striving to reach the top, why is the available female talent pool underutilised and how this issue can be overcome is thus the question.

Is Legislation The Solution?

Recently, the Securities and Exchange Bureau of India has made it mandatory that all listed companies should have at least one woman Director on their Boards. 'The Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director....' (49.II.A.SEBI, 2014, pg.9). A major point of concern is the coercive nature of this amendment, this fact being backed by repeated warnings of SEBI to the listed companies, which have been required to send responses to SEBI in terms of their progress in this particular direction, since a deadline has been fixed. Undoubtedly the amendment has welfare of women in management as its goal since this is an action taken as a consequence of observation of the fact that according to official records of stock exchanges, almost one third of the top five hundred listed companies do not have any woman on their Boards. But a legislation like this is merely addressing the tip of the iceberg since many of these companies have incorporated family members of promoters in order to comply to the norms within the deadline. The whole purpose of gender mainstreaming for which this amendment was made therefore gets a blow in the form of the perpetual existence of the theoretical 'glass ceiling' still being present for talented women. The whole idea of women being discriminated against when it comes to getting higher positions in the corporate hierarchy not taking into consideration their ability, knowledge and achievements, this 'glass ceiling' which seems to be unbreakable except for a handful few, is not an issue which can be sorted by one amendment In the form of inclusion of one woman member in the Board. It is not just a question of representation that we are looking at here. It is a multi-layered issue concerned with gender mainstreaming with a major focus on skill development and gender equality, gender equality essentially being a frame of mind which can be reset by training and not by laws. On the other hand, at the top levels of management and administration, in spite of equal opportunity measures, there are several other complexes that result in lack of gender equity. Understanding gender arrangements is one step forward. While the glass-ceiling theory itself has been challenged on a variety of grounds based on the 'equal opportunity and antidiscrimination measures' (Connell, 2006. pg.1) being in place at least on paper if not in practice, 'Duerst-Lahti and Kelly (1995) rightly observe that the way we think about gender is a key to the way we act on gender reform. The metaphors of "barrier," "glass ceiling," and "glass wall" arise from a particular way of thinking about gender inequality in the public realm.' (Connell, 2006. Pg.1.).What has to be understood is that macro-policies at the top levels of management cannot be formulated just as a reaction to the facts observed in terms of gender bias in acquiring high positions in management.

Reality Closer Home

The authors while going through statistics of the topic under consideration, came across some interesting insights given in the All India Survey on Higher Education (AISHE) , which is an initiative of the Ministry of Human Resource Development, Department of Higher Education, Government of India, started in 2011. An exhaustive survey done by this government agency for the period of 2014-15 throws some thought-provoking facts.

From a total population of 141045558 (2014-15) in the 18 to 23 year age bracket across all states and across all caste categories, the age when professional courses are pursued by students, the number of women was found to be 67830105. An analysis of the data giving information on the state-wise enrolment of students in the above mentioned age group in higher education institutions, across all categories of government, private and government aided, shows that a total of just 3809322 students got enrolled in the post-graduation courses of which 1961671 were female candidates. Trying to delve deeper into the issue, an analysis of Gross Enrolment Ratio was done across the Indian states for the same sample and it was found out to be 22.7 for females as compared to 24.5 for males. The disparity did not create a problem unless the data provided by the top management institutions in India were studied. The Gender Parity Index in higher education which comes out to be 0.91 for women does not show the real picture prevalent at management institutions. According to the IIM-A official institute statistics provided by the them, the number of females enrolled there is miserably low in their PGP courses. In the batch 2005-07, there was a meagre 14.85 percent of women candidates. The trend continued in following batch with 19.19 percent. The enrolment rate hovered around the same figures for a long time with an exception in 2014-16 batch with enrolment close to 30%. Undoubtedly, at their personal level, women are leaving no stone unturned with working hard at entering these top institutions. "Of the total 394 students admitted in the two-year course, as many as 116 girls have registered at the institute. Compared to last year, the number of women students has increased by nearly 8% this year. The 2013-15 batch of 380 students had 82 girls, that is 21.58%. Also, women representation has almost tripled since the 2011-13 batch of 372 students comprising 11.02% girls (Rana,N. 2014)."

With management institutions planning on using a number of measures like relaxing the cut off marks for women candidates in order to get a larger number of female students, what is important to understand and question here is the fact that how far this technical training from the best institutes in the country would take these women to the top of whatever organisations they wish to work for as long as gender based inequality is prevalent in the work scenario.

The facts themselves hint at three major issues: first, the unavailability of skill that is required at that level among women due to low enrolment in technical courses related to management; secondly, lack of opportunity to the appropriate women candidates in terms of restrictions posed by absence of agency and facilities that might help them balance the stereotypical notions of "responsibility" on the domestic and social front; and thirdly, the dynamics of gender relations that are entrenched in the psyche of fellow male/female workers as well as the seniors. In this context, the ideas of Barbara Harris-White and Diane Elson, with regards to women empowerment which emphasises upon understanding the gendering of policy in order to convert it in a form that functions in a more gender-equitable manner (Pearson & Jackson, 1998) is important to consider. For gender mainstreaming in business and corporate circles, efforts have to be made from ground level itself.

Addressing the second issue of lack of opportunity, it is understood that this particular issue has to be addressed from the grass-root level starting by ensuring very basic initiatives like credit availability, supporting reproductive choice, and creating such opportunities which essentially require a more feminine outlook to be dealt with, among others. When we talk of agency here, we need to understand that gender neutrality invariably incorporates the segregation of problems based on respective genders, in this case women, and finding solutions to those problems keeping the various aspects of the concerned gender in mind.

CONCLUSION

The basic idea should not be to compel companies to give high positions to women, as in that case it would be a form of consolation; what is essential is addressing the aforementioned issues in terms of providing appropriate educational, professional and skill development opportunities, so that the companies are obligated to give positions on the high rungs of the corporate ladder to able women in lieu of their professional expertise and their exceptional competence in comparison to their male counterparts.

This is not to say that issues concerning gender bias should be overlooked, they should definitely be addressed with a very determined mind-set both in terms of legislation and practice. What is emphasised here is the requirement of dealing with the issues concerning gender discrimination at the top levels of management under a broadened perspective of gender mainstreaming.

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A STUDY OF TERMINAL COSTING

Dr. Pandurang Korde
Principal, Jog College, Pune, India
Email: pbarke@gmail.com

ABSTRACT

The Contract Costing being the costing method applied to determine the cost of construction work performed as per a customer's specification. Also called TKRMINAI, COSTING, it terminates with the discharge of contract work. It is related to the tracking of costs associated mill a particular contract with a customer i.e. when the company bids on a project with a prospective customer, the parties need lo be in agreement for a certain type of reimbursement to the company for the service provided.

Keywords: Terminal Costing; Contract-Costing

INTRODUCTION

Company

Media Analytics & Designs P Ltd. is a company which deals in defecting and improvising on situations, scenarios for modernization of places and cities (smart-cities). Unlike Social Media Analytics, they not only gather information from various blogs and web sources hut also re-evaluate to offer services for the beautification / betterment of the bites.

They utilize Green Material and products as far as possible and also use LED for lighting and alternate power sources like Solar & Wind wherever feasible.

RATIONALE OF THE STUDY

The case-study is a brief-insight in the steps, rules and procedures involved in procuring contracts. The number of personages involved in the handling of contracts along-with the liabilities and assets pushed forth for die completion of the Contract.

RESEARCH METHODOLOGY

Research comprises of "creative work undertaken on a systematic basis in order to increase the stock of know/edge, including knowledge of humans, culture and society, and the use of tins stock of knowledge to devise new applications."

It is used to establish or confirm facts, reaffirm the results of previous work, solve new or existing problems, support theorems, or develop new theories,

The data collected for the purpose of this project was to observe the changes in the current and previous years' resemblances, differences and additions made in Contract Costing according to the Companies Act, 1956 and the Companies Act, 2013. Though mostly based on secondary data, and partly on first-hand information, collected from various sources available at hand or us permitted, the research is a compilation of facts and figures of the notations used by firms.

OBJECTIVES OF THE STUDY

1. To know the meaning and scope of Contract Costing.
2. To understand the internal working and be able to interpret the precise.

3. To project the statistics in the formation of a contract.
4. To find relationship between the Contractor and the Contractee in case of Expenditures and Income.
5. To find Limitations / Obstacles fared in the rendering of the contract.

LIMITATIONS OF THE STUDY

- Restriction of Place and Time for conducting the study.
- Selection of Unit needed for research.
- Restricted access to first-hand information required for the project.
- Vague understanding of the specifications of the project leading to more reliance on secondary data.

SCOPE OF THE STUDY

- Understanding areas where Contract Costing is applied.
- Differentiate between application and reference of Contract Costing in the study.
- Brief understanding of strategies involving two parties and third-panics i.e. in case of guarantor/guarantee.
- Brief study of hiring labor and procuring materials, equipment, etc.
- The areas / entities the firm deals in - which induce application of Contracts in the economy.

HYPOTHESIS

The assumptions arc based on die known provisions viz., there are two parties involved - the Contractor (the party with whom the contract is conferred upon / who provides the service of the contract) and the Contractee (the party whom the service of the contract is rendered to). The procedure of payments depends after confirmation of the contract residing on the choice to pay in installments as the contract progresses or to pay the lull amount before/after the completion of the service. This is binding on both the parries upon agreement.

DATA COLLECTION AND INTERPRETATION

Contract costing: It is one form of application of the principles of job costing. In fact a bilker job is referred to as a contract. Contract costing is usually adopted by building contractors engaged in the task of executing Civil Contracts.

Sub-Contract: Sub - contract costs are also debited to the Contract Account.

Extra Work: The extra work amount payable by the Contractee should be added to the contract price. If extra work is substantial, it is better to treat it as a separate contract. If it is not substantial, expenses incurred should be debited to the contract account as "Cost of Extra work".

Cost of Work Certified: All building contractors received payment periodically known as "running payment" on the basis of the architect's or surveyor's certificates. But payments are not equal to the value of the work certified; a small percentage of the amount due is retained as security for any defective work which may be discovered later within the guarantee period.

Work Uncertified: It represents the cost of the work winch has been carried out by the contractor but has not been certified by the Contracted architect. It is always shown at cost price.

Retention Money: A contractor does not receive hill payment of the work certified by the surveyor. Contractee retains some amount (say 10% to 20%) to be paid, after sometime, when it is ensured that there is no fault in the work carried out by Contractor.

Work-in-progress: In Contract Accounts, the value of the work-in-progress consists of:

- The cost of work completed, both certified and uncertified;
- The cost of work not yet completed; and
- The amount of profit taken as credit. In die Balance Sheet, the work- in-progress is usually shown fewer than two heads, viz., certified and uncertified.

Notional Profit: It represents the difference between the value of work certified and cost of work certified.

Formulas Used For Calculations

- When work on contract has not reasonably advanced, no profit is taken into account. In practice, no profit is calculated when work certified is less than l/4th but less than ½ of the contract price.
- When work certified is more than l/4th but less than ½ of the contract price, following formula is used to determine the figures of profit to be credited to profit and loss account; [1/3 * Notional profit * Work certified / Cash received]
- When work certified is more than ½ of the contract price, but it is .still not in the final stage, following formula is used to determine the figure of profit to he credited to profit and loss account: [12/3 * Notional profit * Work certified / Cash received]
- When the contract is almost complete, an estimate total profit is determined by deducting aggregate of cost to dale and estimated additional expenditure from contract price. A portion of this estimated total profit is credited to profit and loss account. The figure to be credited to profit and loss account is ascertained by adopting any of the following formulae:[Estimated total profit x Contract price/Work certified] [Estimated total profit x Contract price/Cash received] [Estimated total profit ^{x} Estimated total cost/Cost of Work to date]

CONCLUSION

As the observations, the researcher's evaluation for now depends upon the facts retaining to contract costing, its basic concepts and the procedure carried out by the specified firm for the procuring and working of the contracts.

Time and material contract are not common because of a lack of an upper limit for the price paid by the buyer, However, if there is no Lime to complete the job, an agreement concerning the time & materials should lie arranged or discussed if possible which may or may not result in the validity or extension of die contract.

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CORPORATE SOCIAL RESPONSIBILITY: AN ANALYSIS OF IMPACT AND CHALLENGES IN INDIA

Dr. Nidhi Goyal
Lecturer, Aggarwal College Ballabhgarh, India
Email: hellonidhig@gmail.com

ABSTRACT

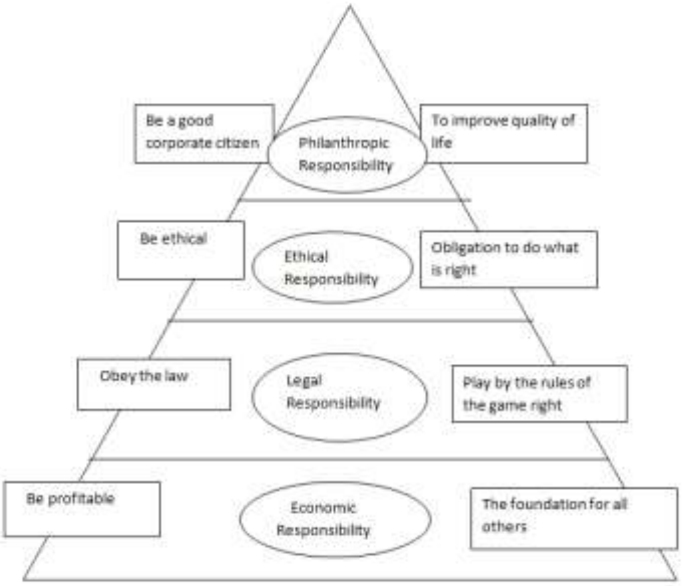
India is a developing economy, here Corporate Social Responsibility (CSR) play important role in organizations. In Indian industry one can easily notice a paradigm shift from corporate philanthropist to being socially responsible. The importance of CSR is increasing in Indian corporate scenario because organization have realize that ultimate goal is not profit making beside this trust building is viable and assert able with societal relationship. The compulsion of CSR has emerged in last two decades when Indian organization realizes the importance of sustaining in this cutthroat competition era. Before this Indian industries had materialistic culture. In the hue and cry of LPG (Liberalization, Privatization and Globalization) companies were only focused toward profit maximization which led social backwash. To overcome this fashion CSR play an important role in sustainable development which is only possible when there is a balance between profit and lowering social backwash or eradicating it. Corporate social responsibility (CSR) is gaining more and more importance day by day. Changing market scenario, globalization, ethical consumerism all are adding heat to the CSR concept. More and more organizations are showing their commitments towards CSR either for enhancing their corporate image or to be in competition.

Keywords: Corporate Social Responsibility; Charity

INTRODUCTION

The importance of CSR emerged significantly in the last decade. Over the time, CSR expanded to include both economic and social interests. Along with this it also broadened to cover economic as well as social interests. Companies have become more transparent in accounting and display ‘public reporting’ due to pressures from various stakeholders. It is possible for companies to behave in the ‘desired’ ethical and responsible manner towards consumers, employees, communities, stakeholders and environment. They have started incorporating their CSR initiative in their annual reports. Today, CSR in India has gone beyond merely ‘charity and donations’ and is approached in a more organized fashion.

It has become an integral part of the corporate strategy. Now a day’s companies have become more transparent in their balance sheet. They are incorporating their corporate social responsibility initiative in their annual report.



The Pyramid of Corporate Social Responsibility (Carroll, 1991)

Definition of Corporate Social Responsibility

There is no single, commonly accepted definition of "Corporate Social Responsibility" (CSR). There are different perceptions of the concept among the private sector, governments and civil society organizations.

European Union (EU): It describes CSR as "the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly, and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large."

while proposing the Corporate Social Responsibility Rules under Section 135 of the Companies Act, 2013, the Chairman of the CSR Committee mentioned the Guiding Principle as follows: "CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth."

OBJECTIVES OF THE STUDY

The study has been geared towards achieving the following objectives:

1. To understand the concept of CSR.
2. To determine the challenges in execution of Corporate Social Responsibility.
3. To examine Corporate Social Responsibility Practices and its impact on Business
4. To disseminate information about the latest happenings in the CSR field to people engaged in policymaking, policy analysis, policy research, practitioners and other Stakeholders.
5. To provide information for future research works on CSR.

RESEARCH METHODOLOGY

The research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazines, articles and media reports. Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type. Keeping in view of the set objectives, this research design was adopted to have greater accuracy and in depth analysis of the research study. Available secondary data was extensively used for the study. The investigator procures the required data through secondary survey method. Different news articles, Books and Web were used which were enumerated and recorded.

Corporate Social Responsibility in Indian Context

CSR is not a new concept in India, Corporates like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few, have been involved in serving the community ever since their inception. Several other organizations have been doing their part for society through donations and charity events.

Even though the concept is not new to the country, its implementation has been a major concern for years. In short, CSR is misunderstood for charity by a large number of Indian companies. It is merely considered a policy that should be implemented in business operations rather than giving importance to social good. Most domestic businesses in India are SMEs and these companies struggle to complete with large foreign multinationals. That highly competitive environment is seen as a reason not to adopt what is perceived as expensive CSR in the eyes of many managers of domestic Indian companies.

Though India is one of the fastest growing economies, socio economic problems like poverty, illiteracy, lack of healthcare etc. are still ubiquitous and the government has limited resources to tackle these challenges. A 2011 study by the Oxford Poverty and Human Development Initiative estimated that approximately 650 million people, or fifty-three percent of India's population, live in poverty. In 2010, the World Bank estimated that about 400 million people in India live on less than U.S. $1.25 a day. This scenario has opened up several areas for businesses to contribute towards social development. But the present condition seems to be changing as many companies are trying to accept CSR as more than just planting trees or giving away charity to the needy. Nearly All leading corporate in India Are involved in corporate social responsibility (CSR) Programs in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of society.

Few Corporate Initiatives Related To CSR

- Organizations like Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited, focus holistic development in the villages they have adopted. They provide better medical and sanitation facilities, build schools and houses, and help the villagers become self-reliant by teaching them vocational and business skills.
- Reliance Industries initiated a project named as "Project-Drishti" to bring back the eyesight of visually challenged Indians from the economically weaker sections of the society. This project has brightened up the lives of over 5000 people so far.

- GlaxoSmithKline Pharmaceuticals’ CSR programs primarily focus on health and healthy living. They work in tribal villages where they provide medical check–ups and treatment, health camps and health awareness programs.
- As part of its Corporate Service Corps (CSC) programme, IBM has joined hands with the Tribal Development Department of Gujarat for a development project aimed at upliftment of tribal in the Sasan area of Gir Forest.
- Efforts by companies such as HSBC India, Max New York Life and Standard Chartered Bank have ensured that the green movement has kept its momentum by asking their customers to shift to e– statements and e-receipts.
- The Tata Steel Rural Development Society aims to improve agricultural productivity and raise farmer’s ‟ standard of living.
- Oil & Natural Gas Corporation offers community–based health care services in rural areas through 30 Mobile Medicare Units (MMUs). The ONGC–Eastern Swamp Deer Conservation Project works to protect the rare species of Easter Swamp Deer at the Kaziranga National Park in Assam.
- The Infosys Science Foundation gives away the annual Infosys Prize to honour outstanding achievements in the fields of science and engineering. The company supports causes in health care, culture and rural development.
- BHEL & Indian Airlines have been acclaimed for disaster management efforts. BHEL has also adopted 56 villages having nearly 80,000 inhabitants.

The 2001 State of Corporate Responsibility in India Poll, a survey conducted by Tata Energy Research Institute (TERI), the evolution of CSR in India has followed a chronological evolution of 4 thinking approaches:

Ethical Model (1930 – 1950)- One significant aspect of this model is the promotion of trusteeship that was revived and reinterpreted by Gandhiji. Under this notion the businesses were motivated to manage their business entity as a trust held in the interest of the community. The idea prompted many family run businesses to contribute towards socio-economic development.

Statist Model (1950 – 1970s)- Under the aegis of Jawaharlal Nehru, this model came into being in the post-independence era. The era was driven by a mixed and socialist kind of economy. The important feature of this model was that the state ownership and legal requirements decided the corporate responsibilities.

Liberal Model (1970s – 1990s)- The model was encapsulated by Milton Friedman. As per this model, corporate responsibility is confined to its economic bottom line. This implies that it is sufficient for business to obey the law and generate wealth, which through taxation and private charitable choices can be directed to social ends.

Stakeholder Model (1990 – Present)- The model came into existence during 1990s as a consequence of realisation that with growing economic profits, businesses also have certain societal roles to fulfil. The model expects companies to perform according to “triple bottom line” approach. The businesses are also focusing on accountability and transparency through several mechanisms. CSR needs to be understood within this context captured in the development oriented CSR framework given below:

Model	Focus	Champions
Ethical	Voluntary commitment by companies to public welfare	M.K. Gandhi
Statist	State ownership and legal requirements determine Corporate responsibility	Jawahar Lal Nehru

Liberal	Corporate responsibilities limited to private owners (Shareholders)	Milton Friedman
Stakeholder	Companies respond to the needs of Stakeholders, customers, employees, communities, etc.	R. Edward Freeman

Issues & Challenges

Many companies think that corporate social responsibility is a peripheral issue for their business and customer satisfaction more important for them. They imagine that customer satisfaction is now only about price and service, but they fail to point out on important changes that are taking place worldwide that could blow the business out of the water. The change is named as social responsibility which is an opportunity for the business. Some of the drivers pushing business towards CSR include:

The Shrinking Role of Government- In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

Demands for Greater Disclosure- There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

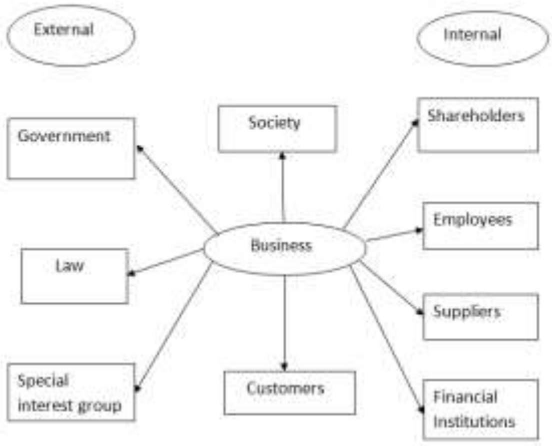
Increased Customer Interest- There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environs International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.

Growing Investor Pressure- Investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than $2 trillion worth of assets invested in portfolios that used screens linked to the environment and social responsibility.

Competitive Labour Markets- Employees are increasingly looking beyond pay checks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

Supplier Relations- As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation.

Dimensions of Corporate Social Responsibility



Challenges of CSR

It is important for CSR strategies to become central to business strategy and part of the long-term planning process. Stakeholders are questioning more on CSR initiatives of the companies today. They are challenging the companies‟ decisions-making in this direction In India the CSR managers face number of challenges in managing CSR activities.

Lack of Community Participation In CSR Activities- There is a lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely attributable to the fact that there exists little or no knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instil confidence in the local communities about such initiatives.

Need To Build Local Capacities- There is a need for capacity building of the local non-governmental Organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.

Issues Of Transparency- There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programs, audit issues, impact assessment and utilization of funds.

Non-Availability Of Well Organized Non-Governmental Organizations- There is non-availability of well-organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities.

Visibility Factor- The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies.

Narrow Perception towards CSR Initiatives- Non-governmental organizations and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more donor-driven than local in approach.

Non-Availability Of Clear CSR Guidelines- There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies. It is found that the scale of CSR initiatives of companies should depend upon their business size and profile.

Lack Of Consensus On Implementing CSR Issues-There is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between local implementing agencies rather than building collaborative approaches on issues. This factor limits company’s abilities to undertake impact assessment of their initiatives from time to time.

The Relevance Of CSR Within An Organization- It has also been found that to a growing degree companies that pay genuine attention to the principles of socially responsible behaviour are also favoured by the public and preferred for their goods and services. This has given rise to the concept of CSR. Some of the positive outcomes that can arise when businesses adopt a policy of social responsibility include:

Company Benefits

- Improved financial performance;
- Lower operating costs;
- Enhanced brand image and reputation;

- Increased sales and customer loyalty;
- Greater productivity and quality;
- More ability to attract and retain employees;
- Reduced regulatory oversight;
- Access to capital;
- Workforce diversity;
- Product safety and decreased liability.

Benefits to the Community and the General Public

- Charitable contributions;
- Employee volunteer programs;
- Corporate involvement in community education, employment and homelessness programs;
- Product safety and quality.

Environmental Benefits

- Greater material recyclability;
- Better product durability and functionality;
- Greater use of renewable resources;

CONCLUSION

CSR clearly impacts our corporations, society, and educational organizations. Despite its complexities, the numerous sustainability initiatives point toward continued, positive impact. CSR policy should function as a built-in, self-regulating mechanism whereby businesses would monitor and ensure their adherence to law, ethical standards and international norms. In the recent years corporate business houses have substantially involved towards societal responsibilities. Companies have started to realise the importance of CSR and initiating the steps towards it. It is found that there is a need for creation of awareness about CSR amongst the general public to make CSR initiatives more effective. This effort will also motivate other corporate houses to join the league and play an effective role in addressing issues such as access to education, health care and livelihood opportunities for a large number of people in India through their innovative CSR practices. It is difficult for one single entity to bring about change, as the scale is enormous. Effective partnerships between corporate, NGOs and the government will place India's social development on a faster track. The CSR regime in India is in a nascent stage and there will be hitches, and a lot of fine-tuning will be required before we hit the perfect balance. What is commendable is the spirit with which India has made her corporates socially responsible and in that, led the world’s most developed nations.

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A STUDY ABOUT GREEN ACCOUNTING: ITS IMPORTANCE AND CONCEPT

Alka Solanki
Research Scholar, Saurashtra University, Rajkot
Email: alka.1951993@gmail.com

ABSTRACT

The Green Accounting term was first introduced into common usage by economist and Professor Peter Wood in the 1980s. The main purpose of this paper is to study and analyze the available literature based on the green accounting and to understand how it has been studied and evaluated by different authors who are working in this area. Current literature focuses on Green Accounting - importance and it's Concept.

Keywords: Green Accounting

INTRODUCTION

An account is a statement or measure that provides an assurance about the financial information. Accounting is discipline of measuring, communicating and interpreting the financial activity. Green accounting is considered as a subset or superset of accounting proper. Green accounting is a management tool used for a variety of purposes, such as improving environmental performance, controlling costs, investing in "cleaner" technologies, developing "greener" processes and products, and informing decisions related to product mix, product retention, and product pricing. Green accounting is a growing field that identifies resource use, measures and communicates costs of a company or the national economy actual or potential impact on the environment. Green accounting is also referred to as environmental accounting which incorporates environmental assets and their source and sinks function into national and corporate accounts. It is a popular term for environmental and natural resource accounting.

OBJECTIVES OF THE STUDY

The objective of the present study is to review the following:

1. To review the importance of Green Accounting in India
2. To analyze the Concept, Need, Advantages and limitations of Green Accounting for developing India.

RESEARCH METHODOLOGY

The study has been done mainly on the basis of secondary data and information available from books and published works and reports.

History of Green Accounting

The term Green Accounting has been announced since the 1980s and known as a management tools. The conventional SNA was first started in the USA in 1942. The present situation of green accounting and its most evolved from, sustainable accounting, has been receiving continues attention in the academic accounting literature in the early 1990s. The concept started almost three decades ago in the early 1970s with important contributions.

Green Accounting System

A Green Accounting system is composed of environmentally differentiated conventional accounting and ecological accounting. Environmentally differentiated accounting measures impact of the natural environment on a company in nominal or monetary terms. It measures the impact a company has on the environment, but in physical unit (e.g. Kilogram of waste produced) rather than monetary unit. It is closely related to sustainability.

Objectives of Green Accounting

Green accounting is used to increase the amount of relevant for those who need it or can use it. Relevant data depends on the scale and scope of coverage. It is to increase the sustainable development.

Scope Of Green Accounting

The scope of Green Accounting (hereinafter called as Environment Accounting - EA) is very wide. It includes corporate level, national & international level. The following aspects are included in Green Accounting: Internal and External Aspects.

- From Internal point of view investment made by the corporate sector for minimization of losses to environment. It includes investment made into the environment saving equipment devices. This type of accounting is easy as money measurement is possible.
- From external point of view all types of loss are indirectly due to business operation/activities. It mainly includes:
    - Degradation and destruction like soil erosion, loss of bio diversity, air pollution, water pollution, voice pollution, problem of solid waste, coastal & marine pollution.
    - Depletion of nonrenewable natural resources i.e. loss emerged due to over exploitation of nonrenewable natural resources like minerals, water, gas, etc.
    - Deforestation and Land uses. This type of accounting is not easy, as losses to environment cannot be measured exactly in monetary value. Further, it is very hard to decide that how much loss was occurred to the environment due to a particular industry.

Types Of Green Accounting (Environmental Accounting)

Environmental management accounting: It is the identification, collection, estimation, analysis, internal reporting and use of materials and energy flow information. This type of accounting can be further classified in the following subsystems:

Segment Environmental Accounting: This is an internal environmental accounting tool to select an investment activity, or a project, related to environmental conservation from among all processes of operations, and to evaluate environmental effects for a certain period.

Eco Balance Environmental Accounting: This is an internal environmental accounting tool to support PDCA for sustainable environmental management activities.

Corporate Environmental Accounting: This is a tool to inform the public of relevant information compiled in accordance with the Environmental Accounting. It should be called as Corporate Environmental Reporting. For this purpose the cost and effect (in quantity and monetary value) of its environmental conservation activities are used.

Environmental Financial Accounting: It focuses on reporting environmental liability costs and other significant environmental costs. Environmental National Accounting: It focuses on national resources stoke and externality costs etc.

System of National Account (SNA)

- SNA is the set of account which government compiles routinely to track the activity of their economic.
- SNA data are used to calculate major economic indicators GDP, GNP, saving rate and trade balance figure.
- The system of NA views the relationship between the environmental and the economy free economic perspective only.

Standard National Accounts (SNA) Framework

Net Domestic Product

NDP = C + I – D + X – M

Where:

NDP = Net Domestic Product C = final Consumption I = Investment (fixed capital) D = Depreciation

X = Exports M = Imports

Misleadingly used as measure of welfare, welfare not proportionate to consumption of produced goods.

Gross Domestic Product

The gross domestic product (GDP) is one of the primary indicators used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced over a specific time period; you can think of it as the size of the economy.

The sum of all officially recognized final goods and services produced within a country in a given period of time GDP can be measured using the income approach, the output approach and expenditure approach.

The formula for GDP is which measures the output of a nation by summing:

GDP = C+I+G+Xn

Where

C – The total spending by households on goods and services

I – The investments firms make in new capital or those households make in real estate and homes

G – The spending government does on public goods

Xn – The spending of foreigners on goods produced by our country (Exports) minus the spending our consumers do on goods produced abroad (Imports) The GDP of a particular nation in a particular year therefore equals the sum of C, I, G and Xn.

Importance of GDP

GDP is considered by economists to be the most important measure of economic activity in nations for several reasons:

- It tells us something about the relative size of different countries' economies
- It is a monetary measure, so it tells us how much income a country earns in a year (assuming everything that is produced is sold).

- When we divide GDP by the population, we get GDP per capita, which tells us how many goods and services the average person consumes in a country.
- When real GDP grows more than the population, that tells us that people on average, have more stuff than they did before.
- If you believe that having more stuff makes people better off,
- Then GDP per capita tells us how well off people in society are.

To Account For What GDP Does Not, Economist Have Created Green GDP

The green gross domestic product (green GDP) is an index of economic growth with the environmental consequences of that growth factored into a country's conventional GDP.

Green GDP = GDP – the value of environmental degradation – P

P = all expenditures resulting from cleaning up pollution, avoiding further environmental damage, and health care costs of pollution-induced illnesses

Green GDP is an under-used measure of economic activity which subtracts from real GDP the losses to the environment and biodiversity resulting from economic growth.

Places a monetary value on environmental degradation and subtracts this from the nation's GDP.

Is a measure preferred by environmentalists who believe that economic growth overstates increases in peoples‟ well-being due to the fact that it ignores the externalities that accompany growth?

Implications of Green GDP

- Lower growth rates
- High growth rates would necessitate expenditure to protect and even enhance the environment

According to conventional methods of measurement, China's real GDP has been growing at over 10% per year (for several years), whereas the Green GDP method showed it to be close to zero in some Chinese provinces.

Importance of Green Accounting

GDP growth has become virtually every nation's default measure of progress. For India, its slowing GDP continues to make headlines and is the subject of much debate. Amid concerns from the Government, the business community and citizens on what impact external events such as the evolving European sovereign debt crisis may have on India's growth and jobs, it might also be the perfect time to take a moment and reflect on India's economic journey over the last decade, and ask whether the remarkable GDP growth has been a true measure of the nation's wealth and more significantly, its economic sustainability.

Like all emerging and growing economies, India is facing a catch-22 situation: On the one hand, there is pressure to maintain GDP growth as this is the perceived foundation upon which the future economic security of its growing population is based, but conversely, India must also take into consideration the costs of development and not self-cannibalise its rich natural capital wealth and jeopardise the very future of the people it is trying to secure. Over-reliance on GDP as a measure of economic health can be misleading. As noted long ago by

GDP measures the value of output produced within a country over a certain time period. However, any depreciation measurements used, will account only for manmade capital and not the negative impact of growth on valuable natural capital, such as water, land, forests, biodiversity and the resulting negative effects on human health and welfare. For India, there is much to lose if action is not taken to preserve its natural environment. Its wide range of climate, geography and culture make it unique amongst biodiversity rich nations.

Biodiversity is an incredibly valuable asset. It is the underlying foundation of the earth's ecosystems, the variety and abundance of species that inhabit them and the variability and diversity of genetic material found within them.

It provides numerous benefits, from food and fuel, to services such as freshwater, soil fertility, flood control, pollination of crops and carbon sequestration by forests that are crucial to both environmental and human well-being. To this end, biodiversity loss does not only mean the loss of species, but also the loss of ecosystem functioning. Although India's economic growth is to been couraged, the double-digit GDP fixation is threatening India's biodiversity and ironically, its long-term growth and security.

Livelihoods have been lost, poverty increased, food security threatened and health risks raised. Today, annual economic costs of air pollution, contaminated water, soil degradation, and deforestation are estimated to be close to 10 per cent of India's GDP.

Better macroeconomic and societal indicators are needed to reflect the contribution of biodiversity and ecosystem services to human well-being. One approach that is gaining momentum across the globe is "green accounting" whereby national accounts are adjusted to include the value of nature´s goods and services.

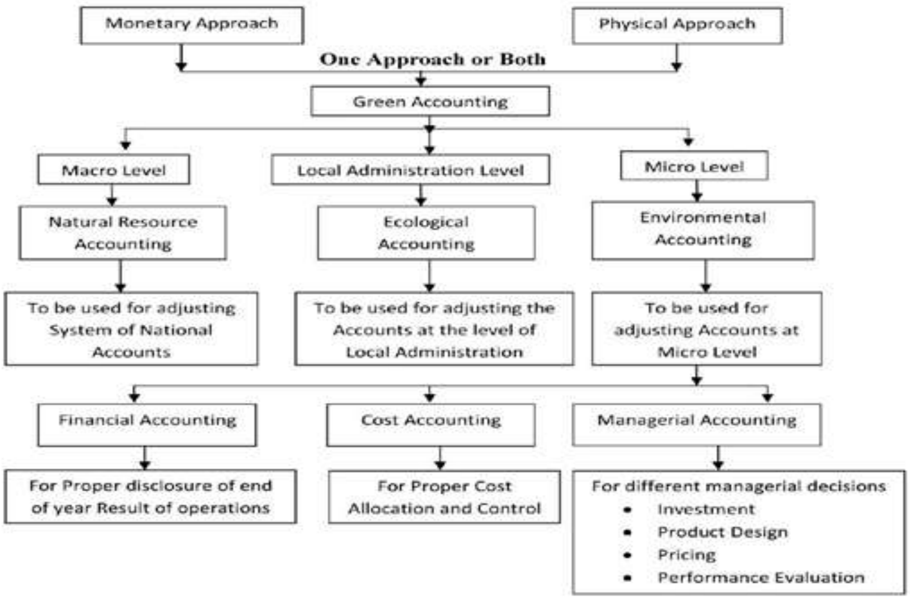
Green Life Cycle

The life cycle of a product, process, system or facility begins with (up-front) acquisition to make it green to the (back-end) decommissioning which can include toxic removal and remediation. Life cycle is a more systematic and complete assessment of a firm's long term costs.

Need of Green Accounting

Practically for developing countries like India it is a twin problem about saving environment and economic development. As the country economic condition is not very strong, hence it should be improved first. A study by World Bank estimated that about 34,000 crores were lost by India due to environmental damage. Company like AT&T is implementing Green accounting.

Approaches and Classification of Green Accounting



Advantages of Green Accounting

- Pollution control
- Sustainable development

- Projection, cost, estimating life cycle in the environment.
- Product circulation, administration form environmental prospective.
- Environmental-centered management system.
- Assessing, testing and reporting performance of environmental activities.

Limitations of Green Accounting

- Lack of standard accounting method
- Social values for environmental goods and services are uncertain and change very rapidly.
- Valuation techniques for environmental goods and services are imperfect and shadow prices are only partial valuations. This applies to both deductive and interrogative techniques.
- Comparison between two countries or firms is not possible if method of accounting is different and which is quite obvious
- It mainly considers internal cost of the company and ignores cost to society.
- Since costs and benefits relevant to the environment are not easily measureable. Hence Input for Green Accounting is not easily available
- Initial cost for its tools and application is high.
- Since it is a long-term process. Therefore, to draw a conclusion with help of it is not easy.
- Large and well managed Business and the Government organizations don"t adequately track the use of energy and material or the cost of inefficient materials use, waste management and related issue. Many organizations, therefore, significantly underestimate the cost of poor environment performance to their organization.
- It cannot work independently. It should be integrated with the financial accounting, which is not easy.
- There is no reliable industry data.

CONCLUSION

India is a big country which is heavily burdened with overpopulation, natural calamities, backlashes of global warming, climate change, pollution, exhaustion of natural resources, ozone depletion, desertification, species decimation, marine pollution and many more environmental hazards. To save and salvage the country, it is highly essential to enact laws and provisions and implement the same without further loss of time. Green accounting for green economy is an important concept that needs to be implemented in India.

SCOPE FOR FURTHER ANALYSIS

This study has made an attempt to analyze the Importance, Concept, Need and limitations of Green Accounting. However, no attempt has been made to make a comparative study of factors among the Green Accounting in corporate level, national & international level.

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AN ANALYTICAL STUDY OF PROFITABILITY OF LIFE INSURANCE COMPANIES IN INDIA: A STUDY OF SELECTED PRIVATE SECTOR INSURANCE COMPANIES

Rajiben Solanki
Research Scholar, Department of Commerce, Saurashtra University
Rajkot, India
Email: rajisolanki26@gmail.com

ABSTRACT

Insurance is a means of protection from financial loss. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss. Insurance has been an important part of the Indian financial system. Life insurance in India is a growth oriented industry. In the year 2000, life insurance industry has been liberalized after more than 50 years of monopoly with LIC. During the period of 13 years after liberalization, private life insurances have launched many innovations in the industry and it is at this juncture it has become imperative to study the profitability performance of these companies. Five life insurance companies have been selected for the study.

Keywords: Insurance; Net Premium; Operating Income; Investment Incom; F- Test

INTRODUCTION

The life insurance companies have taken its real shape in India when the IRDA has been set up in the year 2000 and the monopoly business right of LIC (Life Insurance Corporation in India) in life insurance is abolished. The Malhotra Committee on the reform in the insurance sector has suggested for co- existence of both the public company and the private companies side by side and the Life Insurance Corporation of India is now facing competition from private Life Insurance Companies. As a result of entry of private life insurance companies in India, the industry has made a. speedy growth

REVIEW OF LITERATURE

Hussain (2010) has evaluated the growth of LIC during post privatization period from 2004-05 to 2008-09 where parameters used are premium, commission, operating expenses etc. and the analysis finds that the increase in commission expenses being lower than the increase in gross premium and other operating expenses compared to premium underwritten is on the higher side.

Gulti and Jain (2011) have studied the comparative performance of all players of Indian life insurance industry relating to agency force, premium income, no. of policies etc. and have found that the entry of private players in life insurance sector has resulted in a drop of market share of LIC.

Manisha modi (2011) has made a study on four non- life insurance companies in India relating to underwriting performance, management soundness, investment performance by analyzing various ratios and the outcome of the study is that the overall management and profitability of all the companies during the study period has improved substantially.

Tiwari (2012) has analyzed the trend of total premium; total no. of policies, total income, market share etc. and the findings reveal that the life insurance industry has made a remarkable growth of premium after the entry of private players and LIC is still better than private life insurance companies.

OBJECTIVE OF THE STUDY

The main objective of the study is to measure and analyze the profitability performance of selected Private life insurance companies in India.

HYPOTHESES OF THE STUDY

Ho: There is no significant difference in the ratio of Income from investment to total investment of select life insurance companies in India during the study period.

Ho: There is no significant difference in the ratio of profit before tax to net premium of select life insurance companies in India during the study period.

Ho: There is no significant difference in the ratio of change in policy liabilities to net premium of select life insurance companies in India during the study period.

Ho: There is no significant difference in the ratio of benefits paid to net premium of select life insurance companies in India during the study period.

Ho: There is no significant difference in the ratio of profit after tax to net premium of select life insurance companies in India during the study period.

SAMPLE OF THE STUDY

The universe of the study is all life insurance companies in India. Five life insurance companies namely, AVIVA, BAJAJ ALLIANZ, HDFC STANDARD, ICICI PRUDENTIAL, and SBI LIFE have been selected on the base of convenient sampling method.

PERIOD OF THE STUDY

The researcher has undertaken the study is for 5 years starting from 2010-11 to 2014-15.

SOURCE OF DATA

This study mainly depends on the secondary data that consists of annual report of the private sector life insurance companies.

Tools and Technique

The present study is an analytical study. For the analysis of data in the form of various profitability ratios, the statistical tools like average, ANOVA has been employed.

ANALYSIS AND DISCUSSION

Table 1 shows the ratio of income from investment to total investment of selected life insurance companies for the period of 2010-11 to 2014-15. It is observed that the income from investment to total investment, on average is highest for AVIVA is 22.395 %, and lowest for HDFC is 8.609% during the study period.

Table 1. Ratio of incomes from investment to total investment (%)

Year	AVIVA	BAJAJ	HDFC	ICICI	SBI
2010-11	28.49173	9.947554	7.698031	9.161293	7.443494
2011-12	45.55849	-0.10004	0.740855	-0.20142	1.3081
2012-13	17.33834	7.961988	6.293498	8.382783	8.739583
2013-14	11.92501	12.67185	10.04041	11.49309	11.29091
2014-15	8.663772	17.12593	18.27594	18.81322	14.7621
Average	22.39547	9.521458	8.609746	9.529793	8.708838

Source: computed from annual reports of selected companies

Table 2. Ratio of profit before tax to net premium (%)

Year	AVIVA	BAJAJ	HDFC	ICICI	SBI
2010-11	1.225924	11.2965	1.105563	4.752532	3.052871
2011-12	1.197089	17.63878	2.670086	10.14311	4.618511
2012-13	1.494859	19.65689	4.047654	11.69838	6.568992
2013-14	2.795926	20.12339	5.364704	11.92219	7.788235
2014-15	2.793041	16.92667	5.450112	10.46064	7.386547
Average	1.901368	17.12845	3.727624	9.795371	5.883031

Source: computed from annual reports of selected companies

Table 2 shows the ratio of profit before tax to net premium of selected life insurance companies for the period of 2010-11 to 2014-15. It is observed that profit before tax to net premium, on average is highest for BAJAJ is 17.128% and lowest for AVIVA is 1.901% during the study period.

Table 3 shows the ratio of change in policy liabilities to net premium of selected life insurance companies for the period of 2010-11 to 2014-15. It is observed that change in policy liabilities to net premium, on average is highest for BAJAJ is 508.553% and lowest for HDFC is 93.787% during the study period.

Table 3. Ratio of change in policy liabilities to net premium (%)

Year	AVIVA	BAJAJ	HDFC	ICICI	SBI
2010-11	293.9233	383.623	57.2138	33.61053	103.1391
2011-12	288.5718	479.6978	72.7745	59.86546	139.7582
2012-13	330.8651	487.4756	88.61965	82.18978	221.3244
2013-14	388.7268	575.0201	119.7323	577.5379	251.429
2014-15	460.6792	617.7998	130.5961	607.0665	257.1234
Average	352.5532	508.7233	93.78729	272.054	194.5548

Source: computed from annual reports of selected companies

Table 4. Ratio of benefits paid to net premium (%)

Year	AVIVA	BAJAJ	HDFC	ICICI	SBI
2010-11	50.73236	52.05187	31.61353	3.082723	22.15133
2011-12	60.42569	24.58398	29.09912	2.125234	35.95511
2012-13	93.10543	28.54942	37.76644	3.99486	72.95203
2013-14	102.2715	0.390108	38.92571	5.855066	82.63336
2014-15	98.7485	0.364031	55.29157	5.61329	63.77884
Average	81.05669	21.18788	38.53927	4.134235	55.49413

Source: computed from annual reports of selected companies

Table 4 shows the ratio of benefits paid to net premium of selected life insurance companies for the period of 2010-11 to 2014-15. It is observed that the benefits paid to net premium, on average is highest for AVIVA is 81.056% and lowest for ICICI is 4.134% during the study period.

Table 5 shows the ratio of profit after tax to net premium of selected life insurance companies for the period of 2010-11 to 2014-15. It is observed that the profit after tax to net premium, on average is highest for ICICI is 31.722, and lowest for AVIVA is 1.412% during the study period.

Table 5. Showing Ratio of the ratio of profit after tax to net premium (%)

Year	AVIVA	BAJAJ	HDFC	ICICI	SBI
2010-11	1.136378	11.03927	-1.10556	4.604789	2.83783
2011-12	1.192122	17.63878	2.670086	9.938124	4.249116
2012-13	0.619432	18.19384	4.009994	11.14931	5.992712
2013-14	1.946126	17.74084	6.055895	122.1417	6.944947
2014-15	2.168406	14.7329	5.320933	10.77996	6.529504
Average	1.412493	15.86913	3.390269	31.72277	5.310822

Source: computed from annual reports of selected companies

TESTING OF HYPOTHESIS: ONE WAY ANOVA

1.	**Incomes from investment to total investment Ratio**				
Source of Variation	SS	DF	MS	$F_{Cal.}$	$F_{Tab.}$
Between Groups	711.6577	4	177.9144	2.356703	2.866081
Within Groups	1509.859	20	75.49293		
Total	2221.516	24			
2.	**The profit before tax to net premium Ratio**				
Source of Variation	SS	DF	MS	$F_{Cal.}$	$F_{Tab.}$
Between Groups	729.9531	4	182.4883	31.39866	2.866081
Within Groups	116.2395	20	5.811977		
Total	846.1926	24			
3.	**The change in policy liabilities to net premium Ratio**				
Source of Variation	SS	DF	MS	$F_{Cal.}$	$F_{Tab.}$
Between Groups	497617.8	4	124404.4	5.91305	2.866081
Within Groups	420779.3	20	21038.96		
Total	918397	24			
4.	**The benefits paid to net premium Ratio**				
Source of Variation	SS	DF	MS	$F_{Cal.}$	$F_{Tab.}$
Between Groups	50621.6	4	12655.4	35.34969	2.866081
Within Groups	7160.119	20	358.006		
Total	57781.72	24			
5.	**The profit after tax to net premium Ratio**				
Source of Variation	SS	DF	MS	$F_{Cal.}$	$F_{Tab.}$
Between Groups	3169.363	4	792.3408	1.534135	2.866081
Within Groups	10329.48	20	516.474		
Total	13498.84	24			

The above table display the result of the calculation of one-way ANOVA for the ratio of incomes from investment to total investment, profit before tax to net premium, change in policy liabilities to net premium, benefits paid to net premium, profit after tax to net premium of selected life insurance companies. Here, calculated value of F-test is 2.35, 31.40., 5.92, 35.35 and1.53 respectively. the table value of F-testis at 5% level of significance and where degree of freedum is (4,20) 2.86. Hence, the calculated value is less then the table value in case of ratio of incomes from investment to total investment and profit after tax to net premium. So, null hypotysis (H0) is accepted. It indicates that the difference in income from investment to total investment and profit after tax to net premium are not significant. The calculated value is more then the table value in case of ratio of Profit before tax to net premium, change in policy liabilities to net premium, benefits paid to net premium. So null hypothesis is rejected in these cases means there is significant.

FINDING OF THE STUDY

1. The analysis of variance indicates that there is no significant difference in the ratio of income from investment to total investment and profit after tax to net premium of selected private life insurance companies during the study period.
2. The study does find any significant difference in the ratio of profit before tax to net premium, change in policy liabilities to net premium and benefits paid to net premium of selected private life insurance companies during the study period..

LIMITATION OF THE STUDY

1. The study covers only five Private sector life insurance companies of India so it may not generalize to whole population.
2. The data which has been used for the study mainly secondary data, so limitation of secondary data remains with it and also applies to this study
3. The study covers only five years.
4. The statistical techniques have their own limitation it also applies to this study.

CONCLUSION

The study has aimed to examine the profitability of life insurance companies. For measuring the profitability of the companies various ratios have been calculated. The private sector life insurances companies should strive to increase its business by issuing more and more policies in order to retain its market share in the competitive scenario.

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GO GREEN WITH GREEN HUMAN RESOURCE MANAGEMENT PRACTICES

Alka Solanki
Research Scholar, Saurashtra University, Rajkot
Email: alka.1951993@gmail.com

ABSTRACT

The present study highlights that Green HRM can play a pioneering role in realizing the aim of sustainable development whilst meeting economic, social and other goals. The biggest boon for organizations that follow Green HRM are in the form of improvised company image, brand image and the improved relationships with customers, suppliers, employees and government. Green HRM can play a central role in generating awareness among employees and other stakeholders for protection of environment and switching to green practices. Apart from this intrinsic benefit, Green HRM can play a useful role in employee retention.

Keywords: Sustainable; Green HRM

INTRODUCTION

Uncontrollable deterioration of the Earth's resources has put us in a situation where earth's resources are getting depleted at a rate which supersedes the replenishment rate of resources. Currently we are consuming more natural resources than our planet earth can replenish. If this rate continues it is obvious that at a certain stage even two planets will not be enough to fulfill our needs.

The dawn of the age of science and technology brought revolutionizing growth and development of human potential. This success followed to the extent wherein, man became a supreme being and stepped into a position where he even defies laws of nature. Rising pollution, shrinking water bodies, reduced forest cover, alarming levels of carbon dioxide and a host of other environmental problems we are facing speaks volumes about the pressure we are putting on the planet. The regular depletion in the quality and quantity of natural resources and the ability of our planet to support a quality life in future is quite apocryphal.

The paramount need to protect environment via controlling deforestation, bringing pollution levels in control and carbon dioxide emissions laid the foundation of Green movement, a philosophy that advocates realization of sustainable living that is living within one's fair share of the planet's resources to improve quality of life without affecting the needs of future generations. The Green movement found its takers in all fields of management, be it marketing management, production management or supply chain management. Green movement ideologies have been incorporated around the central tenants of marketing, production and supply chain activities and the recent inclusion to this movement is Green Human Resources Management Green HRM).

LITERATURE REVIEW

There are a wide range of factors which influences the adoption of an environmental strategy by a company (Berry and Rondinelli, 1998; Haden et. al., 2009) including financial performance (Sroufe, 2003), stakeholder pressure (Gonzalez-Benito 2006), corporate image and intellectual capital (Boselie et. al., 2001) and competitive advantage (Lin et. al., 2001) as emerging to be the most concerned and important reasons. Cherian & Jacob (2012) identified that employees who are actively involved in environment management principles may play a vital role in arriving at better environmental strategies to be implemented. Employees may feel empowered to adopt specific environment management principles as a result of promoted human resource policies which present better opportunities for improvements related to reduction of waste and promotion of lean manufacturing. This also may help in arriving at greener products and green savings from waste elimination. The promotion of such values will also indirectly improve consumer satisfaction. Renwick et. al., (2013) worked extensively in identifying literature gap in the area of Environmental Management (EM) and Human Resource Management and observed that some organisations limit their effectiveness in efforts to improve EM as most do not practice the wider initiatives of Green HRM practices.

The phenomenon of Liberalization, Privatization and Globalization has created an environment in which organizations are moving beyond the traditional boundaries of profits and shareholders to multiple stakeholders, the realization to the natural environment, planet protection, health of people, empowering poor and development of community by fostering diverse types of innovation is becoming more essential. Towards this backdrop the present study focus on green HRM initiatives to be taken by the organizations towards social and organizational goals.

OBJECTIVES OF STUDY

The objective of the present paper has been to create awareness about environmental problems and suggest the ideologies of green movement which can be envisaged through the HRM processes besides the quick benefits that an organization can attain by going green.

Green HRM - A Concept

Green Human Resources Management encompasses all those activities, practices and behaviour of the organization which are directed towards maintaining ecological balance while carrying out various activities in HR process including recruitment, selection, induction, training and development, performance appraisal and compensation management.

Green HRM has emerged as a crucial area of management which can have profound impact on people working in the organization and on the organization towards addressing environmental issues. Adopting HR policies and practices which address green issues can play unparallel role in generating awareness about environment issues. Human beings can invent eco-friendly materials, equipment etc. but unless the thinking and behaviour of human beings is made conducive to support the cause of green movement, all other efforts won't prove much fruitful. In this scenario, Green HRM can shoulder the responsibility of encouraging and motivating workforce towards adopting green practices and switching over to more responsible and sustainable activities. The way offices are lighted, vehicles are driven, factories are run on fuel and similar other actions have an impact on our planet. Green initiatives like carpooling, recycling and reducing use of paper, telecommuting waste management and Eco-driving can be significant in developing an environmentally awared culture.

From HRM To Green HRM

The human resource management of any organization is involved in carrying out various functions like recruitment, selection, induction, training and development programs, performance appraisal and reward management. The HR department can take green initiatives in all these functions to help build a green organization. The contemporary HR managers have responsibility of incorporating green philosophies down into various functions to develop an environmental friendly organization. This can actively happen by taking a green approach while carrying out the following activities:

Recruitment and Selection Process

Recruitment and Selection can turn out to be a key factor in highlighting the green concerns of an organization. Job descriptions can be used strategically to attract candidates who share similar ideology with organization regarding their concerns about environmental sustainability and preservation.

The remarkable progress in the field of science and technology has revolutionized the pace and mode of communication. The on boarding process of HR can employ video-conferencing, teleconferencing, online tests to carry out recruitment and selection of employees. The Green initiatives in recruitment and selection can help companies find alternative cost effective methods to bring down costs. In spite of banking on traditional modes of advertising and communication, companies can post the vacancies in their organization on their website and other job portals. Resumes, cover letters, offer letters, acceptance letters and all other forms of notifications and responses can be submitted and accepted online. These methods will not only assure significant reduction in advertisement costs but will increase the reach of their advertisements besides being Green.

Training and Development

Training and development can be tailored to focus on the green issues. While designing Training and Development Programs, it should be taken into consideration that whenever and wherever it is feasible, online training should be preferred over offline modes of training. The course material to be essential part of the training and development should be made available online, thereby reducing paper consumption.

The training and development programs should comprise of workshops, lectures, demonstrations and sessions that promptly focus on the environmental issues and the numerous ways in which individual and team efforts could be effective in fighting pollution and ensuring sustainable living. Training and development programs can be used to generate awareness related to crucial environmental issues like waste management, energy conservation, reducing carbon footprints etc.

Performance Appraisal and Performance Management

Performance Appraisal and Performance Management should be designed in such a way that it attributes significant importance to green skills, green targets and green behaviour in key performance areas. Whilst establishing benchmarks of performance and setting standards for measuring performance of employees, the green initiatives taken by the employees should be made countable. The individual and team efforts taken by employees towards creating awareness about environmental problems and suggesting Green solutions to such problems should be appreciated and positively reinforced to ensure repetition of such behaviour. The green habits of employees like eco-driving; carpooling, waste management should be encouraged. Negative reinforcements should be awarded to those who don't take care of the green concerns of the organization.

Rewards and Compensation

The compensation management should be developed and designed to acknowledge the green initiatives taken by employees in the form of increased pay, incentives and other benefits. The compensation system should be tailored to reward green behaviour and accomplishment of green targets by employees. In this context, both monetary and non-monetary rewards can be allocated to green achievers in order to encourage them and motivate others to maintain a Green attitude in their activities. Monetary rewards can be allocated in the form of increased pay, cash premiums, bonuses, special discounts on purchase of company's products. Non-monetary benefits could be allocated in the form of special holiday leave, gifts, promotions etc.

CONCLUSION

Green HRM can play a pivotal role in making organizations environment friendly. There is a growing global consensus that organizations should actively incorporate Green ideology in management practices. The growing awareness of the people related to environment issues is transforming the world into a green economy. Against this backdrop, organizations which address green issues and take green initiatives, should integrate environmental management into human resources management. In response to ever growing expectations of customers and other stakeholders the organizations are likely to enjoy competitive gains in the form of improvised corporate and brand image. The green conscious organizations will be seen as a responsible entity in the market. Green HRM can help organizations build a strong relationship with customers, suppliers and government agencies. An organization that shows concern for environment is seen as a good corporate entity and this image will help organizations to build their loyal customer groups and gain the confidence of this group in times of difficulties.

Apart from the built in benefit of addressing environmental issues, the biggest boon for green organization lies in the noticeable improvement in work force's faith in the quality of vision and mission statements. Going Green can help organizations motivate its workforce positively, reduce their burnout and absenteeism and ensure greater productivity. Green Image of organization has the effect making it easier to attract and retain people in top management. This can be assumed from the fact that most people want to be associated with something good and what can be better than being recognized as a person who is associated with a responsible Green organization.

Green initiatives will help organizations significantly reduce the costs, by adopting green practices like waste management, carpooling, eco- driving and recycling, while simultaneously reducing their carbon foot-print.

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A COMPARATIVE STUDY ON DISBURSEMENT OF LOANS AND ADVANCES OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS IN INDIA

Rajiben Solanki
Research Scholar, Department of Commerce, Saurashtra University
Rajkot, India
Email: rajisolanki26@gmail.com

ABSTRACT

In modern economy commercial Banks play an important role in the financial sector. Credit money is the major component of money supply in a modern economy. Commercial banks are the creators of credit. The strength of economy of any country basically depends on a sound and solvent banking system. It is a fact finding study aimed at analyzing the loans and advances and of select (Five) public sector and private sector banks over a period of five years (i.e. from 2010-11 to 2014-15), with the help of select indicators like loans and advances, total advances to total assets ratio, net profit to total advances ratio, investment to total advances ratio, term loan as percentage of total advances ratio, total advances as percentage of total deposits ratio. The analysis was made by the application T- test.

Keywords: Public Sector Bank; Private Sector Bank; Loan And Advances; Null Hypothesis; T- Test

INTRODUCTION

Commercial banks form a significant part of the country’s Financial Institution System. Commercial Banks are those profit seeking institutions which accept deposits from general public and advance money to individuals like household, entrepreneurs, businessmen etc. with the prime objective of earning profit in the form of interest, commission etc. The primary function of commercial banks is to collect deposits from the public. Such deposits are of three main types: current, saving and fixed. Commercial banks have to keep a certain portion of their deposits as legal reserves. The balance is used to make loans and advances to the borrowers. Individuals and firms can borrow this money and banks earn profits by charging interest on these loans. In developing countries like India commercial banks perform certain promotional activities. For example, nationalized banks in India provide credit to the top priority sectors of the economy such as agriculture, and small-scale and cottage industries. In this way commercial banks help to promote the socio-economic development of the nation.

REVIEWS OF LITERATURE

Jasmindeep Kaur(2011),has studied on performance review of commercial banks in India with special reference to priority sector lending. He concluded that during the post reforms, priority sector advances of private sector banks grew faster than that of public sector banks. It has been found that on the whole, private sector banks in India were giving higher attention to priority sector of the economy than public sector banks during the study period.

Anbalagan (2013), the researcher has observed that there is increase in advances over the period of the study. It is found on the basis of analysis that there is considerable development in the management of nonperforming assets in India. The study finally viewed that the prudential norms and other schemes has rushed banks to improve their performance and accordingly resulted into orderly down of NPA as well as enhancement in the financial strength of the Indian banking structure.

Sambhav Garg, Priya Jindal, Bhavet (2013), researchers have examined the performance of Indian scheduled commercial banks. They conclude that commercial banks should focus on mobilizing more deposits as this will improve their lending performance and should formulate realistic and comprehensive strategic and financial plans.

Sudhakara Rao(2013), researcher has analyzed the loans and advances and overdue of select UCBs in Coastal Andhra region of Andhra Pradesh over a period of ten years. This paper focuses on the growth and composition of loans and advances and impact of overdues on performance of sample UCBs in Coastal Andhra region of Andhra Pradesh.

Venugopal.G (2014), has examined priority sector lending by financial institutions. he concluded that the overall performance of Private sector banks is good followed by Public Sector commercial banks and other Agencies in lending to the agricultural sector and services sector. But, in Public sector commercial banks is good in lending to Industrial sector and total priority sector advances followed by Private sector commercial banks and other Agencies. The other agencies show poor performance during the period under study.

OBJECTIVES OF THE STUDY

1. To examine the growth of loans and advances in sample public sector and private sector banks;
2. To analyze the bank's performance in the matter of deployment of credit.

HYPOTHESES

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

- Ho: There is no significant difference between public and private sector banks with respect to total advances as percentage of total assets ratio during the study period.
- Ho: Public sector and private sector banks differences in the net profit as percentage of total advances ratio under study period are not significant.
- Ho: There is no significant variation between public sector and private sector bank with regard to ratio of investment to total advances during the study period.
- Ho: There is no significant difference in the ratio of term loan to total advances between public sector and private sector banks during the study period
- Ho: Public sector and private sector banks differences in the total advances to total deposits ratio under study period are not significant.

Sample Frame

The selection procedure of the sample is not random. The selection of sample for the study is on the basis of convenient sampling method which is non- probability sampling method. The researcher has select five public sector and five private sector banks for the study, which are as under.

Sr. No.	Public sector bank	Private sector bank
1.	Bank of Baroda	Axis bank Ltd.
2.	Bank of India	HDFC Bank Ltd.
3.	Central Bank of India	ICICI Bank Ltd.
4.	Dena Bank	Kotak Mahindra Bank Ltd.
5.	Punjab National Bank	Yes bank Ltd.

SOURCES OF DATA

The study is based on secondary data. The data relating to loans and advances of commercial public sector and private sector banks are collected from the annual reports of these banks.

Tools and Techniques

The researcher has employed ratio analysis and t-test test for fulfilled the objectives.

ANALYSIS AND DISCUSSION

Table 1. Ratio of Total advances to Total assets (In %)

Year	Public sector banks					Private sector banks				
	BOB	BOI	CBI	DB	PNB	AXIS	HDFC	ICICI	KMB	YES
2010-11	63.81	60.68	61.85	63.28	63.99	58.67	57.68	53.26	57.68	58.24
2011-12	64.24	64.71	64.19	64.87	64.12	59.43	57.83	51.88	59.51	51.60
2012-13	59.98	63.93	64.12	57.99	64.47	57.84	59.88	54.07	57.91	47.42
2013-14	60.20	64.68	61.25	62.11	63.46	60.03	61.64	56.96	60.54	51.03
2014-15	59.87	64.98	60.42	60.76	63.07	60.85	61.90	59.98	62.41	55.48
Average	61.62	63.79	62.36	61.80	63.82	59.36	59.78	55.23	59.61	52.75

Source: computed from annual reports of selected banks

The above table shows the ratio of total advances to total assets of selected banks for the period 2010-11 to 2014-15. It is observed that the ratio of total advances to total assets, on average, is highest for PNB (63.82%) and lowest for YES Bank Ltd. (52.75%) during the study period.

T- test- Total advances to Total assets Ratio of Select public and private sector banks

Banks	N	Mean	Variance	D.F.	T_{cal}	T_{tab}	Ho /H1
Public sector	5	62.68	1.061049	8	5.64	2.30	H 1
Private sector	5	57.34	3.407545				

T-test indicates that there was significant difference in the total advances as a percentage of total assets in selected public and private sector banks. Because the calculated value of T was higher than the tabulated value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

Table 2. Ratio of Net profit to Total advances (In %)

Year	Public sector banks					Private sector banks				
	BOB	BOI	CBI	DB	PNB	AXIS	HDFC	ICICI	KMB	YES
2010-11	1.85	1.17	0.97	1.36	1.83	2.38	2.45	2.38	2.79	2.12
2011-12	1.74	1.08	0.36	1.42	1.66	2.50	2.64	2.55	2.78	2.57
2012-13	1.37	0.95	0.59	1.23	1.54	2.63	2.81	2.87	2.81	2.77
2013-14	1.14	0.74	-0.71	0.71	0.96	2.70	2.80	2.90	2.83	2.91
2014-15	0.79	0.42	1.28	0.34	0.80	2.62	2.79	2.88	2.82	2.65
Average	1.37	0.87	0.49	1.01	1.35	2.56	2.70	2.72	2.81	2.60

Source: computed from annual reports of selected banks

The above table represents the ratio of net profit to total advances of selected banks for the period 2010-11 to 2014-15. It is observed that the ratio of net profit to total advances, on average, is highest for KMB (2.81%) and lowest for CBI (0.49%) during the study period.

T- test- Net profit to Total advances Ratio of Select public and private sector banks

Banks	N	Mean	Variance	D.F.	T_{cal}	T_{tab}	Ho /H1
Public sector	5	1.02	0.13	8	9.26	2.30	H 1
Private sector	5	2.68	0.02				

T-test indicates that there was significant difference in the net profit as a percentage of total advances in selected public and private sector banks. Because the calculated value of T was higher than the tabulated value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

Table 4. Ratio of Investment to Total advances (In %)

Year	Public sector banks					Private sector banks				
	BOB	BOI	CBI	DB	PNB	AXIS	HDFC	ICICI	KMB	YES
2010-11	31.22	40.30	42.02	41.87	39.31	50.55	44.34	62.25	58.38	54.79
2011-12	28.95	34.86	40.16	40.62	41.77	54.90	49.88	62.89	55.19	73.07
2012-13	36.99	32.70	42.23	52.21	42.07	57.74	46.56	59.05	59.57	91.44
2013-14	29.25	30.79	48.58	47.21	41.17	49.35	39.92	52.26	48.06	73.61
2014-15	27.98	29.80	50.66	46.23	39.75	47.08	45.54	48.15	45.98	61.69
Average	30.88	33.69	44.73	45.63	40.82	51.92	45.248	56.92	53.44	70.92

Source: computed from annual reports of selected banks

The above table represents the ratio of investment to total advances of selected banks for the period 2010-11 to 2014-15. It is observed that the ratio of investment to total advances, on average, is highest for YES Bank Ltd. (70.92%) and lowest for BOB (30.88%) during the study period.

T- test- Investment to Total advances Ratio of Select public and private sector banks

Banks	N	Mean	Variance	D.F.	T_{cal}	T_{tab}	Ho /H1
Public sector	5	39.15	2.01	8	6.75	2.30	H 1
Private sector	5	55.68	27.94				

T-test indicates that there was significant difference in the investment as a percentage of total advances in selected public and private sector banks. Because the calculated value of T was higher than the tabulated value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

Table 5. Ratio of Term loan to Total advances (In %)

Year	Public sector banks					Private sector banks				
	BOB	BOI	CBI	DB	PNB	AXIS	HDFC	ICICI	KMB	YES
2010-11	44.25	38.38	69.26	48.31	49.84	72.99	60.67	78.12	76.60	79.66
2011-12	44.14	40.03	65.21	50.36	48.59	70.09	58.63	84.88	76.92	74.69
2012-13	43.09	39.85	62.17	53.44	46.46	69.41	55.40	82.33	77.01	71.58
2013-14	41.64	40.35	61.14	50.12	41.91	68.68	54.48	81.22	74.42	72.02
2014-15	40.74	44.22	60.24	52.45	40.55	69.54	56.22	79.28	74.28	74.88
Average	42.77	40.56	63.60	50.93	45.47	70.14	57.08	81.16	75.84	74.56

Source: computed from annual reports of selected banks

The above table represents the ratio of term loan to total advances of selected banks for the period 2010-11 to 2014-15. It is observed that the ratio of term loan to total advances, on average, is highest for ICICI (81.16%) and lowest for BOI (40.56%) during the study period.

T- test: Term loan to Total advances Ratio of Select public and private sector banks

Banks	N	Mean	Variance	D.F.	T_{cal}	T_{tab}	Ho /H1
Public sector	5	48.66	1.66	8	26.26	2.30	H 1
Private sector	5	71.76	2.20				

T-test indicates that there was significant difference in the term loan as a percentage of total advances in selected public and private sector banks. Because the calculated value of T was higher than the tabulated value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

Table 6. Ratio of Total advances to Total deposits (In %)

Year	Public sector banks					Private sector banks				
	BOB	BOI	CBI	DB	PNB	AXIS	HDFC	ICICI	KMB	YES
2010-11	59.42	71.30	72.32	69.82	77.38	75.25	76.69	95.91	100.23	74.80
2011-12	74.67	78.20	75.20	73.47	77.39	77.13	79.21	99.30	101.40	77.29
2012-13	69.26	75.78	76.06	67.67	78.86	77.97	80.92	99.19	94.98	70.20
2013-14	69.79	77.73	73.86	70.49	77.37	81.89	82.49	102.04	89.76	74.99
2014-15	69.32	75.58	73.75	68.08	75.90	87.17	81.07	107.17	88.37	82.86
Average	68.49	75.72	74.23	69.91	77.38	79.88	80.07	100.72	94.95	76.03

Source: computed from annual reports of selected banks

The above table represents the ratio total advances as percentage of total deposits of selected banks for the period 2010-11 to 2014-15. It is observed that the ratio of total advances as a percentage of total deposits, on average, is highest for ICICI (100.72%) and lowest for BOB (68.49%) during the study period.

T- test- Total advances to Total deposits Ratio of Select public and private sector banks

Banks	N	Mean	Variance	D.F.	T_{cal}	T_{tab}	Ho /H1
Public sector	5	73.14	4.40	8	10.30	2.30	H 1
Private sector	5	86.33	3.79				

T-test indicates that there was significant difference in the term loan as a percentage of total advances in selected public and private sector banks. Because the calculated value of T was higher than the tabulated value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

FINDING OF THE STUDY

1. The average total advances as a percentage of total assets ratios were higher in the public sector banks (i.e.62.68%) as compared to private sector banks.
2. Researcher has found that the average net profit as percentage of total advances ratio was higher in private sector banks (2.68%) as compared to public sector banks. So, private sector performing better than the public sector banks concern to advances.
3. Researcher has also found that the average investment as percentage of total advances ratio was higher in private sector banks (55.68%) as compared to public sector banks. It show that private sector banks do more investment also.
4. The average term loan as a percentage of total advances ratio was higher in the private sector banks (i.e.71.76%) as compared to public sector banks. So, private sector performing better than the public sector banks concern to term loan.
5. Researcher has found that the average total advances as a percentage of total deposits ratio was higher in the private sector banks (i.e. 86.33%) as compared to public sector banks. So, private sector banks were more reliance on deposits for lending as compared to public sector banks

LIMITATIONS OF THE STUDY

1. This study is mainly based on secondary data, data taken from the published annual reports, website etc.
2. The statistical techniques have their own limitations. They also apply to this study.
3. The researcher is confined to the loan and advances only.
4. This study covers five year only.

CONCLUSION

Based on the analysis of loans and advances and the following inferences are drawn with regard to performance of sample banks. There is significant difference among private sector and public sector banks in lending to loan and advances during the study period. The overall performance of private sector banks is good as compared to public sector banks in case of disbursement of loan and advances.

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A STUDY ON THE IMPACT AND INFLUENCE OF BRAND REPOSITIONING STRATEGIES ON MEDIA BRANDING WITH REFERENCE TO MEDIA INDUSTRY IN KARNATAKA

Dr. Chaitra Bocheer
Associate Professor, Bangalore Institute of Technology, India
Email: chaitranandi@gmail.com

Dr. Mahesh Kempegowda
Associate Professor, Bangalore, India
Email:vtudr5@gmail.com

ABSTRACT

A study on the impact and influence of brand repositioning strategies on media branding with reference to media industry in Karnataka. Base for a brand's success is that the owner by himself decides what this base should be and which value it should give the customer but it is as well significant that the brand owner points out the advantages that the customers finds important and that the company is on the same side able to live up to this. There is a tough competition between various Kannada entertainment channels in order to grab the potential viewers. Kasturi Entertainment Medias is existing entertainment channel with less TRP. Hence the problem here is the prior positioning of this channel in the audiences view. It is a challenge for the channel to reposition itself and attract larger segments of audiences by understanding their pulses. If repositioning a brand identity without any signals of diminishing market share and customer interest, can make company appear as very fragile and even schizophrenic.

Keywords: Brand Identity; Consumers; Brand Personality; Repositioning Strategies and Industry; Entertainment and Karnataka

INTRODUCTION

This project aims at creating a practical awareness, experience and introduction for the students by giving a chance to know, observe and learn the nature, vision, purposes and performance of an organisation and the activities in the organisation. This would allow me to get a practical and immediate feel of the various aspects of an organisation and relate it to the concepts and theories studied so far in the class room. This exercise would enable the future managers to face the challenges lying ahead. It also enables to create a good relationship with the officials. A study on the impact and influence of brand repositioning strategies on media branding with reference to kasturi medias private limited.

STATEMENT OF THE PROBLEM

The main aim of the research is to provide guidance to Kasturi Entertainment Medias to reposition in a better ways so that it can target more audiences and reach them more effectively. Kasturi Entertainment channel is one of the channels in the media industry which wants to reposition itself due to various problems faced in reaching the viewers with respect to its competitors.

NEED OF THE STUDY

There is an enormous competition in the field of media to attract the viewers. The outcome of this study helps the organisation to understand the consumer expectation better and reposition itself in ways that would be able to attract the larger segment of potential viewers which would be helpful in increasing its TRP.As the channel wants to reposition itself better in the minds of the viewers. This study would serve as a guide in the process of reposition.

The channel already exists and has its position in minds of the audiences which is not much successful. Hence there is a huge need to reposition this channel carefully so that the perception about the channel changes from non acceptance level to acceptance level.

Maximum programs telecasted on this channel have failed to understand the audiences pulse.The need to understand the customer expectation is very important to reposition itself better, failing on which there would be chances to get eliminated from being audiences choice.

OBJECTIVES OF THE STUDY

1. To identify the measures for repositioning the channel.
2. To understand the audiences expectation in viewing the channel.
3. To understand the comparative study of the various channels.
4. To enhance the competitive intelligence.
5. To suggest the measures to enhance the TRP of the channel.

SCOPE OF THE STUDY

Since we have many kannada entertainment channels I have focused on Kasturi entertainment channel which provides entertainment and various beneficiary programs to the audiences.

The repositioning of this channel will be useful in grabbing the audiences preferences and attracting more and more audiences in viewing the channel. This research is focused on various regions of Bangalore where the kannada viewership is more

RESEARCH METHODOLOGY

Research: Descriptive Research

Data Sources: 1. Primary data 2. Secondary Data

Research Approach: Survey Method

Research Instrument: Questionnaire

Type of Questionnaire: Structured non-disguised

Types of Questions: Open ended, Close ended, Dichotomous

Sampling Plan

1. Sampling Unit: Comparative study
2. Sample Size: 100 respondents
3. Sampling Procedure: Simple Random Sampling
4. Contact method: Personal

Mode of Collecting Data

The respondents will be chosen randomly and requested to grant interviews. The questions will then be asked in the predetermined sequence. The secondary data will be collected from various books, journals, reports, company's data base, internet etc...

Data Processing

1. A number of tables to be prepared to bring out the main characteristics of the collected data.
2. Inference to be drawn from the data collected.

LITERATURE REVIEW

(Keller 2007; Macdonald & Sharp 2003) - Brand recall relates to consumers' ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category or a usage situation as a cue. Brand recognition, on the other hand, is the process of perceiving a brand as previously encountered, and relates to consumers' ability to conform prior exposure to the brand when given the brand as a cue.

Aaker(1996) - Company should decide which parts of the identity have to be communicated to the customers since the identity of the brand and its core value may be the basis of brand positioning. Base for a brand's success is that the owner by himself decides what this base should be and which value it should give the customer but it is as well significant that the brand owner points out the advantages that the customers finds important and that the company is on the same side able to live up to this.

Hooley and Saunders(2003) – Position of the brand is explaining to the customers how the company differs from its competitors. After taking over the company top management begin the repositioning process and decide on what the company's uniqueness should be based on; history, brand and natural ingredients.

Aaker(1996) – Changing position too many times can be dangerous. If repositioning a brand identity without any signals of diminishing market share and customer interest, can make company appear as very fragile and even schizophrenic.

LIMITATION OF THE STUDY

- The sample size of the kannada audiences is limited to 100respondents.
- The limitation in the time due to which only a small segment of audiences opinion is taken.
- The judgement is based on the assumptions that the information provided by the respondent is correct.

Industrial Profile

Communication- Communication is natural activity of all human beings to convey opinions, feelings, information and ideas to others through words, body language or sign.

Purposive exchange resulting in the workable understanding and agreement between sender and receiver of a message. Inter change of thoughts, opinion, or information, by speech, writings or signs.

Mass Communication- Mass communication takes place when the message is sent to a larger group of people, for example news paper, radio, television, in this process each person becomes a undisclosed individual with almost no chance for personal response or feedback.

Process of Communication- The linear model (One-way process of communication)

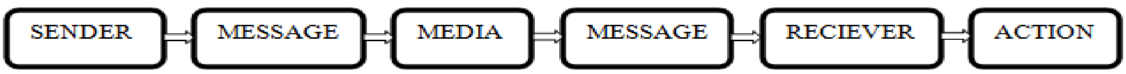

Fig-1 Showing the Process of communication

The initial concept of communication was considered a one way process marked by the flow of information from the sender to the receiver. According to linear view, a receiver passively receives the message and act as absorbed or desired by the sender. Communication is projected to control/influence the receiver. It is an assumption that message, while passing through the medium chose by the sender, reaches the receiver without any distraction.

Electronic Media- Electronic media include radio, television, cinema etc. which are automatically entertainment media. They provide immediate communication and their impact is greater. They require electricity for the quick delivery of messages across distance and to the masses that are geographically, culturally, rationally and psychologically different from one another. Electronic media are faster than print media, as it takes more time for mass production and delivery to a widely spread population.

Indian Entertainment and Media Industry- the Indian entertainment and media industry has exceptionally performed the Indian economy and has been the fastest growing sectors in India. This industry usually grows faster when the economy is increasing. The Indian economy has been growing speedily over the last few years, and the income levels also have been rising in a high growth rate. Above that, consumer expenditure is also high, due to a huge raise in disposable incomes, by decrease in personal income tax in the last decade. All these factors have given a push to the electronic and media industry and are expected to donate to the growth of this industry in the forth coming future. Besides the wide range of economic and personal income linked factors, there are many other factors that are causal to this elevated growth rate. Some of these are listed.

Key Growth Drivers

Television- Subscription revenues are proposed to be the key growth driver for the Indian television stream over next 5 years. Subscription revenues will augment both from the number of pay TV homes as well as rise in the subscription rates. The optimism of the Indian economy will force the homes, both in the rural and the urban areas to buy televisions and also to subscribe for the paid services. New allotment platforms like the DTH and the IPTV will only amplify the subscriber foundation and push up the payment revenues.

Barriers to Investment In The Entertainment And Media Industry- A lot more investment can be strained into this entertainment and media industry if certain sector rule barriers can be addressed. Some of the issues that require to be addressed which usually impacts all segments and need to be addressed include:

Piracy- The trouble of piracy assumes a different amount in a country such as India with an area of 3.3 million sq. km. and the population of over 1 billion speaking 22 different languages. It has an impact on all segments of the industry particularly films, music and television. Most of the convincing efforts today to contest piracy have been initiated by industry bodies themselves.

Lack of A Uniform Media Policy For Foreign Investment- The division at present lacks a reliable and consistent media policy for foreign investment. Some of the inconsistencies include the different caps in foreign direct investment in a variety of segments. This is enumerated as beneath:

- Television distribution: DTH 52% (strategic FDI only 23%); cable 51% (ownership can only be with the India citizens).
- Content (news): Television and print - 28%; radio - nil
- Content (non-news): Television and print - 100%; radio 20% (only under portfolio)

Level Playing Field with Incumbents- Most sectors of the Indian electronic and media industry have conventionally operated under a variety of agencies of the Indian government, which afterwards were open to the confidential players in a mixture of stages.

Content Regulation- An established discussion continues amongst the industry members on directive of contented. Some of the issues that need to be addressed in this speciality include:

- Should the comfortable rules be dependable across all escape mediums such as films, television, radio and print or different sets of directive should be evolve for each intermediate?
- What should be the operational mechanisms of a content regulation in terms of enforcement, penalties for failure to pay from agreed guiding principle etc.?

Price Regulation in the Television Industry- As per a announcement issued by the TRAI, screen media pricing has been solid for over a year now. Though TRAI did allow a 7 percent inflationary alteration late in 2006, the inflationary adjustment of 6 percent in 2008 is under the officially permitted quarrel. Such charge controls limit a broadcaster's capability to figure their industry model, based on the market command and the aggressive environment. Since the market has so far been powerfully regulated from side to side opposition, price regulation thus becomes a restriction.

Cross-Media Ownership Rules- Media incorporation is an imperative tool in the hands of the media commerce which by its very natural history could lead to the anti-aggressive actions hurting the entire value chain of the commerce..

Lack of Empowered Regulators- At current, the government has agreed to a self-determining regulator – TRAI – for only television and radio. Here too, the responsibility of the controller has been constrained to providing recommendations on segment issues to the administration, as a consequence the government has still not acted ahead a number of recommendations by the controller.

Merging of the FII and FDI Caps- Some industry members are of the view that convert the current restrict on foreign institutional investment (FII) investment to foreign direct investment (FDI) is not a very hopeful move by the government. FII is above all measured "hot money" and is invested by foreign finances to the make speedy proceeds unrelated FDI, which is longer term in nature and is in fact invested into the industry.

Tax Treatment Of Foreign Broadcasting Companies- The tax conduct of foreign companies in the communications sector in India is up-and-coming as the single most significant policy question deterring foreign speculation in the nation.

A chief issue pertains to duty of outpost section usage fee waged by broadcasters to distant satellite companies. Tax assessing officers have attempted to luxury such a imbursement as sovereigns profits and tax the same on foundation announcement basis. Such dependency companies do not have any office or presence in India.

BACKGROUND OF THE STUDY

This chapter starts with the conditions for the chosen subject in this theory; further the predicament discussion is available which leads to the justification and presentation of the research questions. At the end of this chapter delimitations and theory layout is presented.

With the come out of social media, tools and communication strategies have distorted (Mangold &Faulds, 2009). The 21st century is considered by the enlargement of social media, which has malformed how managers view their promotion strategies (Mangold &Faulds, 2009).

Parsons (2013) argues that due to the augmented usage of social media among consumers, conference about marketing strategies is unfinished if social media is not incorporated. subsequently, this provides organizations with innovative opportunities in their marketing (DongHun, 2010). Social media has prejudiced several aspects of consumer behavior, attentiveness, information assembly, purchase behaviour and communication with organizations and other clients (Mangold &Faulds, 2009).

Both small and huge organizations have documented the development of social media and are annoying to understand the usefulness of incorporating it in their strategies (Weinberg &Pehlivan, 2011). A study done by Montalvo (2011) suggests that the use of social media has a great collision on brand consciousness and on a brand's status.

Due to the extend use of social media and its users, organizations using social media can guarantee the visibility of their brands (Montalvo, 2011).

Brand Image, Position and Identity

Brand identity, brand position and brand image are the construction blocks of brand (Kavaratzis& Ashworth, 2005). Brand identity refers to what the brand name is (Carlsson, 2009) and how an society needs a brand to be apparent.

Brand identity is differentiation of a product (Kavaratzis& Ashworth, 2005) and includes both touchable and insubstantial aspects such as creation design, traits and times gone by (Carlsson, 2009).

Brand image is the "perception of the product in the minds of people...it is what people believe about a brand - their thoughts, opinion, expectations" (Kavaratzis& Ashworth, 2005, pp. 509).

Brand positioning is a brands affiliation to challenging products (Kavaratzis& Ashworth, 2005) and how a brand desires to be compare to competitors, for example "the exclusive" or "the safe choice" (Carlsson, 2009), which becomes the positioning when it is communicated to the intented group. The relation among these three aspects has been obtainable in an editorial by Kavaratzis and Ashworth (2005):

Fig- 2 Showing the process of Brand Positioning

Pay Close Attention to How Your Competitors Are Positioned

You require responding two significant questions when you come up with a probable positioning declaration:

Is it imperative? Does it condition a profit that addresses the target audience's No. 1 problem?

Is it exclusive? That is, simply you are building the asset.

If you reply "yes" equally to both questions, you're on your means to fruitfully positioning your B2C product, service, company, or solution.

Unfortunately, many companies pay no attention to how their competitors are positioned and make the same claim. I describe it "me too" position. In each B2C software market I pursue, there are at slightest two companies making the similar claim. In the business intelligence (BI) market no less than seven vendors are claiming "insight"; three are claiming "improved decisions."

Sarcastically, it's quite easy to outline how your competitors are positioned as they do it in community. Disburse close notice to what your competitors are proverb on their websites and in their advertising infrastructure, such as webinar promotions, press releases, e-mail, blogs, etc... A positioning declaration regularly appears in a well-known position on the homepage of a website, in a press release, or a catalogue.

For each member, analyze as much of its marketing material as probable. Formerly you have resolute your competitors' positioning statements, you can generate a perceptual map—like this one for the venture BI market:

Failure to differentiate creates market uncertainty that unavoidably leads to longer sales cycles, a trouble that's all too recognizable in B2C expertise and software.

By using perceptual mapping, you'll be one step in advance of the antagonism, because you'll know that you are manufacturing an exceptional claim that sets you separately from the competition.

Just as positioning is the basis for everything you do in marketing, your 3 Cs research is the foundation for positioning statement and message strategy.

DATA ANALYSIS AND INTERPRETATION

1. The number of hours you spend to watch a channel in a day?

Table 1. Showing the number of hours you spend to watch a channel in a day

NO. OF HOURS	RESPONDENTS	PERCENTAGE
Less than 1 Hour	26	26%
1-2 Hours	18	18%
2-3 hours	24	24%
More than 3 Hours	32	32%
TOTAL	100	100%

From the above table we can analyze that, 26% of the total respondents spend less than 1 hour to watch TV, 18% of the total respondents spend 1-2 hours to watch TV, 24% of the total respondents spend 2-3 hours to watch TV, 32% of the total respondents spend more than 3 hours to watch TV

2. On which Basis does the television at your home get operated?

Table 2. Showing the basis on which the television get operated at audiences home

CONNECTION BASIS	RESPONDENTS	PERCENTAGE
Cable Network(DEN)	56	56%
DTH	44	44%
TOTAL	100	100%

From the above table we can analyze that, 56% of the total respondents have Cable Network(DEN) connection for TV, 44% of the total respondents have DTH connection for TV

3. Do you have Kasturi Entertainment Channel Connection?

Table 3. Showing the Kasturi Cable connection

KASTURI CONNECTION	RESPONDENTS	PERCENTAGE
YES	100	100%
NO	0	0%
TOTAL	100	100%

From the above table we can interpret that majority of the total population i.e, 100% of the total respondents have Kasturi Entertainment Channel Connection on TV.

4. Is Visual Quality Of Kasturi Entertainment Channel satisfactory?

Table 4. Showing responses for visual quality of Kasturi Entertainment Channel

VISUAL QUALITY	RESPONDENTS	PERCENTAGE
Excellent	19	19%
Very Good	23	23%
Neither Good Nor Bad	49	49%
Bad	7	7%
Poor	2	2%
TOTAL	100	100%

From the Above Table we can analyze that, 19% of the total respondents have responded that visual quality of Kasturi Entertainment Channel is Excellent, 23% of the total respondents have responded that visual quality of Kasturi Entertainment Channel is Very Good, 49% of the total respondents have responded that visual quality of Kasturi Entertainment Channel is Neither Good Nor Bad, 7% of the total respondents have responded that visual quality of Kasturi Entertainment Channel is Bad, 2% of the total respondents have responded that visual quality of Kasturi Entertainment Channel is Poor.

Chi-Square Test

Ha: Repositioning Strategies

Ho: Visual quality of Kasturi Entertainment Channel is not Satisfactory

Given:- No of Categories = 5

N= Total frequency = 19+23+49+7+2 = 100

E = 100/5 = 20

Particulars	Observed frequency	Expected frequency	(O-E)	$(O-E)^2$	$(O-E)^2/E$
Excellent	19	20	-1	1	0.05
Very Good	23	20	3	9	0.45
Neither Good Nor Bad	49	20	29	841	42.05
Bad	7	20	13	169	8.45
Poor	2	20	-18	324	16.2
TOTAL					67.2

(Tabulate Value) = 9.488

Calculated Value = 67.2

Since calculated value of X^2 is greater than tabulated value, it is significant. Hence, we reject Ho at 5% level of significance and conclude that visual quality of the Kasturi Entertainment Channel is almost Satisfactory.

5. Is Audio Quality Of Kasturi Entertainment Channel satisfactory?

Table 5. Showing responses for audio quality of Kasturi Entertainment Channel

AUDIO QUALITY	RESPONDENTS	PERCENTAGE
Excellent	15	15%
Very Good	19	19%
Neither Good Nor Bad	51	51%
Bad	4	4%
Poor	11	11%
TOTAL	100	100%

From the Above Table we can analyze that, 15% of the total respondents have responded that audio quality of Kasturi Entertainment Channel is Excellent, 19% of the total respondents have responded that audio quality of Kasturi Entertainment Channel is Very Good, 51% of the total respondents have responded that audio quality of Kasturi Entertainment Channel is Neither Good Nor Bad, 4% of the total respondents have responded that audio quality of Kasturi Entertainment Channel is Bad, 11% of the total respondents have responded that audio quality of Kasturi Entertainment Channel is Poor.

Chi-Square Test

Ha: Audio quality of Kasturi Entertainment Channel is Satisfactory

Ho: Audio quality of Kasturi Entertainment Channel is not Satisfactory

Given:- No of Categories = 5

N= Total frequency = 15+19+51+4+11 = 100

E = 100/5 = 20

Particulars	Observed frequency	Expected frequency	(O-E)	$(O-E)^2$	$(O-E)^2/E$
Excellent	15	20	-5	25	1.25
Very Good	19	20	-1	1	0.05
Neither Good Nor Bad	51	20	31	961	48.5
Bad	4	20	-16	256	12.08
Poor	11	20	-9	81	4.05
TOTAL					66.2

(Tabulate Value) = 9.488

Calculated Value = 66.2

Since calculated value of X^2 is greater than tabulated value, it is significant. Hence, we reject Ho at 5% level of significance and conclude that audio quality of the Kasturi Entertainment Channel is almost Satisfactory.

6. Is Performance Of Kasturi Entertainment Channel is effective?

Table 6. Showing the performance of Kasturi Entertainment Channel

PERFORMANCE OF KASTURI	RESPONDENTS	PERCENTAGE
Excellent	16	16%
Very Good	20	20%
Neither Good Nor Bad	41	41%
Bad	4	4%
Poor	11	11%
TOTAL	100	100%

From the Above Table we can analyze that, 16% of the total respondents have responded that performance of Kasturi Entertainment Channel is Excellent, 20% of the total respondents have responded that performance of Kasturi Entertainment Channel is Very Good, 41% of the total respondents have responded that performance of Kasturi Entertainment Channel is Neither Good Nor Bad, 4% of the total respondents have responded that performance of Kasturi Entertainment Channel is Bad, 11% of the total respondents have responded that performance of Kasturi Entertainment Channel is Poor.

7. What are the benefits you expect in watching a Kannada Entertainment channel?

Table 7. Showing the benefits expected in watching a Kannada Entertainment channel

BENEFITS	RESPONDENTS	PERCENTAGE
Recreation	65	65%
Health	10	10%
Education/Information	25	25%
TOTAL	100	100%

From the above table we can analyze that, 60% of the total respondents have responded that they expect recreational benefit from watching a TV, 9% of the total respondents have responded that they expect health benefit from watching a TV, 23% of the total respondents have responded that they expect educational/informational benefit from watching a TV

8. Celebrity endorsement in the programs will evoke interest/curiosity among viewers?

Table 8. Celebrity endorsement will evoke interest among viewers

CELEBRITY ENDORSEMENT	RESPONDENTS	PERCENTAGE
Strongly Agree	16	16%
Agree	47	47%
Neither Agree Nor Disagree	22	22%
Disagree	7	7%
Strongly Disagree	8	8%
TOTAL	100%	100%

From the above table we can analyse that, 16% of the total respondents have strongly agreed that the celebrity endorsement in the program will evoke the interest among the viewers, 47% of the total respondents have agreed that the celebrity endorsement in the program will evoke the interest among the viewers, 22% of the total respondents neither agree nor disagree that the celebrity endorsement in the program will evoke the interest among the viewers, 7% of the total respondents have disagreed that the celebrity endorsement in the program will evoke the interest among the viewers, 8% of the total respondents have strongly disagreed that the celebrity endorsement in the program will evoke the interest among the viewers

Chi-Square Test

Ha: Celebrity endorsement evokes the interest/curiosity among the viewers

Ho: Celebrity endorsement does not evoke the interest/curiosity among the viewers

Given:- No of Categories = 5

N= Total frequency = 16+47+22+7+8 = 100

E = 100/5 = 20

O = Observed Frequency

E = Expected Frequency

Particulars	Observed frequency	Expected frequency	(O-E)	$(O-E)^2$	$(O-E)^2/E$
Excellent	16	20	-4	16	0.8
Very Good	47	20	27	729	36.45
Neither Good Nor Bad	22	20	-2	4	0.2
Bad	7	20	-13	169	8.45
Poor	8	20	-12	144	7.2
TOTAL					53.1

(Tabulate Value) = 9.488

Calculated Value = 53.1

Since calculated value of X^2 is greater than tabulated value, it is significant. Hence, we reject Ho at 5% level of significance and conclude that celebrity endorsement evokes the interest/curiosity among the viewers.

FINDINGS

- 32% of the total respondents spend more than 3 hours to watch TV programs daily
- 56% of the TV's of respondents gets operated on DEN(cable network) basis
- 100% respondents have Kasturi channel connection at their homes
- 49% of the total respondents say the visual quality of kasturi channel is neither good nor bad

- 51% of the total respondents say audio quality of the total respondents say the audio quality of kasturi channel is neither good nor bad

SUGGESTIONS

- Reality shows with more attractive concepts have to be included in the programs
- Serials with good scripts have to be telecasted
- Performance of artists have to be improvised
- Telemarketing slots have to be reduced
- Long term advertisements between the programs have to be cut down
- Visual and Audio quality of the channel have to be improved
- Since most of the audiences watch TV programs for recreation many recreational programs have to be telecasted

CONCLUSION

The study deals with repositioning strategies with respect to Kasturi Medias Pvt Ltd. Repositioning is one of the important strategies which is been practice in media industry. The survival of media industry depends on the repositioning strategies. From the study it can be concluded that the Kasturi is a Successful channel with huge viewer base in Karnataka. Celebrity Endorsement evoke the interest of watching the programs and the concept of reality shows influence the TRP for Kasturi Medias with the comparative study between Kasturi and its competitors, Concludes that The Kasturi with the existing competitor base and redesigning of the repositioning will help Kasturi Channel to retain the existing viewer base and this also helps to gain more viewer base

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UTILIZATION AND MANAGEMENT OF EXTERNAL DEBT OF INDIA: AN ASSESSMENT

Pratibha Gunjikar
Retired Bank of Baroda Officer, Nagpur, India
Email: pratibha.gunjikar2@gmail.com

ABSTRACT

This article deals with the utilization of external debt over a period of time. It sheds the light over the utilization of the external debt and its effect on GDP , Current Account and Short term borrowings. It also elaborates the movement of FDI, FII and ECB and their effect on the Indian Economy.

Keywords: External Debt; External Debt utilization; FDI and FII inflow; External Commercial Borrowings

INTRODUCTION

At the time of independence the total external debt of India was ₹ 37 crore. The first four years after independence 1947 to1951 India continued with the then existing situation and formulated the policy measures for planned sectoral development. Hence for first four years nominal foreign capital flowed in by way of aid. The loan of ₹ 20.47 crore was given by the IBRD and used for imports required for infrastructure sector. The journey of external debt position from 1979-2007 is shown in the table below

Year	Total External Debt Authorised (Rs in Crores)	Total External Debt Utilized (Rs in Crores)	Utilization % Authorization
1979-80	1859.5	1353.1	72.77
1980-81	3847	2161.8	56.19
1981-82	2973.9	1864.9	62.71
1982-83	2972.7	2252	75.76
1983-84	2087.7	2265.8	108.53
1984-85	4880	2359.4	48.35
1985-86	5650.4	2936	51.96
1986-87	6159.5	3605	58.53
1987-88	9265.3	5051.9	54.52
1988-89	13069.8	5304.4	40.59
1989-90	10826	5802.5	53.60
1990-91	8123.4	6704.3	82.53
1991-92	12707.6	11615	91.40
1992-93	14093.8	10981.8	77.92
1993-94	14033.9	11781	83.95
1994-95	13460.1	10880.5	80.84
1995-96	12163.2	11022.2	90.62
1996-97	17141.4	11978.5	69.88
1997-98	16966	11744.7	69.22
1998-99	8530.6	13238.9	155.19

1999-00	20319	14404.6	70.89
2000-01	18124.7	14254.3	78.65
2001-02	25095	17559.3	69.97
2002-03	21171.8	15734.1	74.32
2003-04	17105.1	17344.4	101.40
2004-05	25817.2	17151.6	66.43
2005-06	18937.9	18888.4	99.74
2006-07	31789.9	19419	61.09

Source: Position Paper on External Assistance received by India Mar 2008, GOI MoF DEA PMU

As can be seen from the table, there is a huge gap between authorization and utilization of loans. The main factors responsible for under utilization seem to be time lag between the commitments, conclusions of specific credit arrangements and time consuming government procedures.

High priority was given to this problem and some measures were taken, the result of which can be seen in higher percentage of utilized loan from the 8th plan onwards.

The continuous increase of external debt can be attributed to the following factors:

1. Heavy investments in infrastructure, heavy industries, communication, power sectors which did not have return on investments. Moreover the faulty planning, shoddy implementation, messy operations, put these industries in heavy financial losses. Since these were in government control, the absence of accountability, poor performance and rampant corruption made these projects non viable and a burden on the Indian economy. The investment made in these projects was a total waste.
2. The investments made in agricultural sector by way of irrigation projects did not yield any positive result as these projects took a long time of 30 to 40 years to complete and became non viable in terms of cost effectiveness. That this long delay did not give any help to the farmers for this period is another side effect. It is estimated that the states are losing ₹427 crore per year because of these projects for rural India.
3. With no resources available for repayment, India had to take more and more loan to invest in various projects and also for repayment of loans and interest. India reached a situation where during the 7th plan India had to spend 56% of the total loan for debt servicing. As for 8th plan fist year repayment was 45% and went to as high as 73% in the last year.

As a result of all the above factors, External debt to GDP ratio went as high as 38.7 % and debt service ratio also reached the figure of 35%, short term to total debt ratio was 10.2%, short term to GDP ratio 3% and short term debt to Forex reserves ratio was 146.5%, culminating in the 1991 crisis.

It seems like the non strategic use of external debt was at times unintentional, some time with compulsions, and due to sheer neglect of return of investment and unprofessional handling of funds. The government control, lack of accountability, petty political interventions, corruption, non performance, further messed up the situation and pushed India into unmanageable magnitude of external indebtedness.

After liberalization and imposition of SAP format by IMF, India resorted to these prudent external debt management policies to bring external debt situation at a more comfortable level.

1. The strategy was devised to keep debt service ratio in manageable limits while facilitating productive use of commercial credit and encouraging foreign investment.
2. The maturity structure of debt to be managed to limit growth of short term debt as well as total amount of commercial debt.
3. Emphasis on less expensive funds with longer maturity profiles.

4. Monitoring short term debt and prepayment of high cost debt.
5. Encouragement for exports and non debt creating financial inflows such as FDI and portfolio equity.
6. Close watch on current account.
7. Regulation of external commercial borrowing through end-use and all-in-cost restrictions.
8. Rationalizing interest rates of NRI deposits.
9. Incentive schemes to promote exports and other current receipts.
10. Conscious build up of Forex reserves.
11. Step by step liberalization of non-debt creating financial flows to external commercial borrowings.
12. No government borrowings from external commercial sources.
13. No short term external debt on government account.

Thus India opened up its economy with a cautious approach. The FDI and external commercial borrowings were allowed in selected sectors for private companies and corporate for specified projects.

OBJECTIVES

1. To find utilization of the external debt and its effect on GDP, Current Account and Short term borrowings
2. To elaborate movement of FDI , FII and ECB and their effect on the Indian Economy

External Commercial Borrowings

External commercial borrowings were approved within an overall annual ceiling consistent with prudent debt management, balance of payment position and level of Forex reserve. The guiding principle focussed on three aspects –

i. Eligibility criteria for accessing external markets
ii. Volume of borrowings to be raised and maturity structure
iii. End-use of raised funds.

The external commercial borrowings were permitted by the governments as an additional source of finance for the Indian corporate sector and PSUs for expansion of existing capacity as well as fresh investment after careful consideration of requirements of different sectors and medium term balance of payment projections. In later stage end-use restrictions were released except prohibiting the use of ECB in stock market.

Under 2004 policy, investment in infrastructure and industrial sector came under automatic route and maximum limit of ECB that could be raised during financial year under this route was elevated to 500 million US $ with average maturity of 5 years. Further, ECB up to 20 million US $ with average maturity of 3 years was also permissible under automatic route.

These policies gave priority to projects in infrastructure, oil exploration, telecom, railways, roads etc and export sector, which are central for overall economic growth.

Thus ECB policy has been an effective counter cyclical policy tool that could be used by liberalising in balance of payment stress or vice-versa.

Capital Inflow through FDI & FII

Any economy needs foreign investment to bridge the gap between saving and investment for acceleration of growth and development. The foreign capital can bring with it the superior technology, efficiency of the existing production capacity and generate new production ventures. According to IMF, FDI is defined as investment to acquire lasting interest in an enterprise in a foreign country with a purpose to have effective say in the management of that enterprise.

Foreign indirect investment FII, does not seek management control but is motivated by profit and is in the form of portfolio investment in stock market.

The liberalisation accelerated the foreign capital inflow in India in the form of FDI and FII.

FDI and Portfolio Investment in India (%)

Year	FDI in % age	Portfolio in% age	Total
1992-93	56.35	43.65	559
1993-94	14.11	85.89	4153
1994-95	25.57	74.43	5138
1995-96	43.83	56.17	4892
1996-97	46.00	54.00	6133
1997-98	66.05	33.95	5385
1998-99	102.54	-2.54	2401
1999-00	41.59	58.41	5181
2000-01	59.34	40.66	6789
2001-02	75.20	24.80	8151
2002-03	83.72	16.28	6014
2003-04	27.53	72.47	15699
2004-05	39.38	60.62	15366
2005-06	41.77	58.23	21453
2006-07	76.52	23.48	29829
2007-08	56.09	43.91	62106
2008-09	157.77	-57.77	23983
2009-10	53.84	46.16	70139
2010-11	49.12	50.88	61851

Source: Report of RBI

Table above shows the flow of foreign investment in India from 559 million US $ in 1992-93 to 61851 million dollars in 2010-11. The table also indicates the fluidity of FII as outflow can be seen during 1998-99 East Asian crises and in 2008 recession crisis. It can be seen that capital inflow in FDI and FII is almost on par with each other.

If the FDI are invested in core sectors like infrastructure, heavy machinery, power and agriculture, which are key sectors for overall economic development then it is better utilised. However, if the investment is made in non-priority but profit making sectors such as luxurious or semi-luxurious industries like AC, refrigerator, cosmetic etc., it will only help to increase the consumption rate and not the capital formation for Indian Economy. During the period 2000-2010 highest investment from FDI was in financing and insurance sector. Real estate, Business services and manufacturing were in the second place. The investment also came in computer service, construction and service sector. Last on the list are research, education, mining and health sectors.

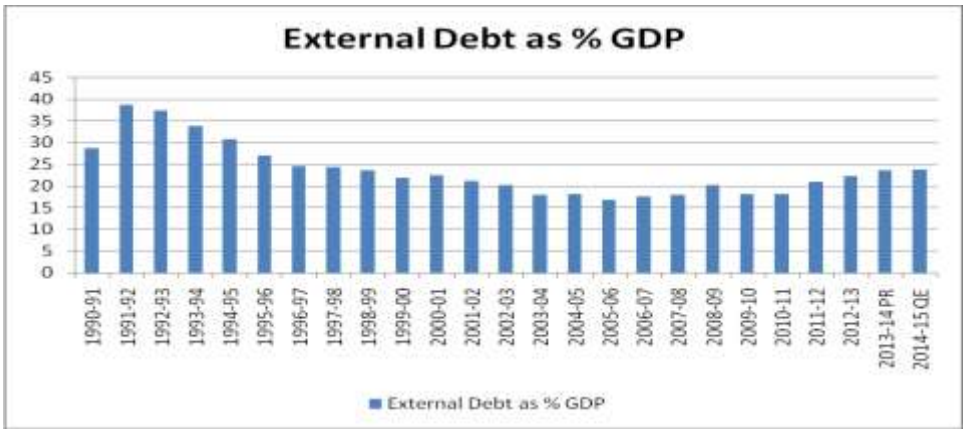
In recent years India is making an effort to bring in big time foreign capital inflow by propagating 'Make in India' movement in core and manufacturing sectors.

Ensuring proper utilization of external debt and prudent debt management produced encouraging results for the Indian Economy.

- The Indian economy came back on track with a GDP growth rate hovering around 6% in 1990-2000 and to 7% and more in 2000-2010.

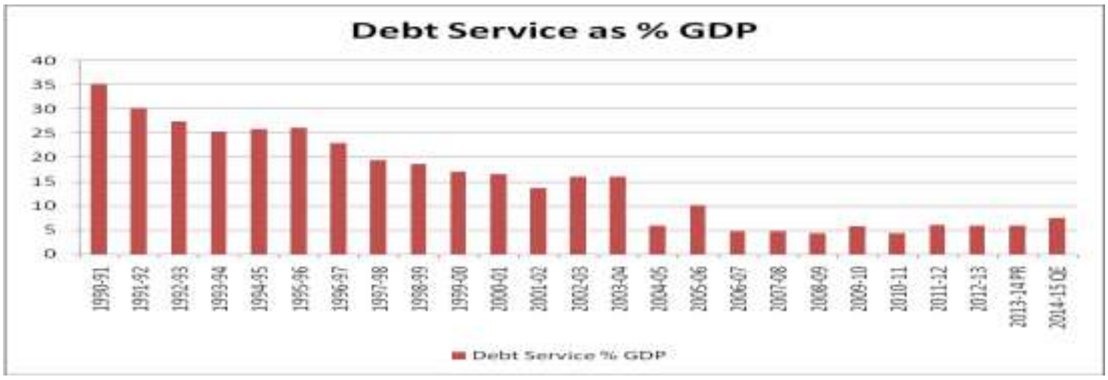
- The Government of India prepaid sovereign loans, multilateral and bilateral amounting to 2.9 Billion US $ in 2002-2003 and 3.8 Billion $ in 2003-04. As of March 31st 2004, bilateral loans raised from Sweden, Netherlands, Austria, Australia, Canada, Spain, Denmark, Kuwait and Saudi Arabia stood completely liquidated. The prepayment continued, though in smaller amounts.

- External debt to GDP ratio declined from a high level of 38.7% in 1991 to 18.9% in 2009-10.



Source: INDIA'S EXTERNAL DEBTA Status Report 2014-15

Debt service ratio declined from a peak of 35.3% in 1991 to a comfortable 5.5% in 2009-10.

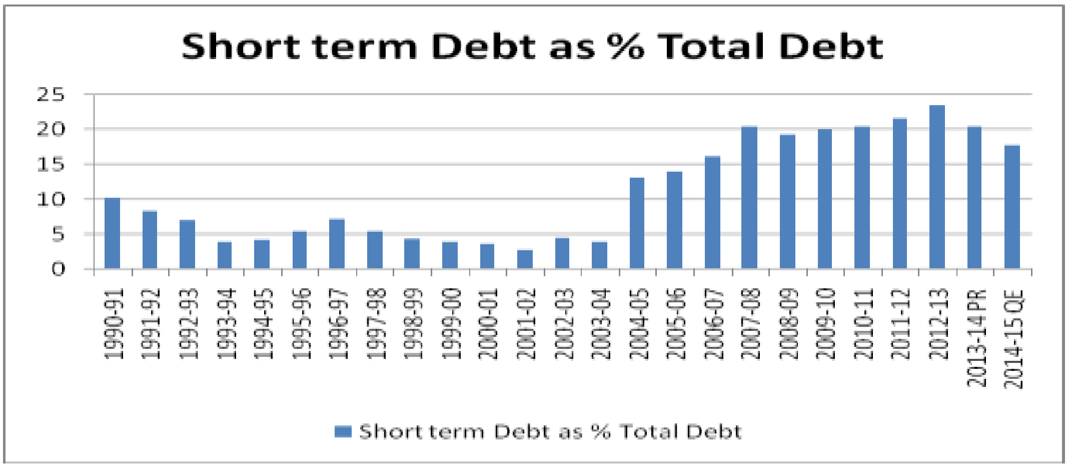


Source: INDIA'S EXTERNAL DEBTA Status Report 2014-15

Short term debt to Forex Reserve ratio came down from 146.5% in March 1991 to 18.8% in March 2010.

Source: INDIA'S EXTERNAL DEBTA Status Report 2014-15

Short term debt to total debt ratio of 17.8% in 2015 is still a worry some factor in the wake of slow down of global economy.



Source: INDIA'S EXTERNAL DEBTA Status Report 2014-15

- Current account deficit and balance of payment position since liberalisation have been, at least, in manageable zone if not comfortable.
- Lack of merchandise export growth is a problem which should be addressed forth with.

Thus, even though the total external debt of India has gone up from about 83 billon US $ in 1991 to 483.2 billion US $ in 2015, most of the economic parameters have improved to a great extent due to proper time bound utilisation of external debt along with prudent external debt management.

CONCLUSION

- External Debt would prove to be an effective tool for growth and development if utilized prudentially.
- We should find out a strategy wherein we put our natural resources , man power and other assets to optimum use and then look for external assistance
- In recent years India is making an effort to bring in big time foreign capital inflow by propagating 'Make in India' movement in core and manufacturing sectors.
- India's all-out effort after 1991 crisis for arresting reckless borrowing and putting it to proper user have eased out the pressure of external debt on economy.

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A STUDY OF WORK CULTURE AND JOB SATISFACTION OF POLICEWOMEN IN NAGPUR RANGE

Dr. Durga Pande
Assistant Professor, S.K. Porwal College Kamptee, Nagpur, India
Email: dr.durgashivdayalshukla@gmail.com

ABSTRACT

Today, women are found working in every field and sectors as per their educational and social status. When a women steps out of the threshold of her house for gainful activity, her role model changes. She has to mortgage her modesty and dignity for the changed values of her status. Service in police department is quite different and rigorous than the services in any other civil department and sectors. In Police department there are neither exact duty hours nor exact nature of the duty, without discrimination of male and female police. An employee is tide up 24 hours to his duty .Police department is meant for safety and security of the society. A woman is developed in the natural course as daughter, wife, mother, mother-in law and grandmother too. Moreover they are physically tender, psychologically affectionate, and socially bashful and modest. With these inborn qualities, how and why can a woman join a rough and tough job of police? Are they really satisfied with heavy job culture? How do they exercise to manage their home on one hand, and manage vigilant service on the other hand? Thus there are number of such questions which require systematic probe into them. The study of policewomen is one of the models of women who are risking their lives for their livelihood.

Keywords: Work Culture; Hapta; Stress; Mental Health; Job Satisfaction

INTRODUCTION

Traditionally, a woman has to perform her destined roles i. e. cooking, child rearing and home-making. Besides this she has to perform relation based function, i.e. maintain the family relationship and perform rituals. These are her indoor or interior functions performed within four walls of the house. As a matter of fact these are her lifelong functions. She has to design and develop her family, and bear & share all the joys and sorrows modestly. Thus she is mover and molder of her and family`s life. Particularly educated girls are more ambitious make their education rewarding and are ready to sacrifice their first duty as noted above. They are interested in taking any job as per their caliber and education if it is investigated as to why do women engage themselves in an economic activity, we find number of reasons, some of them are as under- Because of poverty and have no other source of income, they want to be self-supporting, to support the family income, highly educated or professionally educated women feel restless to utilise their brain and time in gainful activity, They are also career-minded. Some women are fanciful and think that the service is their dignity.

If thoroughly investigated a working woman has to face number of problems. Lower class working women are used to such problems as they do not care much of their modesty, dignity and status. It is the educated class of working women (educated HSC and above) who feel the scourge of the problems. Broadly speaking, they are confronted with the following problems- Problems of marital adjustment, Adjustment with duty, career and boss, maternal adjustment etc.

OBJECTIVES OF THE STUDY

1. To examine the work culture of policemen and policewomen.

2. To find out the motives of women in joining police force
3. To examine the degree of satisfaction and dissatisfaction and psychosomatic effects with them emerge from the service
4. To find out the immediate and remote effects on their family life due to nature of their duty.

HYPOTHESES

1. Biologically and anatomically women are not suitable for services in police department, yet for the economic reasons they are pushed or forced to recruit themselves in this department.
2. There are number of hardships in the work culture of policewomen.
3. Policewomen are not satisfied with the nature of their duty; however they have to be satisfied against their will.

REVIEW OF LITERATURE

Concern for status among women: The status of women throughout the world and in India particular; has been changing for the better,. In recent years social awakening, education, economic pressure and other factors have contributed significantly in narrowing the gap of social status and promoting social equality between men and women, but the desired change cannot come to reality unless women have themselves a concern for improved status. What is this concern for status? The status has close relationship with roles. So protest against discriminatory and inferior roles is in important manifestation of concern for status. Educated women in India are today more conscious of their rights and look to the future with more confidence for better adjustment with husbands, families and society based on mutual understanding rather than simply on dominance over them. Doshi (1971) and Arora (1972) have reported that educated girls and students in particular, have strong desire for independence from social rituals and traditional inferior roles. Indian girl students hold that home is very important for women and they do not look upon their role and status as wife and mother (Verma, 1972) Nayantara Sahagal (1974) has correctly conducted. It is good country to grow old. There is family care and peace and regard for the old woman. Literature shows that dual roles of a housewife and a job-person are full of stress for the married women in all societies of the world how so ever advanced and progressive it may be. The demands of home and job are sometimes incompatible and they cause conflicts and problems of adjustment for working women. (Nye, 1959; Usher and Fels, 1985; Sanders et al, 1984). Walker and Friendman (1977) have studied the professional women`s attitude towards the dual role of women by developing their own test.

Sample Design

In Nagpur Range there six districts. In each district total numbers of policewomen are shown in Table1. Out of total police women in the six districts 50% sample was selected as shown in Table 2. As a matter fact, interview of 242 policewomen was taken and questionnaires were got filled in. About 12 questionnaires were not filled in completely. Hence, for the study purposes 230 questionnaires were screened out. Thus the study in mainly confined to constabularies.

Table 1. Police women in Nagpur Range

Districts	LPC	NPC	LHC	ASI	PSI	API	PI	DySP	SP	Total
Bhandara	8	1	5	--	--	--	--	--	--	14
Gondia	44	1	5	1	--	--	--	--	--	51
Gadchiroli	96	10	7	7	1	--	--	--	--	121
Chandrapur	79	11	9	3	--	--	--	--	--	102
Wardha	36	4	10	4	2	--	--	--	--	56
Nagpur(r)	116	2	--	1	2	1	--	--	--	122
	379	29	36	16	5	1	--	--	--	466

LPC- Ladies Police Constable
NPC- Naik Police Constable
LHC- Ladies Head Constable
ASI- Assistant Sub-Inspector
PSI- Police Sub-Inspector
API- Assistant Police Inspector
PI- Police Inspector
DySP- Deputy Superintendent of Police
SP- Superintendent of Police

Table 2. Sample of Policewomen in Nagpur Range (50%)

Districts	LPC	NPC	LHC	ASI	Total
Bhandara	04	01	02	--	07
Gondia	25	01	02	01	29
Gadchiroli	50	05	04	02	61
Chandrapur	40	05	05	02	52
Wardha	20	02	05	02	29
Nagpur (r)	50	01	--	01	52
	189	15	18	08	230

METHODOLOGY

The present research work was conducted by survey method for this purpose an interview schedule was prepared and tested accordingly interviews were taken of the respondent police women of the Nagpur Range. To facilitate the interviews, a permission letter was obtained from the Inspector General of Police, Nagpur. Subsequently, with the help of this letter, permission letters from District Superintendent of Police from each of the six districts were secured. This procedure had provided a cushion for reaching the respondents and holding the interviews. Thus the primary data were collected.

As regards the secondary data, books on status of working women and police organization and culture were referred from the college libraries, Govt. Libraries, Wardha & Nagpur and internet too.

After having collected the relevant and required data, the same were analyzed and interpreted it.

Police Organization in Vidarbha Today

The police organization in Maharashtra state is divided into 7 territorial Ranges namely1) Thane 2) Nasik 3) Kolhapur 4) Aurangabad 5) Nagpur 6) Amravati 7) Nanded for operational convenience. Range is above the district and below the state level. Each Range is headed by Deputy Inspector General of Police. Each Range consists of few districts. The number of districts in each range varies depending upon the size of district, population and strategic importance of the district.

Vidarbha comprises two ranges namely 1) Nagpur Range 2) Amravati Range. The Nagpur Range comprises of Nagpur (Rural), Bhandara, Chandrapur, Gadchiroli, Gondia, and Wardha districts. Amravati Range consisting of Akola, Amravati, Buldhana, and Yeotmal districts.

An officer of the rank of Deputy Inspector General of Police is the unit commander. He is the of the force in the Range and responsible for internal economy, general training and discipline of the police force and for its efficient organization as a means of preventing and checking crime preserving law and order. Below the DIG in the echelon is officer designated as Superintendent of Police for each district under direct control and supervision of DOG Range. SP is assisted by Additional SP and DySP. It is not necessary that each district has to have Additional Superintendent of Police; much depends on size of the district, population, nature of crime etc.

Departments Of Working

Numbers of working departments or branches were found in each police station of each district. Civil department, Crime branch, Motor vehicle department, Traffic police station, Head quarter, Local Crime Branch, Mahila Takrar Niwaran Kendra, Control Room, Computer Branch and Naxal cell etc.

The number of police stations in each police circle is determined on the basis of crime, population, area topography etc. Each circle may have 3 to 7 police stations. Circle office facilitates smooth administration at the field level. The police station is the lowest tier in the police organization. It is here that the actual work of the police is undertaken. It is the primary and basic unit which is responsible for the maintenance of law and order, prevention and control of crime and protection of life and property of the community. . Each police station is headed by Sub-Inspector of Police in rural areas and by Inspector of Police in cities (urban area).

Work Culture of Police

Culture around a work place provides a comprehensive framework for understanding the different facets of work behavior (Sinha, 1991). Doctors, engineers, lawyers, judges, politicians, businessmen and academicians all develop distinctive way of perceiving and responding to their environment and gradually develop an occupational culture (Mathur, 1990). The resulting occupational culture tends to have a pervasive influence, affecting the whole way of life of the worker (Bradley et.al., 1970).

Thus work culture means work related activities and the meaning attached to such activities in the framework of norms and values regarding work. The activities, norms and values are generally contextualized in an organization. An organization has its boundaries, goals and objectives, technology, managerial practices, material and human resources etc.

Services in Police Department –A Tight-Rope-Walk

Service in police department is quite different and rigorous than the services in any other civil department and sectors. In Police department there are neither exact duty hours nor exact nature of the duty. An employee is tide up 24 hours to his duty .Police department is meant for safety and security of the society. No excuses are entertained by this department. It is aptly said of this department that “there is no question why, but you have to do or die”.

As regards the police department, it is governed by the Bombay Police Act of 1951and Bombay Extended and Amended Act of 1959, and rule of 1999 containing three volumes. In the third volume powers and scope of duties are enumerated which are applicable to male and female police without discrimination. Their powers and duties are all pervading and comprehensive. Their duty and responsibility arise under almost every Act of legislature. As regards police women they have to undergo the same arduous duty. Due to rough & tough duty hours policewomen have to overboard their family life.

In precise work culture of policewomen is quite different from the work culture in any other department and sector.

Recruitment and Training

Rules of recruitment and training for men and women police were almost the same. Both were governed by the rules in the Bombay Police Manual 1959 Vol. I, Chapter II and IV respectively. Rules of recruitment were covered under sections from 32 to 65 of the Manual, and rules for training were covered from section 102 to 158 of the Manual.

Women police are utilized for general police work pertaining to women, like interrogation, searches, seizures, escort duties etc. besides also being employed for enforcement of the suppression of immoral Traffic, Act, rescue of women and children, bandobast duties at fairs and festivals, security duties, at airports and at the time of visits lady VIPs, traffic control specially near children`s and girls schools and so on . They have been useful in handling agitating women crowds.

Candidate must possess the following qualification-

1. Age- Minimum age limit 18 years
2. Education- HSSC exam passed, MS-CIT exam passed for computer knowledge

3. Physically fit for ground test

Training of Constabulary

Every recruit for the armed as well as unarmed branch of a district is posted to the District Head Quarters, where he receives his training in musketry drill, law and police duties. He or she is sent to the respective Regional Training Schools and when accommodation to house them is available in those institutions.

Training of Women Police

Women Constabulary (Under Section 157)

i) The women Constabulary would be required to undergo training in the following items

Indoor

a) Important Indian Penal Code, Criminal Procedure Code and Evidence Act Section as are incorporated in the Police Guide.

b) Rules about searches and guarding or prisoners and arrested persons.

c) Giving evidence in Courts of Law

d) Central and State Acts concerning prostitution

e) Interrogation of witnesses or arrested persons

f) Bombay State Police Guide-

i) Chapters I to IV (for knowledge of the department and duties)

ii) Chapters XII, XIII and XIV

iii) Bombay prevention of prostitution Act, pages (164 to 166) as also suppression of immoral Traffic in Women and Girls Act.

iv) Indian Penal Code Sections on kidnapping, abduction and rape.

Outdoor

a) Simple P.T.

b) Squad Drill

c) Escort duty

d) Cane Drill

e) Musketry training

f) Elementary guard Sentry and Escort Duty

General Duties of the Police

Accordingly to the Bombay Police Manual 1959, following are the general duties of the police-

1. Execution of orders and procedures
2. Prevention and investigation of crimes
3. Prevention of public nuisances
4. Arrest
5. Assistance to other police officers.

6. Co-operation between police of adjacent territories in the matter perusing cases of abducted person
7. Cooperation between the railway and district police in the investigation of crime.
8. Conferences of police officers
9. Cooperation between railway police & railway officials
10. Cooperation between railway protection force and Govt. railway police
11. Assistance to disabled persons
12. Health and comfort of persons in custody
13. Damage by fire, flood, animals etc.
14. Control of traffic
15. Barriers on street for checking vehicles and their derivers
16. Maintenance of order in street and public places
17. Duties of the police in the matter of enforcing regulations in connection with epidemic diseases
18. Enforcing of police regulations for preventing breach of the peace
19. Stray Cattle and unclaimed property
20. Hydrophobia and stray dogs
21. Duties under special or local laws.

Percepts of Job Satisfaction

In the traditional Indian society employment of women has been looked down upon. With the increase of urbanization and modernization this attitude has been changing. The women have to cope with double load of a housewife and worker. A woman, by virtue of her role as a home maker, it has been stated, only gives secondary importance to her job. Besides the organizational and personal variables, the family environment has also a direct bearing on their job performance and consequent job satisfaction.

Service in police department is a tough job for woman.it requires masculinity more than faminity. “Job Satisfaction is a set of favourable or unfavourable feeling with which employees view their work”. Several job elements contribute to job satisfaction. The most important amongst them are wage structure, nature of work, promotion chances, quality of supervision, work group and working condition etc.

Interpretation of Data

The present research work was conducted by survey method for this purpose an interview schedule was prepared and tested accordingly interviews were taken of the respondent police women of the Nagpur Range.

Driving Forces for Joining the Police Force

Amongst number of avenues of employment, why does a woman choose police force? Choosing of the job depends mainly on attitude and aptitude. In the present investigation the driving forces for joining the police department were mainly, own choice, and the circumstances.

Table 3. Driving forces for joining the police force

	Driving forces	No. of Respondents	Percentage (%)
a	It was own choice	92	40.00
b	Advice of parents/husband/friends	17	7.39
c	Circumstances	55	23.91
d	No other choice	50	21.74
e	More authority than salary	08	3.48
f	Any other reason	08	3.48
		230	100 %

Duty Hours of the Respondents

Duty in the police department is a duty on the heels, whether a policeman or a woman. Even on the off-day, if the policemen or women are summoned they have to attend leaving their domestic work aside. Responses in the following table presented the evidence.

Table 4. Duty hours of the Respondents

	Duty hours	No. of Respondents	Percentage (%)
1	24 hours in a day	230	100
2	Day duty only	--	--
3	Night duty only	--	--
4	Both	230	100
		230	100

Due to rough & tough duty hours policewomen have to overboard their family life.

Emotional Stress during Duty

Duties of policewomen are not stereotype. Their nature changes according to need and circumstances, hence every time emotional settings are likely to change. At times feeling tension some stressful, at times fearful and tearful, and at times easy. Thus a question was asked as to what were their reactions when risky, cumbersome and dejecting duties were allocated to them.

Table 5. Emotional stress during duties

	Nature of duty	No. of Respondents	Percentage (%)
	Feeling stressful		
1.	Dealing with criminals	145	63.00
2.	Encounter	207	90.00
3.	Communal riots	87	38.00
4.	Investigation	35	15.00
5.	Dealing with VIP criminals, political leaders, gang men	220	96.00
6.	Crime committed by colleague	127	55.00
7.	Night duty	215	93.00
8.	Any other	--	--

Reasons for Taking Bribe and Hapta

"Hapta" is the periodic charges recovered illegally from offenders to protect their offences and illicit business. It does not suit the modesty of woman to take bribe or Hapta. The reasons behind such tendency amongst policewomen were examined to which the following responses obtained

Table 6. Reasons for taking bribe and Hapta

	Reasons	No. of Respondents	Percentage %
A	Because of greediness	40	17.39
B	Because of habit	40	17.39
C	Pressure of colleagues	80	34.78
D	Because of lower payment	70	30.43
E	Any other reason	Nil	--
		230	100.00

Stress And Strain While Managing Home and Duty

Life it says is a tension from school life to old age. It all depends on a person how he or she takes up the life. Duty at master`s will is always and duty at one`s will is relaxation. Domestic routine duty is not cumbersome while duty at other`s is burden. How did the policewomen feel while managing domestic duty and occupational duty was examined to which the responses were found as under

Table 7. Stress and strain while managing home and duty

	Stress & strain?	Respondents	Percentage (%)
A	Always feeling stress and strain	120	52.18
B	At times feeling stress and strain	80	34.78
C	Do not feel either or both fronts	30	13.04
		230	100.00

Effect Of Job On Physical And Mental Health

It is said that you cannot get things you like but you have to create liking in what you get? Thus when you get the job that you don`t like, by the passage of time you start liking it. Incidentally, when women get the job in police though it is hazardous they create liking in it, and think that they are wedded to groom though adjustable. The pinching of the job becomes pleasant and nod for them keeping this background in mind, the effect of job on police women was examined to which the responses found were as under.

Table 8. Effect of job on physical and mental health

	Effect	No. of Respondents	Percentage (%)
A	Affected	81	35
B	Not worth the meaning	92	40
C	Not at all	57	25
		230	100

On Job- Satisfaction

Where the police women under study were satisfied with their job or not was verified by putting them the questions represented in the following three tables. All the three tables show that all the respondents were not satisfied with their job.

Table 9. Reasons of being satisfied on this job

	Reasons	No. of Resp.	Percentage (&)
A	Handsome salary, allowances and perks	0	0
B	Complete job security	25	11.00
C	Safe working conditions	10	04.35
D	Recognition for good work	60	26.09
E	Better formal & informal relation	170	73.91
F	No individual risk	80	34.78

G	Good social prestige	30	13.04
H	Unlimited powers	200	86.96
J	Considerate treatments from upper officers	40	17.39

Table 10. Reasons for not being satisfied on this job

	Reasons	No. of Resp.	Percentage (%)
A	Feminity is sacrificed	210	91
B	Poor salary	220	96
C	Uncertain working hours	230	100
D	Stressful job	230	100
E	More harassment	230	100

Table 11. Degree of Satisfaction

	Degree	No. of Resp.	Percentage (%)
A	40%	80	34.78
B	50%	100	43.48
C	60%	30	13.04
D	70%	14	06.09
E	80%	06	02.61
F	90%	Nil	--
G	100%	Nil	--
		230	100.00

CONCLUSIONS AND RECOMMENDATIONS

Service in police department is quite different and rigorous than the services in any other civil department and sectors. In Police department there are neither exact duty hours nor exact nature of the duty. An employee is tide up 24 hours to his duty which is applicable to male and female police without discrimination. Work culture of police is quite different from the work culture of any other organization. It has to use more physical force. They have bear more knowledge of IPC, CRPC, Evidence Act and less of other laws. They have to customize different tone, language, and behavior. They have always to deal with offenders and criminals.

Rules of recruitment and training for men and women police were almost the same. Both were governed by the rules in the Bombay Police Manual 1959 Vol. I, Chapter II and IV respectively. Rules of recruitment were covered under sections from 32 to 65 of the Manual, and rules for training were covered from section 102 to 158 of the Manual.

According to the Bombay Police Manual 1959 they have to perform general duties of police. Women police are utilized for general police work pertaining to women, like interrogation, searches, seizures, escort duties etc. besides also being employed for enforcement of the suppression of immoral Traffic, Act, rescue of women and children, bandobast duties at fairs and festivals, security duties, at airports and at the time of visits lady VIPs, traffic control specially near children`s and girls schools.

On job satisfaction, three test questions were asked to the respondents as to how far they were satisfied with their job. In their responses they had expressed complete dissatisfaction.

Validation of Hypotheses

1. Though the services in police department were not biologically and anatomically suitable for women, yet for the economic reasons they are pushed to recruit themselves in this department.
2. Above hypothesis was proved Table-3.
3. There are number of hardships in the work culture of policewomen.

4. This hypothesis was also proved vide Table Nos. 4, 5, 6, 7 and 8.
5. Policewomen are not satisfied with the nature of their duty; however they have to be satisfied against their will.
6. This hypothesis was also proved vide Table Nos. 9, 10, 11.

Suggestions

1. There should be facility of crèches in police station.
2. There should be weekly holidays.
3. They should be given light duty and parade should not be made compulsory for some days before and after their delivery.
4. In every police station there should be separate rest room and toilet for ladies
5. Praise for good work and rewards should be granted.

FUTURE STUDY

At the inaugural address by the president

Underscoring the need for better working environment for policewomen, late APJ Abdul Kalam said each state may consider provisions of special facilities to women police personnel, such in the working place, accommodation closer to workplace, maternity benefits and flexible working hours as per their convenience whatever possible.

"There is need to provide a better working environment to women police than their male counterparts, particularly because women have to perform a highly demanding role of being an efficient police officer and also devoted wife and mother", Late President said amid applause while speaking as the Chief Guest at the Second National Conference for Women in Police being held here. He also said each state may organize multi-level gender sensitive training to both women and men as part of induction training to promote better understanding between men and women as complimentary force with a common objective.

He asked the governments to constitute a task force in which women police officers can be members for recommending policies regarding induction norms, training, deployment, provision of working environment, transfer and career growth of women police personnel for implementation. "Cybercrime being technology-driven, it needs unique training system for detection and prevention and women police personnel are the most suited for prevention of such crimes". He said.(At the inaugural address by the president Dr. A.P.J. Abdul Kalam at the second National conference for women in police, at Mussoorie., and same was published in Hitavada July 29,2005.)

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MEDIATING ROLE OF EMPOWERMENT ON LEADERSHIP STYLE AND EMPLOYEE SATISFACTION: AN EMPIRICAL STUDY

Sreelakshmi Gali
Associate Professor, Sridevi Women's Engineering College, India
Email: lakshmi.priya926@gmail.com

ABSTRACT

Leadership style and employee satisfaction are hot questions of leadership theory research in recent years. Transformational leadership attaches great importance to the effects on employees' value, need, self-esteem and emotion, cultivating the sense of identification with leader's value and vision. Satisfaction reflects employees' attitudes and feelings which come from the gap between real feeling and expectation, after evaluating salaries, work environment, interpersonal relationships and other factors. This research study is aimed at examining psychological empowerment in mediating the relation between transformational leadership and employee satisfaction. With the method of questionnaire, 1252 medical staffs in Telangana were investigated and data analysis tools were SPSS 16.0 and AMOS 17.0. The results indicated that, to some extent, psychological empowerment mediated the relation between transformational leadership and employee satisfaction. Meaning, competence and impact mediated the relation between motivation and employee satisfaction, while only meaning between moral modeling and employee satisfaction.

Keywords: Psychological Empowerment; Leadership Style; Employee Satisfaction; Medical Staff

INTRODUCTION

Many studies have confirmed that there was a positive correlation between transformational leadership and employee satisfaction. However, whether the influence is direct or indirect still needs further research. Many researchers considered that psychological empowerment is an important mechanism through which leadership influences followers. Empowerment is conceptualized as a psychological state that encompasses four cognitions: meaning, self-determination, competence and impact. These cognitions act in concert to foster a proactive, self-confident orientation towards one's work. The outstanding characteristic of transformational leadership behavior on employees is the leader pays more attention to staff's intrinsic motivation changes, in order to improve employee's confidence levels, arouse their high level needs and make employees realize the significance and the value of their work; that is stimulating employee's extra effort through psychological empowerment.

LITERATURE REVIEW

An investigation of the literature on predictor variables of psychological empowerment reveals one point that organization environment such as organization atmosphere and organization culture has a major impact on the level of psychological empowerment. As for the leadership styles, Divier et al (2002) reported positive and significant impact of transformational leadership on psychological empowerment in a longitudinal study (Hassanzade, 2010). Moreover, Khanmohammadi and Mohseni (2010) concluded in their research that there is a positive and significant relationship between transformational and transactional leadership styles with psychological empowerment. Empowerment is a dynamic process that focuses on linking competencies and employee strength towards being proactive in a social dynamic and subsequent change. Its practices are manifested through levels of employees' involvement in decision making, levels of work-related participation, effective communication, continuous employee training and development, favourable organizational culture, well laid incentive systems, trust among employees, clarity of roles and expectations, sufficient information about work and teamwork.

AIM OF THE STUDY

The aim of this paper is to understand the present situation of empowerment in hospitals and explore the mediating role of psychological empowerment on the relationship between dimensions of leadership style and job satisfaction. Further, to reveal that whether and how the psychological empowerment depends on the different behavioral characteristics of leadership style under investigation by taking medical staffs as study objects.

OBJECTIVE OF THE STUDY

This study mainly focuses on to determine employee perception of empowerment practices.

Participants

Participants were 1252 medical staffs from 13 hospitals in Telangana selected through random cluster sampling. There were 402 (32%) leaders (including top and mid level leaders) and 850 (68%) follows.

Instruments

Transformational Leadership Behavior- Leadership was measured using the 26-item Transformational Leadership Questionnaire (TLQ) validated by Chinese scholars Li Wenchao and Shi Kan (2005). They confirmed four theoretically related substantive factors including morale (8 items), vision(8 items), consider (5 items), and charisma (5 items) that formed a core higher order transformational leadership construct. The single significant overall empowerment factor explained 86.44% of the total variance in the items, and demonstrated acceptable internal consistency (Cronbach α=0.93).

Employee Satisfaction- Employee satisfaction was assessed by Minnesota Satisfaction Questionnaire (MSQ) which includes 20 questions. Three significant overall empowerment factor explained 59.23% of the total variance in the items, and Cronbach α was 0.92.

Psychological Empowerment- To measure empowerment, we used a 12-item scale developed by Spreitzer (1995) and revised by Li Wenchao and Shi Kan (2006). The scale has four dimensions including competence (3 items), impact (3 items), meaning (3 items), and self determination (3 items). The single significant overall empowerment factor explained 59.54% of the total variance in the items, and Cronbach α was 0.93.

RESULTS AND DISCUSSION

Transformational Leadership and Psychological Empowerment

The average score of psychological empowerment of medical staffs was 3.57±0.60, implying that employees' empowerment level in Chinese hospital was at a medium status. The highest score was competence dimension (3.96±0.61), followed by meaning (3.86±0.68), self-determination (3.37±0.83) and impact (3.09±0.95). Tab.1 presents means for each dimension of psychological empowerment of leaders and follows. According to descriptive statistical analysis, manager's score was significantly higher than the general staff in each dimension, suggesting that managers felt somewhat good about being empowered.

The magnitude of correlations between the two sets of variables (psychological empowerment and transformational leadership) was 0.403. Tab.2 reports the regression analysis predicting transformational leadership and psychological empowerment. It presents that all four dimensions of transformational leadership had a significant effect on psychological empowerment. Model-1 presents the relationship between transformational leadership and meaning dimension. In this model, morale and vision dimensions were both significantly and positively related to meaning, while the effect of consider and charisma were not significant. In model 2 and 3, the vision, consider and charisma dimensions had a real impact of a different degree on competence, while only the morale and consider had effects on self-determination. Specifically, the effect of consider on competence was negative.Model-4 indicated that all four dimensions were more relevant to impact dimension.

Statistical difference between different positions

	Psychological Empowerment	Meaning	Competence	Self-determination	Impact
Manager	3.78	4.05	4.03	3.53	3.56
Employee	3.47	3.77	3.93	3.31	2.88
P	0.000	0.000	0.001	0.000	0.000

The Mediating Effects of Psychological Empowerment

In order to measure the relative influence of transformational leadership dimensions on employee satisfaction and to test the mediation affect of empowerment, a series of multiple regression analyses and structure equation model were undertaken.

Transformational leadership	Meaning	Competence	Self determination	Impact
Morale	0.173**	0.092	0.137*	0.142**
Vision	0.215***	0.139**	0.079	0.178**
Consideration	-0.009	-0.138*	0.180**	0.189**
Charisma	0.010	0.126*	-0.055	-0.134*
R2	0.133	0.045	0.103	0.129

Table 3 provides three steps regression analyses in order to test whether psychological empowerment mediates the relationship between transformational leadership and employee satisfaction. We used the latent approach of testing the mediating effects. To do this, we took expectation of three variables and processed the data by center method. Then, we began the approach sequentially. It can be seen that employee satisfaction is significantly and positively related to transformational leadership ($\beta = 0.587$, $p < 0.001$). Second step examines the relationship between empowerment and transformational leadership. It shows that they are also significantly and positively related ($\beta =0.403$, $p < 0.001$). The last step analyzes the relationship between transformational leadership and employee satisfaction while controlling the proposed mediator. Based on the multiple regression analysis result, we see that the relationship between transformational leadership and employee satisfaction when controlling psychological empowerment decreases from $\beta = 0.587$ to $\beta = 0.425$. However, the relationship is still statistically significant ($p<0.001$). Further, we applied Sobel test to measure the significance of indirect effect of leadership on job satisfaction via empowerment. The result supports the significance of indirect effect ($z = 13.82$, $p <0.001$). Therefore, the empowerment has partial mediation, which means that transformational leadership has direct effects on satisfaction. Mediator effect / overall effect is 0.275 (0.403*0.401/0.587= 0.275).

Structural equation model was conducted using AMOS 17.0 in order to assess how well the suggested model fit the data. Firstly, 60% of samples were randomly selected in order to set up an exploratory structure equation model, and then appropriately amended it according to the fitting degree. The other 40% of the data was used to establish a model for cross-validation. Lastly, the study applied a structural equation model to verify hypotheses for the relationships between transformational leadership, psychological empowerment and employee satisfaction. During the process, the items of four dimensions of transformational leadership have been packed into two parts as observable.

	B	S.E	β	t	p	R2
Satisfaction	0.437	0.017	0.587	25.63	0.000	0.344
Empowerment	0.302	0.019	0.405	15.59	0.000	0.163
Leadership	0.317	0.012	0.425	19.05	0.000	0.344

FIGURE 1shows the path coefficients for the suggested relationships among the variables in the model. Tab.4 shows that the hypothesized model fit the data quite well. The $\chi 2$ value for the present model was 2.34, indicating that the observed and model-implied correlation matrices were not significantly different. The indices, GFI, IFI, TLI and so on, reached optimal levels (0.90 and >), respectively. Finally, the RMSEA value was 0.042, clearly falling within optimal levels (<0.05).Otherwise, coefficient and the relationship between variables were both significant (P<0.001), indicating that the model adaptability was satisfactory, and in accordance with the study's theoretical framework.

CMIN	RMSEA	NFI	TLI	IFI	GFI	AGFI
2.35	0.042	0.977	0.983	0.987	0.958	0.941

FIGURE 2 in conclusion, the exploratory structural equation model in figure1 was a suitable model. Vision dimension of transformational leadership significantly and positively affected empowerment, especially on meaning (β= 0.23, t=4.65), competence (β= 0.29, t=8.04) and impact (β= 0.34, t=8.68); morale dimension only slightly influenced meaning (β= 0.17, t=1.34).Consider (β= 0.20, t=3.23) and charisma (β= 0.24, t=2.00) directly influenced employee satisfaction. Thus, psychological empowerment was a partial mediator between transformational leadership and satisfaction .Meaning (β= 0.22, t=3.93), competence (β= 0.18, t=3.64) and impact (β= 0.20, t=3.23) dimensions were the predictors of employee satisfaction. It should be noted that self determination was not predicted by transformational leadership and it also can't affect employee satisfaction.

Finally, we also developed a confirmatory model based on the other 40% samples to demonstrate the relationships of hypothesized variables. The results of key indices also indicated an adequate model fit to the data ($\chi 2$ = 1.643; NFI=0.977; AGFI = 0.936; GFI =0.955; RMSEA = 0.036).

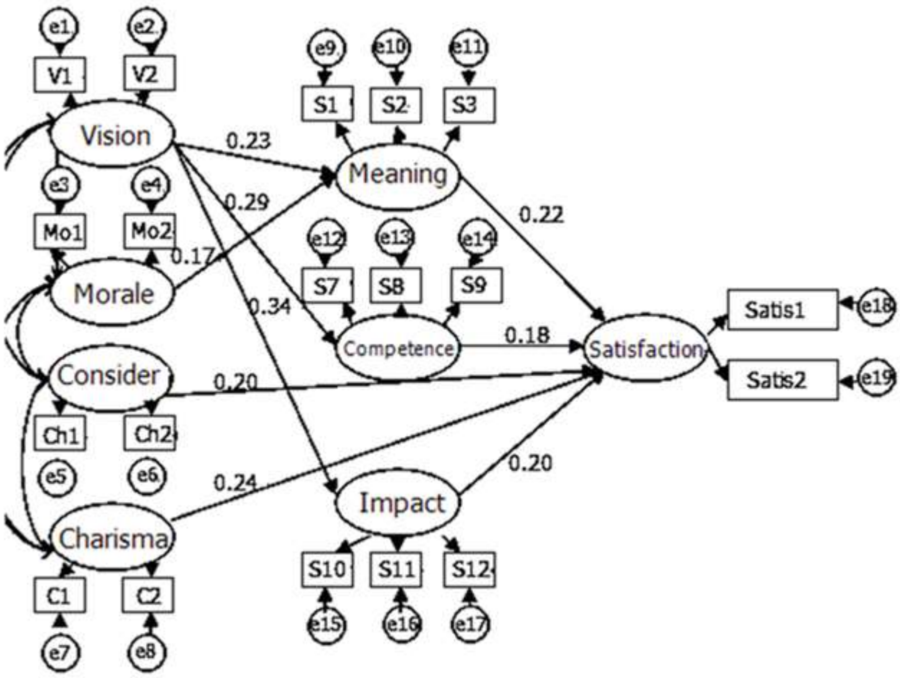

Fig-1. Exploratory structural equation model of transformational leadership, psychological empowerment and employee satisfaction

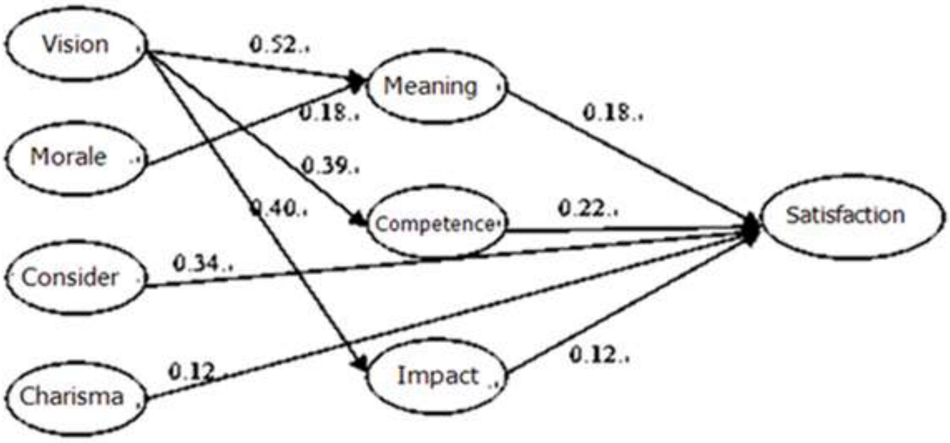

Fig-2. Confirmatory structural equation model

Levels Of Psychological Empowerment In Hospitals

Psychological empowerment is defined as consisting of four components: meaning (perceived work value), competence (feeling of self-efficacy), self-determination (sense of control), and impact (ability to influence). The results of this study were similar to those of previous studies that found competence had a highest score among the four dimensions, follow by meaning, self-determination and impact in turn. It shows that, medical staffs usually have confidence in their abilities to attain goals and most of them could realize the value of work with strong self-identity and passion. On the contrary, a low sense of self-determination exists generally in hospital manage environment derived from the lack of participation opportunity for management.

The Mediating Effects of Psychological Empowerment

The study confirmed the relationship of transformational leadership and employee satisfaction in medical staffs, while also examining the correlation between psychological empowerment and employee satisfaction. The results showed that when the leader is good at offering opportunities for his followers, it could stimulate individual's internal potential, create a comfortable environment for learning and working, finally develop the job satisfaction and work efficiency. In addition, high levels of psychological empowerment among employees allow quick response to patient requests, improving service effectiveness and job performance.

CONCLUSION

Empowerment is an important motivational mechanism through which transformational leaders may impact followers satisfaction. Differentbehaviors of transformational leadership affect on employee satisfaction through different mediating variables of psychological empowerment .Structural equation models in the study shows that, followers sense of meaning, competence and impact is positively associated with leader’s vision, a sense of responsibility and encouraging innovations. Building up a common vision could effectively motivate subordinates to think independently, improve their expectation with hope for the future. Second, leader’s moral qualities, as an influential factor, will influence employee satisfaction by way of showing the significance of work. An employee, who feels great mind and character from the supervisor, is more involved and willing to go extra mile. We also found that leader’s consideration and charisma exert a direct effect on satisfaction. A heightened sense of caring and charms from leaders helps release employees suppression of individual judgments and compromise of role fulfilment, thereby alleviating their stress in a circumstance and as a result, their satisfaction is markedly elevated.

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A STUDY OF INTERNATIONAL TRADE AND PROBLEMS OF EXTERNAL DEBT OF INDIA

Pratibha Gunjikar
Retired Bank of Baroda Officer, Nagpur, India
Email: pratibha.gunjikar2@gmail.com

ABSTRACT

India inherited the debt of 37 crores upon independence from the British Raj. Since then India has been trying to boost its domestic economy to increase its exports and minimize its imports to tackle the trade deficit and balance of payment problems. In this article we would discuss the India trade history, current international trade scenario of India, India trading partners, external debt and steps taken towards self reliant economy.

Keywords: India Imports; India's Exports; External Debt of India; Free Trade Agreement

OBJECTIVES

1. To discuss India's international trade post-independence and its effect on external debt.
2. To discuss the post liberalization developments for boosting export and other reforms

INTRODUCTION

India has a rich heritage of international trade in its textiles, silk, jute and cotton related small cottage industries. Its fine silk and cotton textiles and were known world over since early ages. There was heavy demand for Indian textiles and other Indian commodities. Earlier 'Barter' exchange was the mode of carrying out trade activities, but even after introduction of different currency formats – from varieties of coins (silver, gold, bronze) to paper currencies – India had been at the helm of international trading activities/ affairs.

It was these high quality standardized products which not only caught the attention of many countries to enter into trade pacts, but also attracted them, lured them to visit India for getting first-hand information in person, India always had a trade surplus. As history goes, although the basic intentions of countries like Great Britain, France and Portugal was only to carry out trade with India. The covert ulterior motives of these countries became clear very soon and the then powerful Great Britain ruled India for around three hundred years (considering East India Company period also). It is a well-known fact that the British rule with their only aim to reap/extract maximum benefits from the Indian soil, unleashed a total havoc on its small village cottage Industries, agricultural strongholds and its rich and abundant natural resources. The destruction of Indian economy's strongholds was so widespread, deep and its impact so far reaching that India had nowhere to look upon to stand on its own.

However, with its centralized economic planning for self - reliance, Indian economy limped back to normalcy though it could not attain the same economic strength of its golden era.

Since independence, India adopted a policy of self- reliance, self- sufficiency and import substitution. This policy had an in – built trade restrictions for exports and imports both. Even with the policy of self -reliance the building up of infrastructure sector from scratch required imports of heavy technical machineries and its spare parts. So the international trade picked up once again but with soaring import costs and sluggish export growth.

India owed sluggish export growth to its restrictive trade policies and the intermittent global economic slowdown. However, China facing the same global slowdown surged ahead of India in its global share of merchandise exports. Comparing export composition with its major competitor reveals that for India, services sector scales major world export share while China, Brazil and South Africa continue to earn close to 90 Per cent of their export revenue through merchandise exports alone.

The exponential growth in services exports and its rising invisible receipt are the positive results of liberalization, for without liberalization the avenues of exports for services sector would not have opened. Hence this was a post liberalization phenomena.

The policy of self - reliance and self – sufficiency implied –as already stated in the beginning – a move away or negation of International trade as source of income. This policy adopted immediately after Independence on one hand developed, catalyzed growth of India's manufacturing sector through building up of infrastructural sector while on the other raised import costs manifold.

Simultaneously the export lost its world market share from 1.4% to 0.5% from 1951- 1990 (Economic Policy Reforms and the Indian Economy p-13 (2002). With this back drop of export performance and the consequent, precarious, dwindling balance of payments and foreign exchange reserve position, India‘s economic planners made an all-out effort to promote exports by floating various schemes of subsidies.

However because of many reasons like:

The Sino war of 1962

The first oil Shock of 1972- 73

Two India – Pakistan wars and severely affected international trade of India lost its ground in mopping the global market share to a great extent.

The Second Oil Shock of 1979 -80 gave major setback to India's overall trade because import costs more than doubled in the wake of sudden and phenomenal rise in crude oil prices. Thus India's International trade bore the brunt of rising oil prices on one hand and on the other hand continuous rupee appreciation eroded export competitiveness and the revenues thereon.

This status – quo continued till late 1980s and the huge trade imbalances continued to soar. Consequently, to cover the trade deficits, to maintain comfortable balance of payments and to build up forex reserves India turned to reckless incessant borrowing with harder, tougher terms. Many short - term external loans were availed with higher rate of interest. The repayment burden so incurred ballooned and burst into the worst ever balance of payment crisis of 1991.

The unsustainable debt and repayment burden, the ever continuing severe balance of payments crisis downgraded India's credit rating by world rating agencies. Subsequently, all the countries and lending agencies world over refused to lend funds to India. The IMF then offered bailout package against gold mortgage with stringent conditionality and India was put under Structural Adjustment Program (SAP).

Such deep and wounding was the impact of the adverse international trade that all the economic parameters, indicators took a turn for worse and pushed India into a debt-trap.

Once SAP was imposed, India liberalized its policy restrictions and opened its economy for global trading.

The rupee was again devalued by around 23% in July 1991 as part of reform process which subsequently boosted exports. Thus India's international trade again picked up. The hitherto trade barriers had hampered the growth of Indian exports especially the ever protected agriculture sector which still remains protected.

In the pre-reform period Quantitative Restricted share was as high as 93% in total tradable GDP. After liberalization, share of exports in India's GDP increased from 7.13%to 23.48% in 1990 to2008, and the share of imports in GDP rose from 8% to 29% for the same period.

One thing is clear from the above that imports have always been higher than exports so far as India's international trade is concerned.

The slowly picking exports again posted a negative growth of 2.33% in the wake of East Asian crisis of 1997.The floating exchange rate of many of the ASEAN currencies devalued against dollars and India rupee got automatically appreciated.

As such the East Asian crisis had put India's exports growth on retardation the rupee appreciation increased export prices and thus exports faced two pronged attack in the global market.

The US economy slowdown in 2001-2002 the Indian exports badly. Again trade imbalances were witnessed.

Post liberalization, India reformed its foreign trade policy. The most benefited from opening up of the global markets for India has been the services sector. The IT and IT enabled services sector registered exponential rise and contributed in an unprecedented manner in invisible receipts there by providing a major cushioning effect for high rise trade - deficits and worsening balance of payments.

Even with all these, barring services sector India posted a dismal performance of export since 1991 – post liberalization.

Indian government has taken several measures to promote exports of electronics goods and IT hardware. The soaring domestic demand of electronic goods has lured many foreign investors to invest their money in this sector.

Several other steps taken to boost trade - especially exports after liberalization - are regional arrangements under Free Trade Area Agreements wherein the countries involved agree to abolish tariffs, quotas and preferences on most of the goods. Countries choose an FTA if their economical structures are complementary and not competitive.

India has signed FTA (Free Trade Area) agreements with Sri Lanka (December 28,1998) and Thailand (October 9,2003),with Mauritius Chile and SAARC- Preferential trade agreements wherein only certain products are traded by dropping tariffs (without abolishing them completely). Likewise many agreements, arrangements are being and have been made currently to boost exports. Many previously – pre-liberalization post-independence –floated schemes have been revamped. These include:

- Duty Drawback Scheme (1954)
- Replenishment licenses (1957) - import entitlement scheme revamped and given a new name Import Replenishment Scheme.
- Market Development fund- (MDF in 1960) for identified Export Houses. The criteria for identifying these export houses are under continuous upgradation to adapt to global and domestic requirements.
- Free trade zones or Export Processing Zones (1965)
- Cash compensatory Support (1966)- up graded and modified till 1986 but abolished in 1991 as after liberalization the same became redundant.
- 100 Percent export oriented units (EOUs) various reimbursements, exemptions and facility to retain 100 percent of export earnings in Export Earner's Foreign Currency (EEFC) accounts.

- Export Import Passbook Scheme (Oct 1985) replaced by Duty Entitlement Pass Book (DEPB) scheme (1997 - 2002) permitting export oriented units to avail duty free imports with some conditions as per the scheme.
- Some export promotion schemes were introduced after liberalization also. These include – to name some – Export Promotion Capital Goods scheme (EPCGS1991) and Special Economic Zones (SEZs 2000). As for SEZ as per EXIM Policy of 2001 - 2002 announced FDIs will be allowed via automatic route for all manufacturing sectors. With the same concept, Agriculture export Zones (45) were identified to promote agricultural exports.
- Countless schemes were floated to boost international trade especially exports to create favorable terms of trade, to make exports more competitive in the global market while taking cognizance of the latest developments on the global horizon –for product quality and pricing.
- For catalyzing growth in services sector exports, lots of schemes were floated to hand them over a duty free regime to flourish. Promoting Technology Parks was also one of the steps in this direction.
- India still faced export stagnation. Barring services sector the growth in India's export has always been negligible considering the Himalayan efforts put in by the government and the policy makers. For India, international trade has always meant more of imports than exports.
- The discussion on India's international trade would remain incomplete and fruitless without the mention of GATT (General Agreement on Trade and Tariff) and WTO (World Trade Organization) and Uruguay round, Doha Round of talks for international trade activities.
- The Uruguay Round was the eighth round of multilateral trade negotiations (MTN) conducted within the framework of the General Agreement on Tariffs and Trade spanning from 1986 - 1994 involving 123 countries as party to it. The Round led to creation of the WTO (World Trade Organization) with GATT remaining as an integral part of the WTO agreements.
- The basic purpose was to liberalize earlier exempted areas of trade –agricultural and textiles - and to include trade in services, intellectual property, and investment policy trade distortions.
- The historical background of UR goes back to the 1982 Ministerial declaration identifying structural deficiencies of certain countries' policies on world trade and its impact on global trade which GATT was unable to manage.
- A package, a dispute settlement system and Trade Policy Review Mechanism were the steps taken to assist developing and underdeveloped nations to undertake comprehensive, systematic and regular reviews of national trade policies and practices of GATT members. Hence the eight round of GATT- named as Uruguay round –was launched in September 1986. It was the biggest negotiating mandate on trade ever agreed and as said earlier the talks were going to cover services intellectual property and to reform trade in sectors of agriculture and textiles.

The Uruguay round was supposed to end in December 1990 but the US and EU (European Union) disagreed on how to reform agricultural trade and the talks got extended. Finally in November 1992 the US and EU agreed to settle the issues and on April 15 1994, the deal was signed by ministers from all the 123 countries involved. Under this agreement WTO was established and WTO came into force from January 1-1995 to replace GATT system. The Uruguay Round Agreement brought agricultural trade completely under GATT. This Agreement imposed rules and discipline on agriculture export subsidies and domestic subsidies.

However UR was criticized for neglecting ignoring the needs of developing countries. It was further argued that since developing countries are inexperienced in WTO negotiations and could not foresee the after –effects of the agreement on their economies these countries are being exploited by advanced countries like US who have a major controlling power and say in the policy decisions of GATT And

WTO. Structure of WTO- it was argued by Oxfam ,NGOs like Health Gap and Global Trade Watch –itself has destroyed the tradition of consensus decision making which was prevalent in GATT. Again the UR included Trade Related Aspect of Intellectual Property Right (TRIPS) in the agreement which –the developing countries argue –was not mutually beneficial for them unlike direct liberalization.

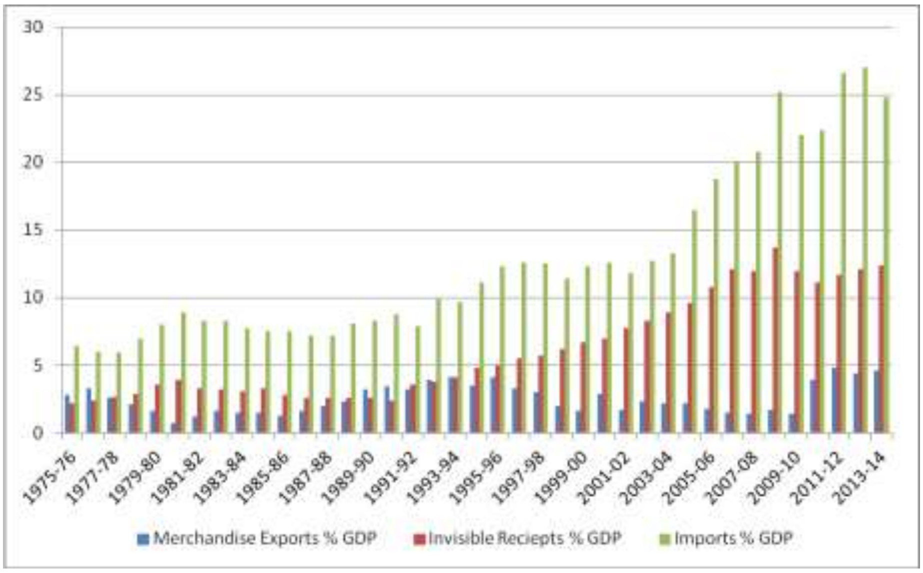
- The much talked about Doha Round is the latest round of trade negotiations among WTO members. Its main objective was to achieve major reform of the international trading system by introducing lower trade barriers and revised trade rules. The Doha Round covers twenty trading areas with an aim to improve the trading prospects of developing countries. However the Doha Round Agenda could not be moved further when the July 2008 negotiations failed in the wake of disagreements concerning agriculture industrial tariffs and non tariff barriers, services and trade remedies. The differences arose between developed nations led by European Union (EU), the United States (USA) and Japan and the major developing countries led and represented mainly by India, Brazil, China and South Africa. Till date there is no further progress in Doha Round nations and many of the member countries and world economists opine that now the issues involved have been rendered redundant because such a long period has elapsed after that. Hence the policies envisaged, formulated at the international platform for trading did little to help expand India's exports. Besides it is evident that the policies, schemes announced at domestic level for boosting exports involved a tremendous fiscal burden on Indian economy by way of subsidies duty exemptions and numerous concessions.
- Thus India’s international trade –during pre and post liberalization –it appears may have been beneficial products wise but could have proved to be a burden economically.
- Firstly as the trade figures indicate, the imports have always been more than exports. In its efforts to promote and help export units, the duties /tariffs have either been abolished or settled by the government costing it financially. While allowing duty free imports for export oriented units governments is parting away with a major chunk of trade revenue on one hand and inadvertently increasing import costs on the other. Besides the sluggish export growth and increasing imports have always widened the trade deficit and balance of payments gap.
- Again the funds for financing the subsidies and foregoing tariff revenues were and are still being arranged by availing external loans. Thus it appears that there is a two pronged attack or double pressure exerted on the domestic economy. First, by way of widening international trade gaps and second by way of financing for subsidies and foregoing tariff revenues. It is evident that government has made and is still making all out efforts for promotion of exports. However, import costs have always surpassed export earnings. The slow, sluggish export growth can be attributed to much global financial upheaval.

The western and European countries' recessionary trend since 2008 is still continuing intermittently showing signs of minor recovery. The euro crisis is still continuing and has deeper roots and is more severe than expected. Greece, Italy, Spain and Portugal are still not out of the financial crisis Germany and France were the first one to post meagre recovery and real GDP growth rate of 0.56% and 0.21% respectively for the fourth quarter of the year 2014. The deep fall in oil prices have hit the oil exporting gulf countries and Russia very badly. The oil exporting gulf countries owe their economic prosperity to high oil prices and the consequent rich export revenues. Their trade surpluses are fully driven by oil exports. Russia, though presently not a developed/advanced economy, also depends heavily on oil exports.

The Chinese economy is on the verge of collapse on account of rebalancing and usually heavy capital flights (out flow) of around us $600 billions in the past several months. China being emerged as the most strong and world’s largest powerful economy after US in the past two decades- is still able to sustain the unprecedented capital out flow. However if this spate of outflow continues the Chinese economy is bound to crash in the very near future .Even if the capital out flows are controlled by some timely measures the reverberations or the aftermath of the present happening have already been reflected in the substantial slowdown of exports and imports of China.

Again the slowdown of US, Brazil and some other European economies has hit the global exports in general and Indian exports in particular very badly. In short India's major trading partners US, China, ASEAN Countries, European countries like France ,Germany, Portugal and other countries like Indonesia, Thailand, Brazil are all going through recessionary phase and hence the sluggish export growth. International trade itself is undergoing a tough and near stagnant is undergoing tough and near stagnant phase currently with around more than 80 per cent of the countries world over being engulfed by recessionary trends.

The tremors of the 2008 global financial crisis are still being felt, pulling down the World Economic Outlook's growth estimates. As per the latest World Economic Outlook (April 2016) there is a substantial slowdown in investment and trade, declining capital inflows indicate a much weaker global growth. In the wake of continuance of such global trends and volatility IMF may have to further revise the downward growth trend. Therefore the international trade –export and import –of India point towards grim prospects and further decline in exports at the back drop of near stagnant global demand. Export and imports will pick up only when most of the countries are able to survive and sustain the present financial crisis faced by them and are able to put their economies back on track of growth and prosperity. Therefore considering the above existing and projected global slowdown, Indian exports are expected to be further hit rendering Indian economy more vulnerable susceptible to foreign capital outflows .This may further induce external borrowing spree on part of India. Rising import costs and near stagnant exports may widen the trade deficit gap, thereby drawing down foreign exchange reserves which in turn would require replenishment through external borrowings/ loans which remains the only recourse in such prevalent conditions. The other measure which has already been taken by India is to put a curb on its gold imports. Electronic goods and gold are the major import constituents accounting for the rising import bills thus limiting import of electronic goods and especially gold would control import costs to a great extent.



Source: Balance of Payments Manual (Fifth Edition) , International Monetary Fund.

Economic Survey 2012-13 & 2014, Ministry Of Finance

The above graph shows the comparison between percentages of merchandise export, invisible receipts, Imports to GDP from 1975 -2014.

The SAP format of IMF was accepted by India to get out of trade deficit and current account deficit problem. However, the Indian industries and manufacturers, now exposed to global market, started to import high quality raw material in an effort to survive in the Qualitative Market, resulting in rising Import costs. As can be seen from graph above, the import is seen rising exponentially .The exports did rise to a marginal extent during 1992-1998 but came down again. The advent of IT and software sector in the same time period saved India form another crisis. The invisible receipts (from IT and Software sector) are showing good growth rate since 1991 and has assisted India to maintain trade deficit at manageable level.

CONCLUSION

India's international trade has always registered deficits barring some positive trends in between therefore India is always having higher trade deficits and precarious balance of payments position.

This implies that India's exports are not globally competitive because China has emerged as fastest growing economy owing to its exponential rise in exports faced with the identical global market conditions.

A serious directed effort is required with an extensive global market research. Although India's economic planners policy makers at government level have made an all out effort but it has not yielded the desired results. Therefore, it appears that total overhauling of policies with regards to international trade, especially exports is the need of the hour.

The post –independence approach of planned development towards socio-economic self –sufficiency had triggered import demand in the wake of heavy industrial and infrastructural build- up. Even after adopting restrictive trade policies for around three to four decades India could not succeed in curbing rising import costs. Simultaneously the export promotional policies did not help to expand its export base beyond certain level.

The consequential trade deficits and ever uncertain, precarious balance of payments position have become a trade mark of Indian economy. It is an issue to ponder upon and needs some concrete, directed steps to rectify some concrete, directed steps to rectify what is being wrong.

It appears, though that every time, any measures are taken to revive export growth have proved to be triggering import demand thereby further ballooning trade deficits. Therefore a studied, cautious approach while formulating policies or measures for export growth is essential.

India has been over borrowing to cover the trade deficits, the arising balance of payment crisis and drawing down of foreign exchange reserves. It would not be an overstatement to suggest that India owes its rising external debt to adverse international trade.

India can attribute its below average export performance to global slowdown but China has outperformed every nation with its fast and exponential economic growth on account of extremely high export revenues and the resultant trade surpluses. The point is that China or even a small country like Singapore has favorable trades which have yielded high trade surpluses facing or surpassing all the global market hurdles.

India has always proved to be a lucrative market for other countries and therefore India should guard itself against becoming a dumping market. Thus anti-dumping measures are crucial for India. However, amidst the China's financial crisis and global growth slowdown, IMF has projected 7.3%GDP growth rate for the fiscal year 2017. India has therefore overtaken China since 2014-2015 to become fastest growing large economy in the world. While projecting robust GDP growth rate for India, IMF has cautioned that India will have to continue its financial consolidation.IMF has further warned countries world –over-saying the global growth is too slow for too long – for the prevailing, unfavorable, adverse international trade conditions.

The above warning from IMF points to the imminent danger for all the economies/countries-that is susceptibility to foreign capital flight and the subsequent reckless, unsustainable external borrowings.

It is essential at this juncture to again analyze and decide what is best and advisable to each country's individual economy. To remain totally dependent on export oriented growth –as suggested by IMF and its Structural Adjustment Programs which do not consider, take into account each individual country's uniqueness its pros and cons –or to formulate its own economic strategy to its full advantage and at the same time marching towards global financial integration.

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AN EXPLORATORY STUDY ON THE GROWTH OF PRIVATE LABEL BRANDS IN INDIA

Rakesh Kumar Patra[1]
Research Scholar, CUTM, India
Email: rakesh.patra1982@gmail.com

Dr. Ansuman Jena[2]
Assistant Professor, HDF Business School, India
Email:ansuman.jena@gmail.com

ABSTRACT

Private labels play an important role in retail strategy. They are doing much more than just adding value through convenient pricing. In many parts of the world, the share of store brands, is impressive and given the current economy situation across the world, its importance in increasing. Due to global recession Indian retail industry had to change their merchandise strategy and they develop private labels to create customer loyalty, increase margin and compete with the national brands. The aim of the paper is to evaluate the opportunities of private labels in India and to find out its position in compare to national brands. It concludes that as India is an emerging economy and there is a lot of scope for private label brands. In addition to that customer perception is changing towards private labels in compare to national brands.

Keywords: Private Label Brand; Recession and Customer Perception

INTRODUCTION

In India the rise of retailer's own brand has been significant. Most of the large department stores have their own private labels, which cater to a specific audience and rely largely in store advertisement. Private labels are no longer generic product offerings that competed with their national brand by means of price-value proposition. (Pradhan, 2012) Beneka (2010) described private label brand as "brands that are owned by, are sold through, a specific chain of stores. Primarily these products are manufactured by the third party and marketed by the retailers. The evolution of private label brands has started in Europe and Canada, and then it is spread to all over the world. Bozhinova (2013) classified private labels are into two types, one is economy private label and image private label. Economy private labels have focused on price conscious customers. Normally it offers low price products like FMCG and food items. Whereas image private labels have focused on prestige centric customers. Normally it includes luxury products with good quality. Again image private labels derived into two types such as innovative private label and status private label. Innovative private labels oriented to the customers who want new product and status labels are meant for those customers who want expensive high quality products.

Source: Bozinova, 2013

OBJECTIVES OF THE STUDY

1. To evaluate the opportunities of private label brands in India.
2. To examine the position of private label brand in compare to national brand.

METHODOLOGY

This research is an exploratory study. So the secondary sources are used for collection of data. The sources are articles, text books, research reports, website, etc.

Evolution of Private Labels

Store brand have been present in the country for a much longer time. Two cases in this point are the Khadi and Village Industries Commission (KVIC) and the Nilgiri's super market which started on 1905.The KVIC has over the year sold under its own brand name products like honey, jute, leather products, agarbatti, village oil, soap, palm products and hand made products. Private label brands were traditionally defined as generic product offerings that competed with their national brand counterparts by means of a price-value proposition- first developed by Sainsbury in the U.K. in 1869 (Collins & Bone, 2008), these products often sacrificed quality to reduce costs and appealed primarily to lower-income consumers. Often the lower priced alternative to the "real" thing, private label or store brands carried the stigma of inferior quality and therefore inspired less trust and confidence. There was no attempt to make them anything more than just a 'value pay' and retailers evolved these products often referred to as private label. These are terms consumer use interchangeably, but the market has actually changed quite considerably. Retailers continued to push more and more private label products into different categories of the marketplace because they represented high margins and the promise of profitability with little to no marketing effort. The first value brand was Tescos Value range, launched in 1995; today, it includes over 2,000 products in food and non-food categories (Collins & Bone, 2008). Other retailers quickly followed suit creating their own value lines. For example, Sainsbury created essentials, later renamed Basics, and Wal-Mart created Coles Smart Buy (Collins & Bone, 2008). During the past 30 years, internationally we have seen all major retailers jointing the bandwagon and some of them today are emerged exclusively in private brands or labels, e.g. - The Gap, Banana, Republic, Benetton

Growth of Private Label Brand in India

The retail sector in India is growing at a phenomenal pace, with an increasing focus on private label. Recently in sharp contrast to earlier periods, consumers have started considering purchase of private label as smart shopping. Indian retail industry is the fifth largest in the world with currently estimated at around $450 billion and organized retail accounts for around 5% of the total market share. It is estimated that the retail sector would continue to grow at 10-12 % per annum, which is extremely encouraging when the country's economy is only projected to grow at 6%. Private brands already account for close to 7% of modern trade sales in India, compared to 1% in China, according to a Nielsen survey that covered more than 50 countries last year.

According to Images Retail Report 2009, as quoted in Indian Retail: Time to Change Lanes" by KPMG; private label brands constitute 10-12% of organized retail in India. Of this, the highest penetration of private label brands is by Trent at 90%, followed by Reliance at 80% and Pantaloons at 75%. Big retailers such as Shoppers Stop and Spencer's have a penetration of 20% and 10% respectively. Globally, store brands constitute nearly 17% of retail sales. In fact, international retailers such as Wal-Mart and Tesco have 40% and 50% of in-house brands in their stores. According to Salil Nair Customer Care Associate & COO, Shoppers Stop Ltd. "Private labels are highly profitable. The profits earned from them are almost double than those from the third -party brands."Customers have begun to like private labels due to better quality, high food safety standards, international look and feel of products, customized packaging created after customer feedback and the credibility of the retailer," said William Savage, chief merchandising officer, Bharti Walmart, which has Private labels owned by retailers such as Bharti Retail, Future Group and Aditya Birla Retail outsell several national brands in certain home care and food categories at their retail stores even as big brands push more sales through modern retail. In India some of important retailers who have come up with their own brands are:

Reliance Fresh is a subsidiary of Reliance Retail Ltd which in turn is a subsidiary of Reliance Industries Limited. Reliance Retail Ltd. was established in 2006. The first Reliance Fresh store was unveiled in October 2006 in Hyderabad. Reliance Fresh is the pioneer for the multi-format retail initiative of Reliance and involves an investment of Rs 25,000 crore. Reliance Fresh stores stock in-house brands like Reliance value grains, pulses, rice and spices, Reliance Select tea, noodles, jam, honey grains, dry fruits, dals as well as healthy life fortified grains, flours and pulses.

Shoppers Stop is an Indian department stores promoted by the K Raheja Corp Group (Chandru L Raheja Group), started in the year 1991 with its first store in Andheri, Mumbai. Shoppers Stop is one of the leading retail stores in India. Shoppers Stop began by operating a chain of department stores under the name of "Shoppers Stop" in India. Shoppers Stop has 35 stores across the country and three stores under the name Home Stop. Shoppers Stop retails a range of branded apparel and private label under the following categories of apparel, footwear, fashion jewellery, leather products, accessories and home products. These are complemented by cafe, food, entertainment, personal care and various beauty related services.

Aditya Birla Retail Limited is the retail arm of Aditya Birla Group, $40 billion corporation. The Company ventured into food and grocery retail sector in 2007 with the acquisition of a south based supermarket chain. Subsequently, Aditya Birla Retail Ltd. expanded its presence across the country under the brand "more." with 2 formats Supermarket & Hypermarket. They are currently pursuing strategy to increase its private label sales from the current 3% to 10-15% of total sales in the next two to three years. These products shared the shelf space with other branded products. For instance, in the Reliance store that we visited, its curd brand Dairy Life was placed next to the other brands, such as Amul. More offers food brands like Feasters, Kitchen Promise, Best of India and home and personal care products like Enriche, 110%, Pestex, Paradise and Germex.

Easyday India is the retail chain operated jointly by Wal Mart and Bharti Retail a subsidiary of Bharti Enterprises. It opened its first retail outlet in the city of Ludhiana in 2008. The first Easyday store in South India was opened at Mysore. Bharti Retail has introduced eight Walmart private labels, including two of its largest-'Great Value' and 'George'-in its supermarket chain Easyday. It has introduced Great Value line of food (flour, dry fruits, spices, cereal and tea). Equate, a brand for pharmacy and health and beauty items, has been introduced only in the hand wash category as of now in Easyday stores.

Market Review of Private Label Brand

Although India may represent one of the least developed modern retail markets globally, the story of private label retail has been secular, and holds much significant promise for the future. Moreover, this segment is now at a tipping point. Lessons from European countries indicate that private label growth in a country is likely to accelerate when market share enters a 5%-8% range.

Brick & mortar modern retailers traditionally have been betting big on private labels. This segment has been gaining momentum in India because of its ability to satisfy value conscious consumers. Currently, Shoppers Stop and Lifestyle derives 15-25% of sales from private labels and this percentage is as high as 70-80% for Trent and Landmark. E-tailers, on the other hand, have embraced this segment much more promptly than their offline counterparts. Leading ‘horizontal’ players such as Snap deal, Flipkart as well as ‘vertical/ niche’ players such as Big Basket, Urban Ladder and many more are deriving at least 20% sales.

The USD 3 billion e-commerce industry in India is getting competitive and is dominated by copycat models. As the online ecosystem further matures, private label is expected to be a key differentiator. Business models are being renovated to accommodate this investor-friendly category. Online lingerie is one such niche play where most e-tailers started as aggregator of established brands but subsequently faced difficult scalability tests. Private labels can solve this situation as 'category fillers' to cater to Indian shoppers across price points. The scope of private label is expected to become more broad-based in coming years. Globally, private label brands are strong in commodity-driven product categories such as food & apparel but research indicates that there is ample room for many more including generic medical products and paper products.

CONCLUSION

Throughout the world, the private label is winning acceptability and loyalty of the customers. The market of private labels in India is also witnessing enormous growth. Perceptions of the customers are changing about private labels from low price alternative to quality and status symbol. Still growth of private labels is slow in compare to national brand. For those retailers should adopt innovative marketing strategy to attract customers, consistent quality, maintain the brand promise and increase awareness.

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IMPACT OF GLOBALIZATION ON THE URBAN COOPERATIVE BANKS IN PUNE DISTRICT

Dr. Pandurang Korde
Principal, Jog College, Pune, India
Email: pbarke@gmail.com

ABSTRACT

Urban Cooperative Credit Sector is a very important sector of the co-operative movement. The potentiality of these banks in mobilization of resources is indeed great. The growth and development of the Urban Cooperative Banks during the last decade has been phenomenal. Since 1991, India has been engaged in banking sector reforms aimed at increasing the profitability and efficiency of the then 27 public-sector banks that controlled about 90 per cent of all deposits, assets and credit. The reforms were initiated in the middle of a "current account" crisis that occurred in early 1991. Banking system in modern times has become part and parcel of life and one cannot do anything without banking. In the age of information technology, the banking systems have reengineered and have changed its total functioning. MIS is an inseparable part of bank's decision making process. The integrity and timeliness of data is critical in formulating the bank's capital planning, business strategies, reviewing achievements vis-à-vis targets, formulating course correction exercises where required, feeding data into stress tests and importantly taking action on the outcomes. If we compare the results of these three different size banks it can be seen that compared to the public sector or private sector banks the per employee business mix is low and needs to be stepped up. Particularly in the small banks the recruitment of the staff needs to be improved and for which they will have to shell out attractive compensation package. Both the small and medium sized banks in the urban cooperative sector need to be professionalized in all respect and they should build up capability to compete with the other banks in their location, irrespective of ownership. The cooperative banking sector is an unique outfit so far as their structure, clientele and credit delivery system. RBI has initiated several policy measures to strengthen the cooperative banking sector by gradually introducing the prudential norms and regulatory prescriptions on par with commercial banks. It is an appreciable step on the part of these urban cooperative banks that they are now evinced interest in having diversified business and having broad based clientele. These banks are now gearing up their operations to meet the challenges that the banks are facing and one can definitely hope that their future is bright in concerted steps are timely initiated. If we compare the results of these three different size banks it can be seen that compared to the public sector or private sector banks the per employee business mix is low and needs to be stepped up. Particularly in the small banks the recruitment of the staff needs to be improved and for which they will have to shell out attractive compensation package. Both the small and medium sized banks in the urban cooperative sector need to be professionalized in all respect and they should build up capability to compete with the other banks in their location, irrespective of ownership.

Keywords: Globalization; Banking Sector Reforms; Urban Coop. Banks Performance; Professionalization of Governance

INTRODUCTION

Urban Cooperative Credit Sector is a very important sector of the co-operative movement. The Sector comprises of the primary cooperative banks (Urban Sector) and Non-agricultural Credit Societies including salary earners, thrift and credit society. These urban banks encourage savings and attract deposit and lend to the members. These urban banks take care of the banking and credit needs of the lower and middle classes of people comprising small entrepreneurs, artisans and small traders etc. There are 1579 urban cooperative banks as 31.3.2015 of which 50 were scheduled cooperative banks.

The potentiality of these banks in mobilization of resources is indeed great. The Urban Cooperative Banks are serving the community with a degree of distinction. As per the RBI directives,60% of credit supply is channelized towards priority sector and rest of the investment have been made in the State Cooperative Banks and other government securities etc. Concentration of Urban Cooperative Banks is more in few states namely Maharashtra, Gujarat, Karnataka and Tamilnadu, due to this there is regional imbalance. Urban cooperative banks having good performance have been declared as scheduled banks by Reserve Bank of India.

The growth and development of the Urban Cooperative Banks during the last decade has been phenomenal.

OBJECTIVE OF THE STUDY

1. To study Globalization & its impact.
2. To study functions of urban cooperative Bank in pune Dist. Before Globalization & after Globalization.
3. To highlight the gap between Before Globalization & after Globalization.
4. To study impact of Globalization on urban cooperative Bank in pune Dist.

Impact of Globalization on Banking Sector

Banking Sector Reforms

India embarked on a strategy of economic reforms in the wake of a serious balance-of-payments crisis in 1991. The objective of the banking sector reforms was to promote a diversified, efficient and competitive financial system with the ultimate objective of improving the allocative efficiency of resources through operational flexibility, improved financial viability and institutional strengthening.

The real sector reforms began in 1992, the need was felt to restructure the Indian banking industry. The reform measures necessitated the deregulation of the financial sector, particularly the banking sector. The initiation of the financial sector reforms brought about a paradigm shift in the banking industry.

In 1991, the RBI had proposed to form the committee chaired by M. Narasimham, former RBI Governor in order to review the Financial System viz. aspects relating to the Structure, Organizations and Functioning of the financial system. The Narasimham Committee report, submitted to the then finance minister, Manmohan Singh, on the banking sector reforms highlighted the weaknesses in the Indian banking system and suggested reform measures based on the Basle norms. The guidelines that were issued subsequently laid the foundation for the reformation of Indian banking sector.

These banking sector reforms were in the first phase were applied to the commercial banks in a phased manner and once they stabilized, the same reforms with some marginal differences have been applied to the urban cooperative banks.

Banking Sector Reforms (Phase –I)

Since 1991, India has been engaged in banking sector reforms aimed at increasing the profitability and efficiency of the then 27 public-sector banks that controlled about 90 per cent of all deposits, assets and credit. The reforms were initiated in the middle of a “current account” crisis that occurred in early 1991.

India's financial sector had long been characterized as highly regulated and financially repressed. The prevalence of reserve requirements, interest rate controls, and allocation of financial resources to priority sectors increased the degree of financial repression and adversely affected the country's financial resource mobilization and allocation. Prominent recommendations were as under:

- Reduction of Statutory Liquidity Ratio (SLR) to 25 per cent over a period of five years
- Progressive reduction in Cash Reserve Ratio (CRR)
- Phasing out of directed credit programmes and redefinition of the priority sector
- Stipulation of minimum capital adequacy ratio of 4 per cent to risk weighted assets
- Adoption of uniform accounting practices in regard to income recognition, asset classification and provisioning against bad and doubtful debts
- Imparting transparency to bank balance sheets and making more disclosures
- Setting up of special tribunals to speed up the process of recovery of loans
- Setting up of Asset Reconstruction Funds (ARFs) to take over from banks a portion of their bad and doubtful advances at a discount
- Restructuring of the banking system, so as to have 3 or 4 large banks, which could become international in character, 8 to 10 national banks and local banks confined to specific regions. Rural banks, including RRBs, confined to rural areas

Banking Sector Reforms (Phase –II)

In 1998 the government appointed yet another committee under the chairmanship of Mr. Narsimham. It is better known as the Banking Sector Committee. It was told to review the banking reform progress and design a programme for further strengthening the financial system of India. The committee focused on various areas such as capital adequacy, bank mergers, bank legislation, etc.

Recommendations

There should be three types of banks:

Three Tier Banking

Two or three Tier Banking

Universal Banking- The distinction between Development Finance Institutions and commercial banks should disappear paving the way for universal banking. and commercial banks working capital finance while commercial banks term DFIs should also give working capital finance while commercial banks term loans, loans.

Narrow Banking- Weak banks whose accumulated losses and net NPAs exceed the capital and reserves are called narrow banks. These Banks can be rehabilitated by branding them as Narrow Banks´. Their capital funds can be rehabilitated by branding them as Narrow Banks´ (banks which restrict their operation to only certain activities).(banks which restrict their operation to only certain activities).

Capital Adequacy Requirement- The Capital Adequacy ratio should be increased from existing 8% to 9% by 2000 AD and to 10% by 2002. (Since increased from existing 8% to 9% by 2000 AD, and to 10% by 2002.(Since accepted) The startup capital for new private banks be increased.

Asset Classification- An account should be classified as NPA if interest or installment is not serviced for a period of 90 days and Installment is not serviced for a period of 90 days.

Provision Requirement- Banks should make general provision of 1% on their standard assets.

Directed Credit- The directed credit should also encompass other areas of credit like food processing, fisheries, dairy, etc. like food processing, fisheries, dairy, etc.

Current Indian Banking Scenario

Technological Up-Gradation in Banking Industry

Banking system in modern times has become part and parcel of life and one cannot do anything without banking. In the age of information technology, the banking systems have reengineered and have changed its total functioning.

Improving Management Information Systems

MIS is an inseparable part of bank's decision making process. The integrity and timeliness of data is critical in formulating the bank's capital planning, business strategies, reviewing achievements vis-à-vis targets, formulating course correction exercises where required, feeding data into stress tests and importantly taking action on the outcomes. This brings us to technology support for decision making. Banks have made huge investments in technology, which should be translated into better MIS as decision support systems and yield returns on investment by providing economical, affordable and customized customer centric banking solutions. The use of technology should not be seen as an end in itself but as a means to an end.

Efficiency and Productivity Analysis in Banking

Most of the banks have already started to feel the impact of the operations of the new banks in the country. The single biggest advantage of these banks is the large scale deployment of IT in their business endeavors. Their business processes have necessitated that IT should provide solutions to various bottlenecks and problems and the result has been that IT has transcended well as an integral part of their regular operations.

Customer Satisfaction

The efficiency of a banking sector depends upon how best it can deliver services to its target customers. In order to survive in this competitive environment and provide continual customer satisfaction, the providers of banking services are now required to continually improve the quality of services.

Use of Technology & Information Technology In Banks

Today all the cooperative banks also offer Core Banking Services to their customers. These banks are also resorting to convert their branches with state of art technology, installing Cash as well as Cheque Depositing Machines, Pass Book writing machines etc.

Problems Associated With New Technology

Cooperative Banks- Deployment of new technology in cooperative banks is not an easy task to the management mainly because of the non availability of required qualified professionals, the non competency of the existing staff to make use of IT to cover various activities of the banking.

Research Universe for This Study

For the purpose of this research Urban Cooperative Banks operating in Pune District have been identified. The author has identified three urban cooperative banks as under: The cutoff date for deciding the selection has been 31.3.2010 and the parameter used is the total deposits as on the cutoff date.

1) One Scheduled Urban Coop. Bank having deposit over Rs.5000 crores - Extra Large level
2) One Urban Coop. Bank having deposit base over Rs.500 crores – Medium level
3) One Urban Coop. Bank having deposit base less than Rs.500 crores – Small level

Following aspects were studied: This research is based on the secondary data available from the respective bank's published annual financial reports. The aspects studied are: Capital, Reserves, Deposits, Composition of Deposits, Advances, Non Performing Assets, Profitability, Employees strength and per employee business growth.

The banks identified for this study were:

The Cosmos Coop. Bank Ltd. Pune

Established in 1906, the Cosmos Co-operative Bank Ltd. is the second oldest bank in the country. The Bank has recently completed glorious 116 years of service successfully. It has attained multi state scheduled status in 1997. The Bank is a professionally managed. The bank provides all the latest internet based services to its clients.

Financial performance of the Bank (Rs. In Crores)

	2010	2011	2012	2013	2014	2015
CRAR	12.32	12.03	12.58	12.82	11.59	11.25
Capital	91.92	121.11	290.94	312.86	313.92	312.43
Reserves	786.85	931.09	1040.08	1098.69	1368.43	1540.11
Total Deposits	7215.95	9136.68	12059.69	12857.45	14733.22	15835.08
Low cost deposits	1672.04	1969.22	2160.33	2274.71	2534.15	2671.01
High costs Deposits	5543.91	7197.46	9899.36	10582.74	12199.07	13162.07
Total Advances	4621.65	6384.26	8510.14	9240.93	10295.28	11159.75
N.P.A.%	1.79	1.54	4.79	4.67	3.81	6.59
Net Profit	55.52	111.18	137.03	96.42	84.31	57.64
No. of Employees	1994	2212	2461	2626	2841	2955
Working Capital	7563.06	10688.19	13823.80	14789.03	16925.90	18225.07
Per employee Business Mix	5.93	7.82	8.36	8.42	8.81	9.14

Source: Annual reports of the bank for the respective years.

Observations

1. Bank's Capital Adequacy Ratio has improved over the years and is well over the RBI prescribed level.
2. Reserves are showing increasing trend.
3. As on 31.3.2015 deposits have increased by 119.44 % over 2010.
4. The percentage of low cost deposit has been declined from 23.17 percent to 17.43 percent
5. Non Performing Assets percentage is hovering around 4.80 percent which should needs to be brought down.
6. As on 31.3.2015 Net profit recorded increase of 273.74 percent over 2010.
7. Per Employee Business Mix has shown increasing trend but there still there is scope for further improvement.
8. There is need to professionalize the staff at all levels.

Janseva Sahakari Bank Ltd. Pune

The bank has been established in the year 1972. As on 31.3.2015 it had a network of 30 Branches in Pune , Satara, Thane, districts and Washi. The bank is servicing the credit needs of small customers. The bank provides all the latest internet based services to its clients.

Financial performance of the Bank (Rs. In Crores)

	2010	2011	2012	2013	2014	2015
CRAR	14.91	16.01	13.88	14.55	14.90	15.30
Capital	16.68	19.22	22.77	27.41	36.76	39.20
Reserves	79.76	88.63	101.47	109.81	131.63	143.64
Total Deposits	773.97	931.72	1103.38	1369.57	1484.81	1607.58
Low cost deposits	308.62	382.73	386.26	451.76	449.49	442.62
High costs Deposits	465.35	548.99	717.12	917.81	1035.32	1164.96
Total Advances	444.95	564.79	721.74	875.60	915.20	1008.24
N.P.A%	0.76	0	0	0	1.99	2.98
Net Profit	6.95	10.45	12.12	20.77	15.00	8.35
No. of Employees	357	350	400	420	425	427
Working Capital	904.85	1080.98	1289.88	1578.58	1682.81	1808.74
Per employee Business Mix	3.41	4.27	4.56	5.34	5.64	6.12

Source: Annual reports of the bank for the respective years.

Observations

1. Bank's Capital Adequacy Ratio has improved over the years and is well over the RBI prescribed level.
2. There is increase of 130.85 percent in the paid capital between 2010 to 2015.
3. Reserves are showing increasing trend.
4. As on 31.3.2015 deposit s have shown increase of 107.71 percent over 2010.
5. The percentage of low cost deposit has been declined from 39.87 to 27.53 percent. The bank should pay special attention to improve the percentage of low cost deposit which will improve its profitability.
6. Non Performing Assets percentage is 2.98 and has shown increase over 2014. There is need to arrest this tendency.
7. As on 31.3.2015 Net profit recorded increase of 20.14 percent over 2010
8. Per Employee Business Mix has shown increasing trend but there still there is scope for further improvement.

Shivajirao Bhosale Sahakari Bank Ltd.

The bank has been established in the year 1972. As on 31.3.2015 it had a network of 14 Branches in Pune Dist. The bank is servicing the credit needs of small customers.

Financial performance of the Bank (Rs. In Crores)

	2010	2011	2012	2013	2014	2015
CRAR	11.85	12.49	14.23	14.14	16.59	16.46
Capital	8.20	8.98	10.16	11.02	11.42	12.47
Reserves	22.01	24.88	29.26	34.25	40.94	47.78
Total Deposits	292.96	329.01	327.71	353.87	346.74	368.34
Low cost deposits	113.41	123.95	123.02	126.91	95.43	123.00
High costs Deposits	179.55	20506	204.69	226.96	251.31	245.34
Total Advances	152.55	189.99	201.03	213.21	210.92	246.94
N.P.A.%	21.06	18.59	17.89	21.06	19.18	20.62
Net Profit	0.61	2.12	3.23	5.43	4.51	5.16

No. of Employees	151	148	138	144	152	167
Working Capital	326.49	369.68	374.86	419.65	410.75	440.00
Per employee Business Mix	2.95	3.50	3.83	3.93	3.67	3.68

Source: Annual reports of the bank for the respective years.

Observations

1. Bank's Capital Adequacy Ratio has improved over the years and is well over the RBI prescribed level.
2. Reserves are showing increasing trend.
3. Deposit s have increased by 25.73 % over 2010 (as on 31.3.2015)
4. The percentage of low cost deposit has been declined from 38.71 to 33.39 percent
5. Non Performing Assets percentage is hovering around 20% which should come down drastically.
6. Net profit recorded increase of 745.90 percent (as on 31.3.2015)over 2010
7. Per Employee Business Mix has shown increasing trend but there still there is scope for further improvement.

If we compare the results of these three different size banks it can be seen that compared to the public sector or private sector banks the per employee business mix is low and needs to be stepped up. Particularly in the small banks the recruitment of the staff needs to be improved and for which they will have to shell out attractive compensation package. Both the small and medium sized banks in the urban cooperative sector need to be professionalized in all respect and they should build up capability to compete with the other banks in their location, irrespective of ownership.

Opportunities and Challenges

FICCI, IBA and Boston Consulting Group have in 2010 prepared a report "Indian Banking 2020 – Opportunities and challenges" which has identified the following major trends:

Although these challenges have been identified keeping the Commercial banking sector, the same are equally applicable to the urban cooperative banks.

1. Retail banking will be immensely benefited from the Indian demographic dividend. Mortgages to grow fast and will cross Rs 40 trillion by 2020.
2. Rapid accumulation of wealth in rich households will drive wealth management to 10X size.
3. "The Next Billion" consumer segment will emerge as the largest in numbers and will accentuate the demand for low cost banking solutions.
4. Branches and ATMs will need to grow 2X and 5X respectively to serve the huge addition to bankable population. Low cost branch network with smaller sized branches will be adopted.
5. Mobile banking will come of age with widespread access to internet on mobile.
6. Banks will adopt CRM and data warehousing in a major way to reduce customer acquisition costs and improve risk management.
7. Margins will see downward pressure both on retail and corporate banking spurring banks to generate more fees and improve operating efficiency.
8. Banks will discover the importance of the SME segment for profitability and growth and new models to serve SME segment profitably will be found.

9. Investment banking will grow 10X, driven by demand 9. from corporate for transaction support and capital market access.
10. Infrastructure debt will surpass Rs 45 trillion — half 10 of which will be on bank's books. It will touch the ALM limits of banks and will require a significant upgrade of banks' risk management systems.

Of the above 10 challenges 3 which are underlined are relating to IT segment in Banking.

Measures Needed To Be Taken

There are some intrinsic challenges in this urban coop. banking sector. In order to improve its health some long terms remedies will have to be put in place. This sector has some signs improvement and has indicated that they are willing to strengthen the framework of regulatory comfort. It is possible that the cooperative banks will strengthen their capital base and will increase their own stake in business.

These banks will have to address on priority the governance aspect and should introduce professional management approach in their day to day working as well as in formulating their strategies.

The board of directors of the bank should be drawn from various walks of life, and it should be ensured that they take interest in the overall development of the bank. The Board of Directors should also be trained in having a professional approach in policy formulation.

There is need to amend the existing cooperative laws that each borrower having a voting right ensure that the bank does not get weakened. There were cases where the defaulting borrowers were also controlling the bank at the cost of the risk for the depositors.

There is need to have a fresh look at the value at the time of becoming a share holder and value at the time of exit. This exercise is needed to ensure that the members get benefit.

There is need to improve the quality of the staff. In order to attract competent staff the bank has to, in course of time, bring their compensation package on part with the other public sector banks.

The staff selected through stringent tests need to be imparted extensive training and their skills be further developed and sharpened. The staff should be motivated to bring out their hidden potential and they should be capable of competing with the other major banks will full confidence.

CONCLUSION

It would be worthwhile to note that there are sea changes in the overall canvas for the banks irrespective of their ownership particularly after the globalization. Banks have. The cooperative banking sector is an unique outfit so far as their structure, clientele and credit delivery system. RBI has initiated several policy measures to strengthen the cooperative banking sector by gradually introducing the prudential norms and regulatory prescriptions on par with commercial banks. It is an appreciable step on the part of these urban cooperative banks that they are now evinced interest in having diversified business and having broad based clientele. These banks are now gearing up their operations to meet the challenges that the banks are facing and one can definitely hope that their future is bright in concerted steps are timely initiated.

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